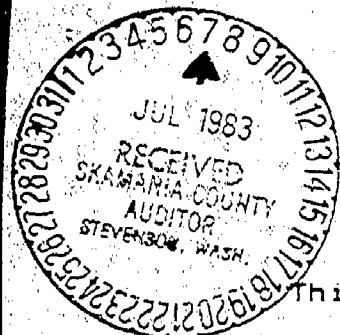


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ORIGINAL

BOOK 0 PAGE 473



A\_S\_S\_I\_G\_N\_M\_E\_N\_T\_O\_F\_L\_E\_A\_S\_E

This Agreement is entered into by and between MILTON MITCHEK, Assignor, (hereafter "MITCHEK") and YOUNGQUIST MINE DEVELOPMENT AND CONSULTATION, a ~~California Corporation~~, assignee, (hereafter "YMD") on this 4th day of February, 1983 at Placerville, California regarding the following facts and circumstances:

A. MITCHECK is the lessee and in lawful possession of certain unpatented mining claims situated in the Paradise Mining District, in the County of Skamania, State of Washington, hereinafter more particularly mentioned and described; and

B. YMD is willing and able to furnish the money and resources for the mining and development work on said claims; and,

C. MITCHECK desires to assign his interest in the subject mining claims but only under and in accordance with the terms and subject to the conditions hereinafter set forth.

NOW, THEREFORE, in consideration of the mutual promises, covenants, and obligations set forth herein, the parties hereto agree as follows:

1. ASSIGNOR hereby assigns and transfers to YMD all of his right, title, and interest in and to that certain Lease dated May

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22, 1982, and all subsequent Amendments and Addendums thereto, between Wind River Mining Co., a Washington Corporation, as Lessor, and MITCHEK, as Lessee, with respect to the mining properties described therein. A true copy of said lease is attached hereto as Exhibit "A-1" m.m. and by this reference is incorporated herein.

2. Concurrent with the execution of this ASSIGNMENT OF LEASE, the parties have entered into an Agreement with Wind River Mining Co. entitled AMENDMENT TO LEASE AGREEMENT, a true copy of which is attached hereto as Exhibit "B", and by this reference is incorporated herein.

3. YMD hereby agrees to and does accept the assignment.

4. YMD agrees to perform the Exploration and Development Commitment set forth in Paragraph 1 of Exhibit "B" and expressly incorporates that obligation into this ASSIGNMENT.

5. YMD agrees that if it exercises its option to purchase Wind River Mining Company's interests in the Claims, all agreements between YMD and MITCHEK will not be affected for the term of this agreement by any mergers.

6. In the event YMD shall elect not to exercise its option to purchase Wind River Mining Company's interests in the Claims by the year 2000, YMD shall notify MITCHEK thereof in writing and

MITCHEK may purchase said Claims under the terms and conditions of Exhibit "B".

7. The consideration of entering this agreement is an advance royalty payment of \$25,000, paid receipt whereof is hereby acknowledged by MITCHEK.

8. The term of this Assignment shall be for a period of 99 years.

9. YMD shall pay MITCHEK the sum of One Hundred Thousand Dollars (\$100,000) as an Advanced Royalty Payment each year, said sum due and payable annually, first payment due on or before July 12, 1983 and every July 12th thereafter, or the royalty set forth in Paragraph 10 below, whichever is greater.

10. During the term of this Lease, YMD shall pay to MITCHEK a net smelter return royalty of five percent (5%) of the "net proceeds" received by YMD as lessee, from the sale of minerals mined from the Claims, and all other values, including timber, during the term of this Assignment. The definition of net smelter returns shall be the same as that set forth in paragraph 3(b) of the AMENDMENT TO LEASE AGREEMENT, Exhibit "B" herein.

11. During the term of this ASSIGNMENT, YMD shall pay all Royalty obligations and honor all obligations of MITCHEK pursuant to Exhibits "A" and "B", attached hereto.

12. All payments required to be made hereunder shall be in lawful money of the United States. Payments shall be by direct interbank transfer, certified check, bank draft, money order, or by such other method as may be mutually agreed.

13. MITCHEK shall be entitled to elect, at any time, and from time to time, to take in kind, any and all of his royalty, so long as MITCHEK notifies YMD in writing no less than thirty (30) days prior to the payment date set forth in paragraph 17 herein.

14. In the event MITCHEK elects to receive his 5% royalty "in kind", then YMD shall deliver said royalty to MITCHEK in the form of Dore Bars.

15. MITCHEK shall be allowed to remain on the property until residency becomes an interference with either the development, exploration, or production of the property. If at that time MITCHEK has received the 100,000 advanced Royalty payment, MITCHEK agrees to vacate the property upon 30 days written notice. If at that time MITCHEK has not received the \$100,000 advanced Royalty Payment, YMD will pay to MITCHEK a \$5000 advance on the \$100,000 Advanced Royalty payment due July 12, 1963, and MITCHEK agrees to vacate the property within 30 days upon payment and written notice thereof.

16. YMD agrees to keep a full, true and accurate account

showing the tonnage of all shipments and sales of all minerals, metals and other production from the claims and receipts therefrom in connection therewith along with sample records, drill hole logs, drill cores and maps of all surveys and engineering studies. These documents or copies will be kept on the premises and may be inspected by MITCHEK at any reasonable time. In addition, YMD shall furnish MITCHEK with all quarterly tax or production reports or returns and an annual report of production and sales shall be furnished to MITCHEK on or before the 15th day of April following the end of such reporting year. Upon termination of this lease, copies of all books, records, drill logs, drill cores, accounts and maps of every kind and nature relating to the premises shall be ~~turned~~ <sup>turned M.M.</sup> over to MITCHEK. Similar records shall be kept of all ores milled or otherwise processed, which ores have been produced from the Claims and mill sites.

17. All sums required to be paid by YMD to MITCHEK from the proceeds of the products of the claims shall be paid by YMD to MITCHEK on the 25th day of each calendar month succeeding the calendar month in ~~which~~ <sup>which M.M.</sup> the cleanup shall be made from which such proceeds shall accrue, and YMD at such time shall furnish to MITCHEK by first class mail, postage prepaid, to the address set forth in Paragraph 39 below, a true account of all values extracted from the Claims, and all values received therefrom after the last cleanup for which such an accounting was previously made.

18. YMD shall keep proper books of account showing all disbursements of every kind and character made in connection with its development and/or operation of the Claims, and the books of account shall at all proper business hours be open to the examination of MITCHEK at his own cost or his duly authorized agent, and MITCHEK is hereby given full and free right to make a copy of said books of account or any portion thereof.

19. MITCHEK shall have the right, at all times, to inspect the Claims and all mining operations and work thereon so long as appropriate safety precautions are observed during such inspections.

20. MITCHEK represents that he has sufficient possessory title and right to enter into this Assignment of the claims subject to the paramount title and any rights or title of the United States Government and Wind River Mining Company and any adverse rights which may exist by reason of any encroachment of other mining claims onto the said Claims or of any overlapping of the boundaries of the said Claims onto other claims.

21. MITCHEK represents that the unpatented mining claims have been located in accordance with the applicable provisions of federal and state law and have been maintained against relocation by the requisite amount of upkeep and annual assessment work.

22. MITCHEK warrants that the Claims covered by this Assignment, and each of them, are free from all liens and adverse claims of every kind and character, and MITCHEK will warrant and defend the Claims to YMD against all such claims and demands of all persons.

23. MITCHEK, at his own expense, shall defend any claim or action or suit arising out of its own respective acts, committed prior to the execution of this agreement, and will indemnify and hold harmless YMD from and against any and all litigation expenses, to include attorney's fees. In addition, MITCHEK agrees to hold YMD harmless as a result of any claims, costs or expenses incurred or suffered by YMD resulting from the breach of MITCHEK's warranties contained in this paragraph. In the event MITCHEK shall fail to conduct his defense adequately, YMD may, in its own behalf, or in the name of MITCHEK, undertake such defense. YMD may at its option, without prejudice to any other right or remedies YMD may have, treat any expenses or costs incurred by it by reason of any such dispute, controversy, litigation, as advance royalties to MITCHEK hereunder, provided such dispute, litigation or controversy is necessitated in order to produce from the claim and mill sites but in no event shall MITCHEK's obligations exceed actual royalties.

24. In the event there should be filed in any court of competent jurisdiction a conflict pertaining to the unpatented claims in the mining property leases hereunder, the royalty due

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on the claims and mill sites or portion of said claims and mill sites found to be in controversy may be placed in escrow at the sole discretion of YMD to be disposed of by agreement between the controverting parties or by court order.

25. Neither party shall encumber the Claims nor any part thereof during the term of this lease. YMD shall keep claims and mill sites free of liens for labor performed or materials furnished and shall hold MITCHEK harmless from all costs, loss or expense arising by reason of injury to or death of any person or livestock or damage to any personal property or crops or liability for violation of any federal, state or local laws or regulations.

26. In the event of the termination of this lease, for any cause whatsoever, then and in that event, YMD shall and will peaceably surrender and yield up the Claims to MITCHEK, free and clear of any and all liens and/or encumbrances in good order and condition, and shall execute and deliver to MITCHEK an assignment of YMD's interest in the Claims, patented and unpatented, and shall pay and discharge all debts, liabilities, and obligations incurred during its occupation of the Claims, the operation and development thereof, and all royalties due MITCHEK at the time of such termination; or in the event that the mineral deposits included in the Claims covered by this Assignment, shall at any time become exhausted so that it will no longer be commercially practical to operate the same, YMD shall have and is hereby given

the right or privilege to discontinue operations upon the Claims and terminate the lease by giving MITCHEK thirty (30) days notice thereof in writing.

27. Upon the termination of this lease or discontinuance of its operations by YMD, the personal property, tools, equipment and machinery located upon the Claims shall belong to and be and remain the property of YMD. YMD shall have 120 days to remove such property.

28. Any additional interest of any nature whatsoever, including option rights and land acquired by any party to this mm lease within the Area of interest, shall be covered by and be subject to all the terms of this Assignment. The area of interest mm shall be defined as an area within five (5) miles from the outside perimeter of the Wind River Claims described in Exhibit "A", land within the outside perimeter of the existing property upon which claims have not been located, or any other land specifically acquired by either party for the purpose of developing the property. The cost and expense of acquiring such additional interest shall be borne by the party acquiring such interest.

29. YMD, in its sole discretion, may patent any or all of the Claims at its sole expense in the name and title of Wind River Mining Company.

30. Within thirty (30) days after contracting for or otherwise obtaining any such additional interest, the party acquiring such interest shall notify the other party in writing of such acquisition and shall provide copies of all documents transferring such interest.

31. In the event YMD is prevented from performing this Assignment or from conducting mining operations by labor strikes, fires, floods, explosions, riots, any unusual mining casualties, acts of god, or other extraordinary events beyond its control, then the time for performance of this ASSIGNMENT by YMD shall be suspended during the continuance of such acts which prevent performance and any royalty payment shall be abated, but this suspension shall not suspend the performance of annual assessment work.

32. During the term of this Assignment, YMD shall have quiet enjoyment and exclusive possession of the Claims for development, mining, extraction, recovery and removal, processing, storage and shipping of ores or minerals. YMD agrees to perform work each year as may be necessary to satisfy and fulfill the legal requirements with respect to the annual assessment work upon unpatented mining claims and will file annually with the appropriate recording office or regulatory authority the necessary proofs of labor, 30 days in advance, in MITCHEK's name, evidencing the performance of the annual assessment work, and will furnish promptly to MITCHEK copies of said proofs of labor.

shortly thereafter.

33. YMD hereby agrees to obtain public liability insurance for injury to persons, protecting both YMD and MITCHEK with minimum limits of at the prevailing rate accepted within the mining industry at the time and from time to time, and property damage insurance for the property of others which may be damaged on the property with minimum limits of at the prevailing rate accepted within the mining industry at the time, and from time to time. MITCHEK shall be named as an additional insured under said policy or policies.

34. The failure of YMD to keep or perform any obligations on its part to be kept or performed according to the terms and provisions hereof shall, at the election of MITCHEK and upon giving notice thereof to YMD, constitute a breach of this Assignment, unless such default shall be cured as hereinafter provided. In the event of any such default on the part of YMD and the election of YMD to <sup>- m. m.</sup> Terminate this lease on account thereof, MITCHEK shall first give to YMD a written notice of its intention to declare a breach of this lease and to terminate the lease on account thereof, specifying the particular default or defaults relied upon by MITCHEK. YMD shall have a period of ten (10) days after receipt of such notice to cure any specified default in payment of monies to MITCHEK and shall have a reasonable time (which in any case shall not be less than thirty (30) days after receipt of such notice) in which to cure any other specified

default or defaults, and if such default or defaults are cured, there shall be no breach hereunder with respect to such claimed default or defaults.

35. In the event MITCHEK shall terminate this lease on account of breach by YMD, YMD shall be under no further liability hereunder to MITCHEK from and after the date of such termination except for liabilities and obligations to MITCHEK accrued prior to the date of such termination. In that regard, MITCHEK may retain any monies previously paid to him as liquidated damages.

36. YMD shall perform all work on the Claims in a good, workmanlike manner conforming to good mining and engineering practices, to commit no waste, to properly and adequately timber, where necessary, all shafts, tunnels and all underground excavations for the safety of the workmen and the preservation of the Claims and mill sites as a mine in a manner commensurate with good and economical mining, to comply with all Washington State and federal laws and regulations governing such operations, including environmental and ecological requirements, and to not injure or damage livestock on said property or on contiguous or adjoining lands of a third party (provided that the livestock do not interfere with the proper development of the Claims and extraction of ore therefrom).

37. YMD shall conduct all of its operations under this ASSIGNMENT so as to comply fully with the laws of the County of

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Skamania, the State of Washington, and of the United States now in force or those which may be hereafter enacted regulating the conduct of mining operations, safety, and employment.

38. YMD shall pay all State, County, or special taxes or assessments levied against the Claims or improvements thereon during its operation hereunder.

39. Any notice to be given hereunder by either party to the other may be effected by registered or certified mail, postage prepaid, ~~return~~ <sup>RETURN M.M.</sup> receipt requested, and shall be addressed as set forth below, but each party may change his address by written notice in accordance with this paragraph:

YOUNGQUIST MINING DEVELOPMENT CONSULTANTS  
PO Box 1450  
Georgetown, California 95634

MILTON MITCHEK  
PO box 741  
Carson, Washington 98610

40. Either party shall have the right to sell, assign, or transfer this ASSIGNMENT with all its right, title, and interest therein to any person, firm, or corporation at any time during the term of this ASSIGNMENT upon 30 days notice in writing to the other party; and any such assignee shall acquire all of the right and assume all of the obligations of either party under this ASSIGNMENT. Each party shall have the first right of refusal to purchase the Claims at the same price and under the same terms.

and conditions as offered to a third party.

41. Nothing contained in this Assignment is to be construed as creating a partnership or joint venture between YMD and MITCHEK.

42. This instrument contains the entire agreement between the parties relating to the rights herein granted and the obligations herein assumed. Any oral representations or modifications concerning this instrument shall be of no force and effect excepting a subsequent modification in writing, signed by the party to be charged.

43. Any controversy or claim arising out of or relating to this agreement, or the breach thereof, shall be settled by arbitration in accordance with the rules of the American Arbitration Association, and judgment upon the award rendered by the arbitrator may be entered in any court having jurisdiction thereof.

44. This agreement shall inure to the benefit of and bind the successors and assigns of both parties.

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands as of the day and year first above written.

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Milton Mitchek

MILTON MITCHEK

YOUNGQUSIT MINE DEVELOPMENT AND CONSULTATION

Theodore Youngquist

THEODORE YOUNGQUIST,  
President

STATE OF CALIFORNIA

County of Placer } ss.

On February 4, 1983, before me,

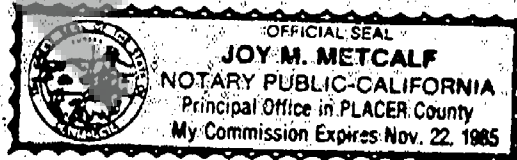
Joy M. Metcalf

a Notary Public,

in and for said State, personally appeared Milton Mitchek and

Theodore Youngquist

proved to me on the basis of satisfactory evidence to be the persons whose names are subscribed to the within instrument, and acknowledged to me that they executed the same.



Joy M. Metcalf

NOTARY PUBLIC

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### LEASE AGREEMENT

This agreement executed in four originals this 22<sup>nd</sup> day of May, 1981, by and between WIND RIVER MINING COMPANY, a Washington corporation, hereinafter referred to as WIND RIVER, and MILTON MITCHEK, hereinafter referred to as MITCHEK.

### RECITALS

A. WIND RIVER is the registered and beneficial holder of those mineral claims in the Paradise Mining District in the County of Skamania, in the State of Washington, more particularly described below, hereinafter referred to as the CLAIMS.

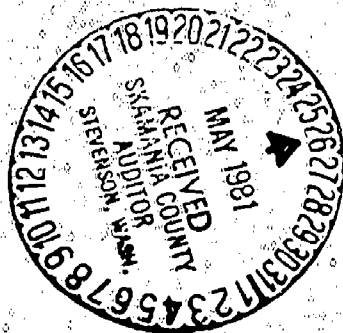
B. The parties feel it is to their mutual benefit for WIND RIVER to lease the CLAIMS to MITCHEK.

### AGREEMENTS

In consideration of the mutual promises contained in this agreement, the parties agree as follows:

1. Lease Agreement. WIND RIVER hereby demises and leases to MITCHEK all of WIND RIVER'S right, title and interest in the following described real property and mineral claims, situated in Paradise Mining District in the County of Skamania, State of Washington:

|               | BOOK | PAGE |
|---------------|------|------|
| Paradise Mine | 40   | 242  |
| Wind River #1 | H    | 346  |
| Wind River #3 | H    | 374  |
| Wind River #5 | I    | 208  |
| Wind River #7 | I    | 210  |



Lease Agreement - 1

Exhibit "A"

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|                | BOOK | PAGE |
|----------------|------|------|
| Wind River #9  | I    | 212  |
| Wind River #11 | I    | 214  |
| Wind River #13 | I    | 216  |
| Wind River #15 | I    | 218  |
| Wind River #17 | I    | 220  |
| Wind River #19 | I    | 222  |
| Lode Star #1   | H    | 345  |
| Wind River #2  | H    | 347  |
| Wind River #4  | H    | 344  |
| Wind River #6  | I    | 209  |
| Wind River #8  | I    | 211  |
| Wind River #10 | I    | 213  |
| Wind River #12 | I    | 215  |
| Wind River #14 | I    | 217  |
| Wind River #16 | I    | 219  |
| Wind River #18 | I    | 221  |

2. Term of Lease. The term of this lease shall be for a period of ten (10) years from the date of execution of this agreement.

3. Option to Renew. WIND RIVER grants to MITCHEK an option to renew this Lease Agreement for an additional period of ten (10) years upon the same terms and conditions as are herein granted upon the condition that MITCHEK shall serve written notice of his intention to so renew the Lease Agreement upon WIND RIVER within ninety (90) days of the expiration of the term granted herein.

4. Purpose of Lease. During the term of this agreement MITCHEK shall have and hold the CLAIMS for the purpose of prospecting, harvesting, mining, drilling, boring or digging for oil, gas, asphalt, lead, zinc, gold, copper, silver, and all and every other kind or kinds of valuable mineral, ore, fossils, timber, or vegetable substance whatever, with the right to use so much of the surface of the land and any buildings and other property located upon the land and so much of the timber and building stone found thereon as may be properly needed to successfully conduct the prospecting and mining operation. MITCHEK is also granted the right of way over and across the land to construct and operate such line or lines or railroad or roads including bridges and waterways as may be necessary to carry out the objects of this agreement, and also the right to erect buildings, derricks and pumping plants, for the business of boring, prospecting, mining and prosecuting the object of this agreement.

5. Right to Remove Structures. MITCHEK shall have the right to remove any buildings, constructions, refineries, concentration mills, machinery, pipelines, and any other improvements placed upon the CLAIMS by MITCHEK at any time or within one (1) year from the date of the termination or expiration of this agreement, whichever is later.

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6. Discoveries. MITCHEK agrees to occupy and hold all crevices, side veins, spurs, feeders, cross loads, parallel loads or mineral deposits of any kind which may be discovered in working under this agreement on the CLAIMS as the property of WIND RIVER and MITCHEK shall have the privilege of working the same during the term of this agreement. MITCHEK agrees not to locate or record any such discoveries or allow the same to be located or recorded except in the name of WIND RIVER, however, MITCHEK shall have the right to prospect elsewhere on his own, stake claims in his own name or purchase the same, provided that any claims acquired by either party within one (1) mile of the outside boundary of the CLAIMS as they presently exist shall be deemed to become one of the CLAIMS and be subject to the terms of this agreement, and shall be located and recorded in the name of WIND RIVER. During the term of this agreement MITCHEK may patent any or all of the CLAIMS in WIND RIVER'S name, provided that all expenses in so doing shall be paid by MITCHEK, and that all taxes assessed during the term of this agreement as a result of the patenting shall be paid by MITCHEK.

7. Prior Agreements. This agreement is the entire and complete agreement of the parties pertaining to the lease of the CLAIMS, and supercedes and replaces all written and oral agreements previously made or existing by and between the parties insofar as the CLAIMS are concerned.

8. Books of Account. During the term of this agreement MITCHEK agrees to keep the books of account showing the amount of ore, gold, sand, gravel, timber and all other valuable materials extracted by him from the CLAIMS, in addition to the amount of money received from the sale of said ore, gold, sand, gravel, timber and other valuable materials. All of the books of account shall be open for inspection by WIND RIVER or its duly authorized representative at all reasonable times upon reasonable notice to MITCHEK.

9. Collected Data. MITCHEK agrees to provide to WIND RIVER true copies of all mill, smelter or retort return records, records of core samples, maps, assays and other data relevant to the exploration, development or mining of the CLAIMS, within ninety (90) days of receipt of such documents by MITCHEK.

10. Access. WIND RIVER agrees that MITCHEK shall have sole access to the CLAIMS leased hereunder, except that WIND RIVER, at its own risk, may have access to the CLAIMS at reasonable times for the purpose of inspection.

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11. Mining Methods. WIND RIVER agrees that MITCHEK may use any mining methods he deems advantageous in the operation of the mine. MITCHEK agrees to work the mine in a workmanlike manner, to perform all annual assessment work during the term of this lease, and to continually work in the betterment and development of the CLAIMS.

12. Default and Termination. If MITCHEK fails to perform any of the obligations imposed by this agreement and fails to remedy such default or to take bonafide steps to remedy such default within thirty (30) days after the receipt of written notice from WIND RIVER specifying the manner in which MITCHEK is in default, then WIND RIVER may terminate this agreement by serving written notice upon MITCHEK of its intent to so terminate. This agreement shall then be terminated thirty (30) days after the serving of the Notice of Intent to Terminate.

13. Taxes. MITCHEK agrees to pay all personal property taxes, excise taxes, any real property taxes not in excess of \$100.00 per year, and sales taxes levied upon the CLAIMS leased hereunder during the term of this lease, and to maintain state industrial accident and liability insurance to adequately cover any loss that may be sustained by WIND RIVER hereunder.

14. Indemnity. MITCHEK agrees to hold WIND RIVER harmless from any loss as a result of actions of law or suits in equity arising out of MITCHEK'S use and operation of the CLAIMS leased hereunder.

15. Outside Forces. It is understood and agreed that in the event that MITCHEK be by act of God, fire, flood, water, strike, lockout, or any other cause beyond his control, prevented from fulfilling any conditions or terms of this agreement, that such failure shall not be considered a breach of the terms hereof, but MITCHEK agrees to use all reasonable diligence to remove such preventing cause.

16. Surrender. MITCHEK agrees that at the end of the term of this agreement he will surrender quiet and peaceable possession of the CLAIMS to WIND RIVER or its assigns.

17. Attorney Fees. In the event suit or action is instituted to enforce any of the terms of this agreement, the prevailing party shall be entitled to recover from the other party such sums as the Court may adjudge reasonable as attorney's fees at trial or on appeal of such suit or action, in addition to all other sums provided by law.

18. Successor Interests. This agreement shall be binding upon and inure to the benefit of the parties, their successors and assigns. MITCHEK may assign or sublease any or all of his right, title and interest under this agreement for logging, mining or any other purpose to the extent permitted by law. Such right to assign or sublease the property shall be wholly within the discretion of MITCHEK, but any assignee or sublessee shall be fully bound by the terms and conditions of this agreement.

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19. Warranties. WIND RIVER represents and warrants to MITCHEK that:

- (a) WIND RIVER is the registered and beneficial holder of the CLAIMS and the CLAIMS are validly located, duly recorded and in good standing in accordance with all State and Federal laws;
- (b) There are no other agreements or leases relating to the CLAIMS;
- (c) The CLAIMS are free and clear of all liens, charges and encumbrances whatsoever.

20. Notice. Any Notice which may be given under this agreement shall be in writing and shall be delivered personally or sent by prepaid registered mail addressed as follows:

Milton Mitchek  
P.O. Box 653  
Carson, Washington 98610

Wind River Mining Company  
2013 N.E. 104th Ave.  
Portland, Oregon

If mailed, notice shall be deemed received on the third business day following the date of mailing.

21. Threats to CLAIMS. WIND RIVER agrees to give written notice to MITCHEK, on a timely basis, of any knowledge or information obtained by it of any claim, demand, happening or occurrence threatened or apprehended which would or could have a materially adverse effect on the exploration, development or mining of the CLAIMS and represents that it has no knowledge of any such matter at this time.

22. Option to Purchase. If during the term of this agreement MITCHEK assigns or subleases his rights hereunder, WIND RIVER hereby grants such assignee or sublessee an option to purchase all of WIND RIVER'S right, title and interest in the CLAIMS together with all of its permits and materials on the following terms:

- (a) For the sum of three million dollars (\$3,000,000.00) if the option is exercised within one (1) year from the date of execution of such assignment or sublease;
- (b) For the sum of six million dollars (\$6,000,000.00) if the option is exercised after the one year period referred to in subparagraph (a) above but within

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ten (10) years from the date of execution of such assignment or sublease, provided however, that the option period and price under subparagraph (a) above may be extended for one (1) additional year by giving written notice to and by the payment to WIND RIVER of the sum of one hundred thousand dollars (\$100,000.00) within ten (10) days prior to the end of the one (1) year period described in subparagraph (a) above.

To exercise this option the assignee or sublessee shall serve written notice upon WIND RIVER of its intent to purchase under this paragraph. Payment of the full option price shall be made within sixty (60) days from the service of the notice of intent to purchase, which period may extend beyond the periods set out in subparagraphs (a) and (b) above without affecting the validity of the exercise of the option. Nothing contained in this option to purchase shall deprive WIND RIVER of its right to recover royalties on materials already mined at the time of the exercising of the option, all of such sums to be payable to WIND RIVER prior to the closing of the sale. If the amount of such royalties cannot be exactly determined at the closing of the sale, the purchaser shall deposit in escrow at the time of closing an amount sufficient to pay all of such royalties which will be payable, which amount may be estimated by methods commonly in use in the industry to determine the value of unprocessed minerals or other materials.

23. Royalty. During the term of this agreement MITCHEK agrees to pay to WIND RIVER as a royalty five percent (5%) of the value of the gross minerals, silica, gravel, stone, timber and other materials which are produced from the CLAIMS except for any such materials used directly for the benefit of operations on the CLAIMS. Values will be based on the mint or sales receipts or smelter returns relating to the disposition thereof, provided that it is based upon such other means or methods as is commonly used in the relevant industry, or as may be mutually agreed between the parties. Payment of such royalty shall be made to WIND RIVER within thirty (30) days after receipt by MITCHEK of the payments pursuant to such receipts or smelter returns. It is further agreed that if MITCHEK assigns or subleases this agreement and if the assignee or sublessee fails to exercise the option to purchase set out in Paragraph 22 (a) of this agreement, then WIND RIVER shall be entitled to a minimum royalty payment of four thousand (\$4,000.00) per month with payments commencing on the thirtieth (30th) day following the expiration of one year from the date of execution of such assignment or sublease and ending upon the termination of this agreement or upon the termination of such assignment or sublease, whichever is sooner. The amount of any monthly minimum royalty payments paid to WIND RIVER under this Paragraph may be set off against and deducted from any percentage royalty payments which may thereafter become due.

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IN WITNESS WHEREOF, the parties hereto have executed this instrument in 4 originals on the date and year first written above.

Wind River Mining Company

Milton Mitchek  
Milton Mitchek

By

Gilbert L. Miller  
President, Gilbert L. Miller  
Kent M. Nielson  
Secretary, Kent M. Nielson

STATE OF OREGON )

County of )

ss.

On this 22ND day of May, 1981, personally appeared before me MILTON MITCHEK, to me known to be the individual described in and who executed the foregoing instrument, and acknowledged that he signed the same as his free and voluntary act and deed, for the uses and purposes therein mentioned.

GIVEN under my hand and official seal this 22ND day of May, 1981.

Joyce A. Michelson  
Notary Public for Oregon  
My Commission Expires:

My Commission Expires July 21, 1983

STATE OF OREGON )

County of Multnomah )

ss.

On this 22ND day of May, 1981, personally appeared Gilbert L. Miller and Kent M. Nielson to me known to be the President and Secretary, respectively, of Wind River Mining Company that executed the foregoing instrument, and acknowledged said instrument to be the free and voluntary act and deed of said Wind River Mining Company, for the uses and purposes therein mentioned, and on oath stated that they were authorized to execute the said instrument and that the seal affixed is the Wind River Mining Company seal of said Wind River Mining Company.

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

Joyce A. Michelson  
Notary Public for Oregon  
My Commission Expires:

My Commission Expires July 21, 1983

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Exhibit A-1

|               |  |              |          |
|---------------|--|--------------|----------|
| OR MC 0046116 |  | Bohn, Ray G. | Bohn #1  |
| OR MC 0046117 |  |              | Bohn #2  |
| OR MC 0046118 |  |              | Bohn #3  |
| OR MC 0046119 |  |              | Bohn #4  |
| OR MC 0046120 |  |              | Bohn #5  |
| OR MC 0046121 |  |              | Bohn #6  |
| OR MC 0046122 |  |              | Bohn #7  |
| OR MC 0046123 |  |              | Bohn #8  |
| OR MC 0046124 |  |              | Bohn #9  |
| OR MC 0046125 |  |              | Bohn #10 |

| SERIAL NUMBER | CASE TYPE | BOOK 0       | PAGE 496   | 9/29/8 |
|---------------|-----------|--------------|------------|--------|
| OR MC 0046126 |           | Bohn, Ray G. | Bohn #11   |        |
| OR MC 0046127 |           |              | Bohn #12   |        |
| OR MC 0046128 |           |              | Bohn #13   |        |
| OR MC 0046129 |           |              | Bohn #14   |        |
| OR MC 0046130 |           |              | Bohn #15   |        |
| OR MC 0046131 |           |              | Bohn #16   |        |
| OR MC 0046132 |           |              | R.G.B. #1  |        |
| OR MC 0046133 |           |              | R.G.B. #2  |        |
| OR MC 0046134 |           |              | R.G.B. #3  |        |
| OR MC 0046135 |           |              | R.G.B. #4  |        |
| OR MC 0046136 |           |              | R.G.B. #5  |        |
| OR MC 0046137 |           |              | R.G.B. #6  |        |
| OR MC 0046138 |           |              | R.G.B. #7  |        |
| OR MC 0046139 |           |              | R.G.B. #8  |        |
| OR MC 0046140 |           |              | R.G.B. #9  |        |
| OR MC 0046141 |           |              | R.G.B. #10 |        |
| OR MC 0046142 |           |              | R.G.B. #11 |        |
| OR MC 0046143 |           |              | R.G.B. #12 |        |
| OR MC 0046144 |           |              | R.G.B. #13 |        |
| OR MC 0046145 |           |              | R.G.B. #14 |        |
| OR MC 0046146 |           |              | R.G.B. #15 |        |
| OR MC 0046147 |           |              | R.G.B. #16 |        |
| OR MC 0046148 |           |              | R.G.B. #17 |        |
| OR MC 0046149 |           |              | R.G.B. #18 |        |
| OR MC 0046150 |           |              | R.G.B. #19 |        |
| OR MC 0046151 |           | Bohn, Ray G. | R.G.B. #20 |        |

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AMENDMENT TO LEASE AGREEMENT

THIS amendment, entered into this 25 day of January, 1983, by and between WIND RIVER MINING CO., a Washington Corporation, hereinafter referred to as "Wind River" MILTON MITCHEK, Carson, Washington, hereinafter referred to as "Mitchek" and YOUNGQUIST MINE DEVELOPMENT AND CONSULTATION, hereinafter referred to as "YMD".

WITNESSETH

WHEREAS, Wind River as lessor, and Mitchek as lessee, have entered into a Lease Agreement dated May 22, 1981, by the terms of which Wind River does demise and lease to Mitchek all of Wind River's right, title and interest in certain unpatented mining claims situated in the Paradise Mining District, in the County of Skamania, State of Washington, as described in said Lease Agreement: and

WHEREAS, Mitchek desires to assign said Lease Agreement to YMD and Wind River desires to consent to said assignment, with Wind River and Mitchek further Agreeing to certain modifications and amendments of Paragraph 22 "Option to Purchase" and Paragraph 23 "Royalty" as those paragraphs are presently set forth in said Lease Agreement: and

WHEREAS, as a condition of the modifications to be described herein and the assignment of the Lease by Mitchek to YMD has agreed to enter into an exploration and development program which will include work expenditures in a total amount not less than Three Hundred Thousand Dollars (\$300,000.00) during a period ending on October 1, 1987.

NOW, THEREFORE, in consideration of the mutual promises, covenants, and obligations set forth herein, the parties hereto agree as follows:

1. Exploration and Development Commitment:

(a) YMD agrees to enter upon the Property promptly and to expend a minimum of One Hundred Thousand Dollars (\$100,000.00) for the purpose of exploration and development of the Property prior to Oct. 1, 1983. In addition thereto, YMD agrees to expend a total amount of not less than Three Hundred Thousand Dollars (\$300,000.00) (including the initial work commitment of One Hundred Thousand Dollars (\$100,000.00)) for exploration and development of the Property prior to Oct. 1, 1987. Such costs shall be considered "work expenditures" and that term shall be defined to include all costs, expenses, liabilities and charges incurred and actually paid or accrued in conducting exploration and evaluation activities for the benefit of the Property, including, but not limited to, the following:

(1) Salaries and wages of YMD employees, its agents or representatives, prorated for the time such employees are directly engaged in exploration and evaluation activities, including (a) a proportionate share (on a time basis) of the cost of annual leave, sickness, holiday and other benefits and payroll taxes, and assessments and other obligations required to be paid by law; (b) the proportionate share (on a time basis) of the current cost of plans for employee group life insurance, medical services and hospitalization, pension and thrift plan, and other benefits of like nature; and (c) travel and living expense of such employment in connection with exploration and evaluation activities;

(2) Fees and charges of contractors, consultants and engineers engaged in connection with exploration activities;

(3) Cost of material, equipment, supplies and services purchased for use in connection with exploration activities; rental at normal depreciation rates on equipment owned or obtained by YMD for the time used in exploration or evaluation activities, including transportation costs, provided that such

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rates shall not exceed those currently prevailing in a relevant area in which the Property is located;

(4) Any and all direct costs, expenses, liabilities and charges incurred and paid which relate to exploration and evaluation activities for the Property.

(b) All minerals extracted from the Property shall be subject to the provisions of Paragraph 23, "Royalty," of the Wind River Lease Agreement as modified and set forth in Section 3 of this Agreement, provided, however, that YMD shall have the right to take and have as its own a reasonable amount of ore for assay samples and mill tests.

2. Paragraph 22 of the Lease Agreement dated May 22, 1981, between Wind River and Mitchek is deleted from said Lease Agreement and replaced by the following Paragraph 22 "Option to Purchase":

Wind River hereby grants to YMD an option to purchase all of Wind River's right, title and interest in the Wind River claims, as those claims are described in the Lease Agreement dated May 22, 1981, together with all of its permits and materials on the following terms:

(a) For the sum of One Million Five Hundred Thousand Dollars (\$1,500,000.00) if the option to purchase described herein is exercised by notice received from YMD by Wind River on or before October 1, 1983.

(b) For the sum of One Million Eight Hundred Thousand Dollars (\$1,800,000.00) if the option to purchase described herein is exercised by notice received from YMD by Wind River on or before Oct. 1, 1984, with the purchase price increasing in increments of Three Hundred Thousand Dollars (\$300,000.00) per year thereafter up through and including the period ending Oct. 1, 1988 with the total purchase price at that time being Three Million Dollars (\$3,000,000.00).

(c) If the option to purchase described herein is not exercised by YMD on or before Oct. 1, 1988, then the purchase price for the period ending Oct. 1, 1989 shall be Three Million Six Hundred Thousand Dollars (\$3,600,000.00) with the purchase price increasing in increments of Six Hundred Thousand Dollars (\$600,000.00) per year thereafter up through and including the expiration of the initial term and/or any renewal term for the Lease Agreement.

To exercise this option the assignee or sublessee shall serve written notice upon Wind River of its intent to purchase under this paragraph. Payment of the full option price shall be made within sixty (60) days from the service of the notice of intent to purchase. Nothing contained in this option to purchase shall deprive Wind River of its right to recover royalties on materials already mined at the time of the exercising of the option, all of such sums to be payable to Wind River prior to the closing of the sale. If the amount of such royalties cannot be exactly determined at the closing of the sale, the purchaser shall deposit in escrow at the time of closing an amount sufficient to pay all of such royalties which will be payable, which amount may be estimated by methods commonly in use in the industry to determine the value of unprocessed minerals or other materials.

3. Paragraph 23 "Royalty" of the Lease Agreement dated May 22, 1981, is hereby deleted, to be replaced in its entirety by the following Paragraph 23 "Royalty":

As consideration for the grant of this lease upon the terms and conditions herein and as the exclusive consideration for all minerals and ores which YMD mines, removes and sells from the claims, YMD agrees to:

(a) Make the minimum payments set forth as follows: Commencing Oct. 1, 1988 shall pay to Wind River a minimum annual advance royalty of Fifty Thousand Dollars (\$50,000.00), with said royalty being paid, in full, on the first day of Oct., 1988 and on the first day of Oct. of each successive year thereafter; YMD shall have the right, at its option, to pay the minimum annual advance royalty in monthly installments, provided, however, that YMD shall notify Wind River of its intent to do so at least five (5) days prior to the first day of July each year with the monthly payments being Five Thousand Dollars (\$5,000.00) per month for a total minimum advance annual royalty of Sixty Thousand Dollars (\$60,000.00), if paid monthly.

YMD shall retain all royalties calculated pursuant to subparagraph (b) herein until YMD shall have been reimbursed for all the royalties advanced hereunder. YMD shall discontinue advance royalty payments in the year following the year in which YMD has been reimbursed in full for all royalties advanced, and thereafter, annually, at the start of each lease year, YMD shall pay to Wind River the minimum annual royalty less the total royalties paid to Wind River during the prior year.

(b) To pay a net smelter return royalty of five percent (5%) of the "net proceeds" received by YMD as lessee, from the sale of minerals mined from the claims during the term of this lease. For purposes of this lease, the term "net smelter returns" means the amount actually received by Lessee for such minerals from the smelter or other purchaser after deductions for treatment charges and penalties, if any, and after deduction for transportation charges from the mine to the smelter so long as Lessee shall follow legally accepted practices of the Mining industry in making sales. Lessee shall have the sole right to determine the terms upon which minerals produced are sold to

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a smelter or other purchaser. Production royalties shall be payable monthly on or before the last day of the month next following the month in which settlement for such minerals or ores is made. Lessee shall not be required to pay any production royalty on any materials incidentally used, consumed or disposed of in its mining operations or the claims. Any waste material removed in the mining and preparation of minerals and ores may be moved or disposed of by Lessee without the payment of any royalty to Lessor or dumped, deposited or stored, temporarily or permanently, on the claims without charge to Lessee. Lessee will keep accurate records showing all minerals mined or sold from the claims, which records may be inspected by Lessor during Lessee's normal working hours, provided such inspection does not unnecessarily interfere with Lessee's operations.

(c) All payments made to Wind River pursuant to this Paragraph 23 shall be applied against the purchase price in the event that YMD at any time elects to purchase the claims as set forth in Paragraph 22 herein, said payments to include the minimum annual advance royalty and all net smelter return royalties paid to Wind River.

4. Wind River consents to the assignment of the Lease Agreement dated May 22, 1981, between Wind River, as lessor, and Mitchek, as lessee, by Mitchek to YMD upon the condition that YMD agree to assume and be responsible for all of the rights and obligations of Mitchek, as lessee, as are set forth in that Lease Agreement. If YMD at any time voluntarily terminates its Lease Agreement with Mitchek or is determined by a court of law to be in default of or delinquent in its obligations under its Lease Agreement with Mitchek, then the

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amendments to Paragraphs 22 "Option to Purchase" and 23 "Royalty" set forth herein shall be stricken to be replaced by those paragraphs as stated in the original Lease Agreement dated May 22, 1981. Provided that YMD is not acquiring and will not use the Wind River Mining equipment now held by Mitchek and Mitchek shall remain responsible as provides in the Equipment Agreement dated May 22, 1981.

6. YMD shall have the right to assign its interest in the Lease Agreement dated May 22, 1981, to any other person or party at any time or to contribute its leasehold interest to a joint venture, without the consent of Wind River or Mitchek, provided, however, that YMD shall not be released from any of its obligations to either of those parties by reason of such assignment or transfer.

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands as of the day and year first above written.

WIND RIVER MINING COMPANY

By Gilbert L. Miller  
Gilbert L. Miller, President

K. B. M. L.

STATE OF CALIFORNIA

County of Placer

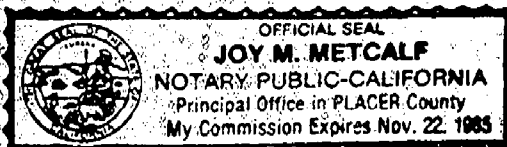
ss.

On February 4, 19 83, before me,

Joy M. Metcalf, a Notary Public,

in and for said State, personally appeared, Milton Mitchek and

Theodore Youngquist proved to me on the basis of satisfactory evidence to be the persons whose names are subscribed to the within instrument, and acknowledged to me that they executed the same.



Joy M. Metcalf  
NOTARY PUBLIC

STATE OF OREGON )  
 ) ss  
County of )

On this 25<sup>th</sup> day of January, 1983 before me, the under-  
signed, a notary public in and for the above named county and  
state, personally appeared GILBERT L. MILLER  
& KENT M. NIELSON,

known to me to be the individuals described in and who executed  
the within and foregoing instrument, and acknowledged that  
they signed and sealed the same as their free and voluntary  
act and deed, for the uses and purposes therein mentioned.

GIVEN under my hand and official seal the day and year  
last written above.

Lester A. Schmidt  
Notary Public for the State of  
Oregon residing at Oregon City, Or.

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ADDENDUM TO AMENDMENT TO LEASE AGREEMENT

The AMENDMENT TO LEASE AGREEMENT dated January 25, 1983, between Wind River Mining Company, Milton Mitchek, and Youngquist Mine Development and Consultation is hereby amended on this 4th day of February, 1983, at Placerville, California, as follows:

The running of all the dates in the AMENDMENT TO LEASE AGREEMENT is hereby suspended until Youngquist Mine Development and Consultation has acquired approval for an Environmental Impact Statement from the necessary governmental authorities. Upon the grant of approval of the Environmental Impact Statement, the dates in the AMENDMENT TO LEASE AGREEMENT shall be adjusted forward to reflect the length of the suspension. No dates shall be adjusted beyond one year.

For example, if the approval period took 90 days, then the date of October 1, 1983 set forth in Paragraph 1 (Exploration and Development Commitment) of the AMENDMENT TO LEASE AGREEMENT would be adjusted to January 1, 1984.

As consideration for the execution of this Addendum, Youngquist Mine Development and Consultation agrees to file its application for approval of the Environmental Impact Statement on or before March 1, 1983.

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WIND RIVER MINING COMPANY

By Gilbert L. Miller  
President - GILBERT L. MILLER

By Kent M. Nelson  
Secretary - KENT M. NELSON

Milton Mitchek  
MILTON MITCHEK

YOUNGQUIST MINE DEVELOPMENT AND CONSULTATION

By Theodore Youngquist  
THEODORE YOUNGQUIST

STATE OF CALIFORNIA

County of Placer } ss.

On February 4, 19 83, before me,

Joy M. Metcalf, a Notary Public,  
in and for said State, personally appeared Milton Mitchek and  
Theodore Youngquist

proved to me on the basis of satisfactory  
evidence to be the persons whose names are subscribed to the within instru-  
ment, and acknowledged to me that they executed the same.

Joy M. Metcalf  
NOTARY PUBLIC

