

Lessor and the Lessee shall have the privilege of working the same as an appurtenance of the demised premises during the term of this lease and Lessee agrees not to locate or record the same, or allow the same to be located or recorded except in the name of the Lessor; however, Lessee shall have the right to prospect elsewhere on his own, stake claims in his own name or purchase the same, provided however, that Lessee shall not stake or purchase any claim closer than one claims width to the property or any claim in the name of the Lessor.

The Lessee agrees with the Lessor to keep books of account showing the amount of ore extracted from the mine, the amount of money received from the sale of the ores or the value extracted therefrom; that from and out of the values obtained from the ores so extracted and which may be found in, on, or around the mine, and reduced, treated, sold or shipped, the Lessee will pay to the Lessor TEN PER CENT (10%) of the net smelter returns after subtracting transportation costs, based upon competitive rates, which shall be paid and delivered to the Lessor at the end of each three (3) month period during the term of this lease; that a duplicate of mill, smelter, or retort return shall be furnished by the mill owner or by the owner of the smelter or retort to the Lessor; records of core samples, maps and assays to be furnished Lessor upon request, and copies of all such records to be turned over to Lessor upon termination of this Lease, and that books of account shall be opened at all reasonable times to the Lessor and its representatives. ~~It is agreed~~ that the above percentage will be 5% for 1976.

The Lessee covenants and agrees with the Lessor to maintain all equipment and buildings leased hereunder in good condition,