

MINING LEASE

BOOK 307 PAGE 509
Nome Recording District

LEASE MADE this 15th day of April, 1982, between KATHRYN M. HANSEN and MARY A. MALOY, of 1180 Manor Drive, Reno, Nevada 89509, Telephone Number (702) 323-3390, herein referred to as lessor, whether one or more, and MEYRING and WEIR, a Nevada corporation, organized under the laws of the State of Nevada doing business at 2500 Vineyard Avenue, Suite 240, Oxnard, California, herein referred to as Lessee.

SECTION I

TERM AND PURPOSE

1.01 Lessor, in consideration of the sum of \$30,000.00, paid to her by Lessee, receipt of which is hereby acknowledged, and in further consideration of the rents and royalties to be paid and the covenants and conditions to be kept and performed by Lessee as herein provided, hereby leases to Lessee all of their claim to plus or minus two thousand acres including gold, other minerals, oil, gas, coal, geothermal rights and water on Cripple River, Nome Mining District, Nome Alaska, including but not limited to the mining claims and patents recorded on the 2nd day of May, 1955, in Volume 234, page 120 and 121 of the Recorder's Office as follows:

U.S.S. NO.	Patent No.
1134	767397
1134	592985
1162	601985
1260	900525
1102	555869

1.02 The term of this lease is 100 years from and after the date hereof, for the purpose of ~~exploring for and~~ ^{1/11/11. QIN 1-11-11} mining, taking out and removing therefrom by any mining method, including open pit and strip mining, the merchantable minerals, oil, gas, coal, geothermal and/or other resource that is mineable, which is, or which hereafter may be found on, in or under the land, together with the right to (1) make all excavations, (2) construct on the premises all buildings, openings, ditches, drains, railroads, roads, and other improvements that are or may become suitable or necessary for the mining and removal of such products from the premises.

SECTION II

MINING EQUIPMENT AND IMPROVEMENTS

2.01 Lessee may install engines and machinery, build roads and do such other things on the premises as may be necessary or proper to carry on the mining operations. All such engines, machinery, buildings, and improvements so installed or erected shall form part of the realty; however, on termination of this lease, and on payment to Lessor of any amounts due her hereunder and subject to the further limitations contained herein, Lessee may remove such buildings, engines, machinery, and improvements within one year after termination. At that time, if said material is not removed, they shall become the property of the Lessor. All mines shall be opened and worked by Lessee in such manner as is usual and customary in skillful and proper mining operations of similar character, and they shall be operated so as not to cause or permit any unnecessary or unusual permanent injury to the mines, or inconvenience or hindrance to the

subsequent operation thereof. At the termination of this agreement, whether by the act of a party or by the expiration of the term provided above, the mine shall be left in good order and in good workmanlike condition. In the working of the mines, Lessee shall deposit all earth and other waste materials at such places and in such manner as will not obstruct or impair future operation of the mines. Lessee shall not remove or impair any roads, tracks, ditches, or improvements of a permanent nature after the termination of the Lease.

SECTION III

3.00 LEASE PAYMENTS AND ROYALTIES. Lessee shall pay to Lessor as consideration for the leased premises a royalty on all products removed from the premises during the existence of this lease in an amount equal to ten percent (10%) of the gross value of all minerals, ^{geothermal, water} and/or by-products thereof, (based on average yearly market value), together with twelve percent (12%) royalty for all gas and oil products, but not less than ^{due in advance} minimum royalty ^{92.00 K.M.H. MM} as follows:

August 1, 1981 to August 1, 1982	^{MM} 92.00 K.M.H. MM	\$ 30,000.00
August 1, 1982 to August 1, 1983	^{MM} 92.00 K.M.H. MM	\$ 75,000.00
August 1, 1983 to January 6, 1984	^{MM} 92.00 K.M.H. MM	\$ 42,000.00
January 7, 1984 to January 6, 1985	^{MM} 92.00 K.M.H. MM	\$ 100,000.00
January 7, 1985 to January 6, 1986	^{MM} 92.00 K.M.H. MM	\$ 110,000.00
January 7, 1986 to January 6, 1987	^{MM} 92.00 K.M.H. MM	\$ 120,000.00
January 7, 1987 to January 6, 1988	^{MM} 92.00 K.M.H. MM	\$ 130,000.00
January 7, 1988 to January 6, 1989	^{MM} 92.00 K.M.H. MM	\$ 140,000.00

January 7, 1989 to ~~January 6, 1990~~ *JZW km 14 2/4* \$150,000.00
 January 7, 1990 to ~~January 6, 1991~~ *JZW km 14 2/4* \$160,000.00
 January 7, 1991 to ~~January 6, 1992~~ *JZW km 14 2/4* \$170,000.00 (adjusted) *JZW*
 January 7, 1992 thru life of lease - see par. 3.04 *JZW km 14 2/4*

3.01 CALCULATION OF ROYALTY BASED ON GOLD RECOVERED. The

following procedure shall be used to establish the value of the ten percent (10%) royalty payment on gold mined and recovered. Said gold recovered shall be screened to negative twelve, plus twelve, plus ten, plus eight, plus six and plus four screening sizes. Ten percent (10%) of each size shall be the Lessor's royalty payment. To determine the value of the negative twelve screened gold, the average of a daily afternoon London fix shall be used. Premium values of plus twelve, plus ten, plus eight, plus six and plus four screen sizes shall be mutually determined and said determined value shall be used in calculating the total value of the royalty payment.

3.02 ADVANCE PAYMENTS. The minimum royalties shall be due and payable in advance, and receipt of the first royalty is hereby acknowledged.

3.03 STOCKPILING OF CONCENTRATES. Lessee shall not have the right to stockpile the concentrate or other products mined, except in the ordinary course of its operation and shall keep accurate and complete records and provide a copy showing an accounting of the production for each year on or before December 31.

3.04 PAYMENT IN 1981 DOLLAR VALUES. It is agreed that the minimum royalties for the year January 7, 1991 to January 7, 1992 in the sum of \$170,000.00 shall be adjusted so as to be payable in 1981 dollars.

THE MINIMUM ROYALTY PAYMENT DUE JAN. 7 OF EACH YEAR FOR THE LIFE OF THIS LEASE SHALL BE BASED ON THE 1991 ADJUSTED MINIMUM ROYALTY ADJUSTED TO REFLECT BOOK 301 PAGE 513

K.M.W. T.M.H.

Name Recording District

J.L.W. + M.H.

It is further agreed that commencing with the 1992 minimum royalty payment, that the ~~1991~~ minimum royalty shall be adjusted to reflect the cost of living index from 1991 forward as determined by the U.S. Department of Commerce and/or Labor.

3.05 RELIEF FROM YEARLY MINIMUM ROYALTY REQUIREMENTS. Lessee may earn relief from yearly minimum royalty requirements as follows: For each year involved, Lessee pays royalties exceeding ten (10) times that year's minimum royalty requirement, Lessor shall waive six (6) months requirement on the next year's minimum. Credit for such payment may be accumulated and utilized on future minimum requirements as Lessee shall determine beneficial. Credits earned shall not exceed ten (10) consecutive years. J.L.W. + M.H.

SECTION IV

TAXES

4.01 Lessee shall pay all taxes, general or special, that may be assessed or become due either against the leased lands and the improvements thereon, the mineral products therein or any personal property at the mines during the term of this lease. Lessee shall furnish to Lessor within 120 days from the date such taxes become due, property executed receipts therefore. Lessee shall have rights to all tax write offs and advantages accruing by virtue of their lease and the leased property.

SECTION V

TERMINATION

5.00 LESSEE'S RIGHT OF TERMINATION. Lessee shall have the right at any time to terminate this agreement by giving 120 days written notice to Lessor, either in person or by mail addressed to the Lessor at

the address given above and upon payment of such royalty or other sums as may be due hereunder, treating the year in which the lease is so terminated as a full year for the purposes of minimum royalties.

5.02 SURRENDER OF POSSESSION UPON TERMINATION BY LESSEE. Lessee

agrees that when this lease terminates, regardless of the cause, Lessee shall quietly and peacefully surrender possession of the leased premises to Lessor and Lessee shall enter or cause to be entered a certificate of the termination of the lease in the proper book of record in the proper county in the State of Alaska if this lease shall have been recorded in such county. Lessee shall further execute or cause to be executed such release or assignments, and will record the same as may be necessary to clear the record title and divest Lessee of all rights and titles given or acquired under this lease. This Lease is granted under the express conditions that if the royalty reserved hereunder or any part thereof, or any taxes payable by Lessee hereunder, shall be and remain unpaid, after the time when, by the foregoing covenants, they should be paid, and if they remain in default for more than 120 days thereafter, or in the event of the termination of this lease by Lessee, as above provided, or if Lessee fails to keep or perform any covenants or conditions contained herein, and Lessee has failed to cure any such default within 60 days after receiving due and proper notice, then Lessor may re-enter the premises and have possession of the premises again, and wholly to exclude from the premises both Lessee and all persons claiming under Lessee.

5.03 TERMINATION BY NON-WORKING CLAIMS. It is agreed that after the first ten-year period that the lease shall automatically terminate

if the Lessee does not work the claims for five consecutive years.

5.04 CONVEYANCE OF CONFIRMATION UPON TERMINATION. Upon the termination of the lease, Lessee agrees to turn over all raw and technical information acquired from the life of the lease to and including the date of termination.

SECTION VI
ASSIGNMENTS

6.01 ASSIGNMENT OF LEASE. Lessee shall not assign or transfer this lease, or any part thereof, without prior written notification of Lessor, and on any attempted assignment without Lessor's notification, this lease shall, at the option of the Lessor, terminate.

SECTION VII
LIABILITY FOR DAMAGE TO LAND

7.01 Lessee shall be responsible for any damage that may occur to the leased premises, except such as may clearly occur by the act of strangers or by acts of God, or as a result of mining operations conducted in a careful and workmanlike manner.

SECTION VIII
RIGHTS OF LESSOR

8.01 Lessor reserves to herself and her agents the right at any time to enter upon the leased premises or any part thereof to inspect the same without unnecessarily or unreasonably hindering or interrupting the work or operation of Lessee. Lessor further is given the right to inspect the books and records of MEYRING and WEIR, INC., or its assignee, upon giving reasonable notice and said books shall be made available after such notice is received. Lessor recognizes the financial and business importance of such information and agrees that all acquired information shall be kept in the strictest of confidence.

SECTION IX BOOK 301 PAGE 516
INDEMNIFICATION OF LESSOR Norma Recording District

Lessee will fully indemnify Lessor against all claims and demands of every kind and nature that may be made against Lessor or against the above-described premises for or on account of any debts or expenses contracted or incurred by Lessee, as well as from and against all acts, transactions, or omissions by Lessee, its agents, and servants, including claims and demands arising during the existence of this agreement from or on account of injury to any person, whether occasioned by an unsafe or dangerous condition of any part of the above-described premises or any workings thereon or therein used by Lessee, or otherwise, and to defend Lessor ^{AT 9/20/11} Lessee's own costs and expenses from any such liability or asserted liability.

SECTION X

FORCE MAJAURE

10.01 FORCE MAJAURE. Lessee shall be relieved from his duty to perform on a timely fashion by any delay or failure to deliver any or all of the payments required if such failure is caused by war, riots, insurrection, civil commotion, fire, flood, accident, storm or any act of God, or other causes beyond Lessee's control.

SECTION XI

ARBITRATION

ARBITRATION. Any controversy between the parties hereto involving the construction or application to either terms, covenants, or conditions to this agreement shall, on written request to one party served upon the other, be submitted to arbitration, and such arbitration

shall comply with and be governed by the provisions of the California Arbitration act, Sections 1280 through 1294.2 of the California Code

SECTION XII

EFFECT OF AGREEMENT

The covenants, agreements, and conditions of this lease shall run with the land and shall bind the heirs, legal representatives, successors, and assigns of all parties hereto.

IN WITNESS WHEREOF, the parties have executed this agreement at

Reno, Nevada, the day and year first above written.

SECTION XIII

FIRST RIGHT OF REFUSAL - J.K.W. K.M.H. J.M.

In the event that lessor decides to sell any or all of the rights included within this Cripple River lease, lessee shall be given a 90 day first right of refusal to purchase the property under the same terms and conditions as offered by others.

Kathryn M. Hansen
KATHRYN M. HANSEN, LESSOR

Mary Maloy
MARY MALOY, LESSOR

SECTION XIV

ADJOINING CLAIMS

Any mining claims hereafter located by lessee adjoining the claims and properties described herein shall be located in the name of lessor and shall be included in and made a part of the leased premises hereunder. J.K.W. K.M.H. J.M.

MEYRING AND WEIR, INC.

By: James L. Weir
JIM WEIR, President

It is agreed that Mary Maloy's royalty shall be paid in cash. J.K.W. J.M.

STATE OF NEVADA,

County of Washoe

On April 15, 1982

Patricia R. Cox

DATE April 15, 1982 personally appeared before me, Kathryn M. Hansen,
a Notary Public (or judge or other officer, as the case may be), Mary Maloy and James L. Weir
who acknowledged that he executed the above instrument.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official stamp at my office in the County of Washoe the day and year in this certificate first above written.
Patricia R. Cox
Signature of Notary

PATRICIA R. COX
Notary Public, State of Nevada
Washoe County
My Commission Expires June 7, 1983

1/10/82

I, NOEL S. TANNER, FOR
VALUE RECEIVED, DO HEREBY ASSIGN
ALL MY RIGHTS TITLES AND INTEREST IN
AND TO THIS DOCUMENT (CRIPPLE RIVER)
TO MEYRING AND WEIR A NEVADA CORP.

NS Tanner
COAL-FACTS LTD.

Jan. 10th 1982 *NS Tanner Plus.*

82000762
38-

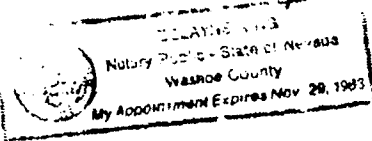
BOOK 301 PAGE 519
Name Recording District

RECORDED-FILED
NAME REC.
DISTRICT

JUN 15 8 44 AM '82
REQUESTED BY W.F. HALL
BOX 8-9003
ADDRESS ANCHORAGE
99508
189479

STATE OF NEVADA.

County of Washoe } ss.
On August 3, 1981 personally appeared before me.



a Notary Public (or judge or other officer, as the case may be),
KATHRYN M. HANSEN
who acknowledged that he executed the above instrument.

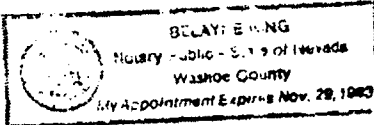
IN WITNESS WHEREOF, I have hereunto
set my hand and affixed my official stamp at my office
in the County of _____
the day and year in this certificate first above written.

Belayne King
Signature of Notary

CARLISLE'S FORM NO. 36 H (ACKNOWLEDGMENT GENERAL)-A-03187

STATE OF NEVADA.

County of Washoe } ss.
On August 3, 1981 personally appeared before me.



a Notary Public (or judge or other officer, as the case may be),
Mary Malay
who acknowledged that he executed the above instrument.

IN WITNESS WHEREOF, I have hereunto
set my hand and affixed my official stamp at my office
in the County of _____
the day and year in this certificate first above written.

Belayne King
Signature of Notary

CARLISLE'S FORM NO. 36 H (ACKNOWLEDGMENT GENERAL)-A-03187