



CONTACT INFORMATION
Mining Records Curator
Arizona Geological Survey
416 W. Congress St., Suite 100
Tucson, Arizona 85701
602-771-1601
<http://www.azgs.az.gov>
inquiries@azgs.az.gov

The following file is part of the Doug K. Martin Mining Collection

ACCESS STATEMENT

These digitized collections are accessible for purposes of education and research. We have indicated what we know about copyright and rights of privacy, publicity, or trademark. Due to the nature of archival collections, we are not always able to identify this information. We are eager to hear from any rights owners, so that we may obtain accurate information. Upon request, we will remove material from public view while we address a rights issue.

CONSTRAINTS STATEMENT

The Arizona Geological Survey does not claim to control all rights for all materials in its collection. These rights include, but are not limited to: copyright, privacy rights, and cultural protection rights. The User hereby assumes all responsibility for obtaining any rights to use the material in excess of "fair use."

The Survey makes no intellectual property claims to the products created by individual authors in the manuscript collections, except when the author deeded those rights to the Survey or when those authors were employed by the State of Arizona and created intellectual products as a function of their official duties. The Survey does maintain property rights to the physical and digital representations of the works.

QUALITY STATEMENT

The Arizona Geological Survey is not responsible for the accuracy of the records, information, or opinions that may be contained in the files. The Survey collects, catalogs, and archives data on mineral properties regardless of its views of the veracity or accuracy of those data.



D.K. MARTIN & ASSOCIATES
Mining Development & Administration
4728 N. 21st Avenue
Phoenix, Arizona 85015

EXHIBIT A

APACHE GROUP

Turkey Creek Mining District
Yavapai County, Arizona

<u>CLAIM NAME</u>	<u>STATUS</u>	<u>FILING</u>	<u>BOOK</u>	<u>PAGE</u>	<u>AMC#</u>	
Apache Copper #1	Original	03/17/67	438	400		
Apache #1	Amended	05/14/79	1217	5	65015	Voided
Apache #1	Refiled	08/12/82	1479	327	184771	
Apache Copper #2	Original	03/17/67	438	401		
Apache #2	Amended	05/14/79	1217	7	65016	Voided
Apache #2	Refiled	08/12/82	1479	325	184772	
Apache Copper #3	Original	03/17/67	438	402		
Apache #3	Amended	05/14/79	1217	9	65017	Voided
Apache #3	Refiled	08/12/82	1479	323	184773	
Apache Copper #4	Original	03/17/67	438	403		
Apache #4	Amended	05/14/79	1217	11	65018	Voided
Apache #4	Refiled	08/12/82	1479	321	184774	
Apache Copper #5	Original	03/17/67	438	404		
Apache #5	Amended	05/14/79	1217	13	65019	Voided
Apache #5	Refiled	08/12/82	1479	319	184775	
Apache Copper #6	Original	03/17/67	438	405		
Apache #6	Amended	05/14/79	1217	15	65020	Voided
Apache #6	Refiled	08/12/82	1479	317	184776	
Apache Copper #7	Original	03/17/67	438	406		
Apache #7	Amended	05/14/79	1217	17	65021	Voided
Apache #7	Refiled	08/12/82	1479	315	184777	
Apache Copper #8	Original	03/17/67	438	407		
Apache #8	Amended	05/14/79	1217	19	65022	Voided
Apache #8	Refiled	08/12/82	1479	313	184778	

APACHE GROUP

EXHIBIT A

Yavapai County, Arizona
Turkey Creed Mining District

<u>CLAIM NAME</u>	<u>STATUS</u>	<u>FILING</u>	<u>BOOK</u>	<u>PAGE</u>	<u>AMC #</u>
Apache Copper #1		3-17-67	438	400	
Apache #1	Amended	5-14-79	1217	5	65015
Apache #1	Refiled	8-12-82	1479	327	184771
Apache Copper #2		3-17-67	438	401	
Apache #2	Amended	5-14-79	1217	7	65016
Apache #2	Refiled	8-12-82	1479	325	184772
Apache Copper #3		3-17-67	438	402	
Apache #3	Amended	5-14-79	1217	9	65017
Apache #3	Refiled	8-12-82	1479	323	184773
Apache Copper #4		3-17-67	438	403	
Apache #4	Amended	5-14-79	1217	11	65018
Apache #4	Refiled	8-12-82	1479	321	184774
Apache Copper #5		3-17-67	438	404	
Apache #5	Amended	5-14-79	1217	13	65019
Apache #5	Refiled	8-12-82	1479	319	184775
Apache Copper #6		3-17-67	438	405	
Apache #6	Amended	5-14-79	1217	15	65020
Apache #6	Refiled	8-12-82	1479	317	184776
Apache Copper #7		3-17-67	438	406	
Apache #7	Amended	5-14-79	1217	17	65021
Apache #7	Refiled	8-12-82	1479	315	184777
Apache Copper #8		3-17-67	438	407	
Apache #8	Amended	5-14-79	1217	19	65022
Apache #8	Refiled	8-12-82	1479	313	184778

UNITED STATES POSTAL SERVICE
OFFICIAL BUSINESS

SENDER INSTRUCTIONS

Print your name, address, and ZIP Code in the space below.

- Complete items 1, 2, 3, and 4 on the reverse.
- Attach to front of article if space permits, otherwise affix to back of article.
- Endorse article "Return Receipt Requested" adjacent to number.

PENALTY FOR PRIVATE
USE TO AVOID PAYMENT
OF POSTAGE, \$300



RETURN
TO



D. K. MARTIN

(Name of Sender)

4728 No 21ST AVE

(Street or P.O. Box)

Phx AZ

(City, State, and ZIP Code)

- **SENDER:** Complete items 1, 2, 3, and 4.
Add your address in the "RETURN TO" space
on reverse.

(CONSULT POSTMASTER FOR FEES)

1. The following service is requested (check one).

 Show to whom and date delivered Show to whom, date, and address of delivery..

- 2.
-
- RESTRICTED DELIVERY**

(The restricted delivery fee is charged in addition to the return receipt fee.)

TOTAL \$ _____

- 3.
- ARTICLE ADDRESSED TO:**

FIELD SOLICITOR
2080 UMB CENTER
PLAZA AZ 85073

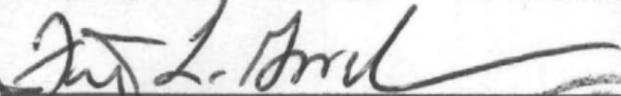
- 4.
- TYPE OF SERVICE:**

 REGISTERED INSURED CERTIFIED COD EXPRESS MAIL

ARTICLE NUMBER

(Always obtain signature of addressee or agent)

I have received the article described above.

SIGNATURE Addressee Authorized agent


- 5.
- DATE OF DELIVERY**

SEP 27 1982

- 6.
- ADDRESSEE'S ADDRESS**
- (Only if requested)*

- 7.
- UNABLE TO DELIVER BECAUSE:**

7a. **EMPLOYEE'S INITIALS**

UNITED STATES POSTAL SERVICE

OFFICIAL BUSINESS

SENDER INSTRUCTIONS

Print your name, address, and ZIP Code in the space below.

- Complete items 1, 2, 3, and 4 on the reverse.
- Attach to front of article if space permits, otherwise affix to back of article.
- Endorse article "Return Receipt Requested" adjacent to number.



PENALTY FOR PRIVATE USE TO AVOID PAYMENT OF POSTAGE, \$300



RETURN TO



D. K. MARTIN

(Name of Sender)

4728 No 21ST HWY

(Street or P.O. Box)

Phx AZ 85015

(City, State, and ZIP Code)

- **SENDER:** Complete items 1, 2, 3, and 4.
Add your address in the "RETURN TO" space
on reverse.

(CONSULT POSTMASTER FOR FEES)

1. The following service is requested (check one).

- Show to whom and date delivered
- Show to whom, date, and address of delivery

2. **RESTRICTED DELIVERY**

(The restricted delivery fee is charged in addition to
the return receipt fee.)

TOTAL \$ _____

3. **ARTICLE ADDRESSED TO:**

Office of SAC BRO of Loud WAP
4015 Wilson Blvd
Arlington VA 22203

4. **TYPE OF SERVICE:**

- REGISTERED INSURED
 CERTIFIED COD
 EXPRESS MAIL

ARTICLE NUMBER

(Always obtain signature of addressee or agent)

I have received the article described above.

SIGNATURE Addressee Authorized agent

5. **DATE OF DELIVERY**

OFFICE OF

POSTMA

6. **ADDRESSEE'S ADDRESS** (Only if requested)

HEARINGS & APPEALS

7. **UNABLE TO DELIVER BECAUSE:**

7a. **EMPLOYEE'S
INITIALS**



IN REPLY REFER TO:

United States Department of the Interior

OFFICE OF HEARINGS AND APPEALS

INTERIOR BOARD OF LAND APPEALS

4015 WILSON BOULEVARD

ARLINGTON, VIRGINIA 22203

DOUGLAS K. MARTIN

D. K. M.
NOV 30 1982

IBLA 83-3

Decided November 19, 1982

Appeal from decision of Arizona State Office, Bureau of Land Management, declaring unpatented mining claims abandoned and void. A MC 65015 through A MC 65022.

Affirmed.

1. Federal Land Policy and Management Act of 1976: Recordation of Mining Claims and Abandonment--Mining Claims: Recordation

Where mining claims were located in March 1967 and evidence of the assessment work was not filed with the proper BLM office on or before Oct. 22, 1979, the claims are properly declared abandoned and void pursuant to 43 U.S.C. § 1744 (1976).

2. Federal Land Policy and Management Act of 1976: Recordation of Mining Claims and Abandonment--Mining Claims: Abandonment

The conclusive presumption of abandonment which attends the failure to file an instrument required by 43 U.S.C. § 1744 (1976) is imposed by the statute itself. A matter of law, it is self-operative and does not depend upon any act or decision of an administrative official. In enacting the statute, Congress did not invest the Secretary with authority to waive or excuse noncompliance with the statute, or to afford claimants any relief from the statutory consequences.

APPEARANCES: Douglas K. Martin, pro se.

OPINION BY ADMINISTRATIVE JUDGE HENRIQUES

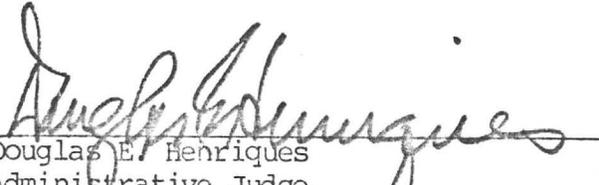
Douglas K. Martin appeals the August 9, 1982, decision of the Arizona State Office, Bureau of Land Management (BLM), which declared the unpatented Apache Nos. 1 through 8 lode mining claims, A MC 65015 through A MC 65022, abandoned and void because no evidence of assessment work had been filed on or before October 22, 1979, as required by 43 CFR 3833.2-1(a), for mining claims located before October 21, 1976. The claims at issue were located March 17, 1967, and were recorded with BLM September 24, 1979. The record shows the first proof of labor for the claims was filed with BLM September 23, 1980.

Appellant asserts he transmitted a copy of the proof of labor for 1979 on October 28, 1979. A copy of the 1979 proof of labor, recorded August 23, 1979, in Yavapai County, Arizona, was included with the appeal. Appellant requests the misplaced document be accepted and placed in the file of the Apache claims. He states the claims are under contract to a mining exploration company and if they are considered null and void, he will be open to legal action.

[1] Section 314 of the Federal Land Policy and Management Act of 1976 (FLPMA), 43 U.S.C. § 1744 (1976), requires that the owner of an unpatented mining claim located before October 21, 1976, shall file with the proper office of BLM, on or before October 22, 1979, a copy of the official record of the notice of location and evidence of assessment work performed on the claim or a notice of intention to hold the claim. Further, a proof of labor or notice of intention to hold must be filed prior to December 31 of each calendar year thereafter. The statute also provides that failure to file such instruments within the prescribed time period shall be deemed conclusively to constitute an abandonment of the mining claim. As there is no evidence that a proof of labor was filed with BLM on or before October 22, 1979, BLM properly deemed the claims to be abandoned and void. Mermaid Mining Co., 65 IBLA 172 (1982); Kivalina River Mining Association, 65 IBLA 164 (1982); Margaret E. Peterson, 55 IBLA 136 (1981). The responsibility for complying with the recordation requirements of FLPMA rests with the owner of the unpatented mining claim. This Board has no authority to excuse lack of compliance, or to extend the time for compliance, or to afford any relief from the statutory consequences. Lynn Keith, 53 IBLA 192, 88 I.D. 369 (1981).

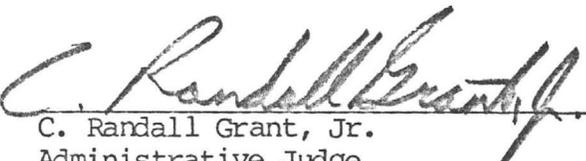
[2] The conclusive presumption of abandonment which attends the failure to file an instrument required by 43 U.S.C. § 1744 (1976) is imposed by the statute itself, and would operate without the regulations. See Northwest Citizens for Wilderness Mining Co. v. Bureau of Land Management, Civ. No. 78-46 M (D. Mont. June 19, 1979). A matter of law, the conclusive presumption is self-operative and does not depend upon any act or decision of an administrative official. In enacting the statute, Congress did not invest the Secretary of the Interior with authority to waive or excuse noncompliance with the statute, or to afford claimants any relief from the statutory consequences. Lynn Keith, supra at 196, 88 I.D. at 371-72.

Therefore, pursuant to the authority delegated to the Board of Land Appeals by the Secretary of the Interior, 43 CFR 4.1, the decision appealed from is affirmed.


Douglas E. Henriques
Administrative Judge

We concur:


Anne Poindexter Lewis
Administrative Judge


C. Randall Grant, Jr.
Administrative Judge



United States Department of the Interior

OFFICE OF HEARINGS AND APPEALS
INTERIOR BOARD OF LAND APPEALS

4015 WILSON BOULEVARD
ARLINGTON, VIRGINIA 22203

October 4, 1982

IN REPLY REFER TO:

D. K. M.
OCT 08 1982

Appeal of

Douglas K. Martin

Mining Claim

A MC 65015 - 65022

The above appeal has been docketed under IBLA 83-3.

Please refer to this docket number in any communication, pleading
or document relating to this appeal. Thank you.

Bruce R. Harris

Bruce R. Harris
Acting Chief Administrative Judge

- **SENDER:** Complete items 1, 2, 3, and 4.
Add your address in the "RETURN TO" space
on reverse.

(CONSULT POSTMASTER FOR FEES)

1. The following service is requested (check one).

Show to whom and date delivered —

Show to whom, date, and address of delivery.. —

2. **RESTRICTED DELIVERY**

*(The restricted delivery fee is charged in addition to
the return receipt fee.)*

TOTAL \$ _____

3. **ARTICLE ADDRESSED TO:**

R. BANK Ltr 4
5810 No 59th Ave
Glendale Az 85301

4. **TYPE OF SERVICE:**

REGISTERED INSURED
 CERTIFIED COD
 EXPRESS MAIL

ARTICLE NUMBER

(Always obtain signature of addressee or agent)

I have received the article described above.

SIGNATURE Addressee Authorized agent

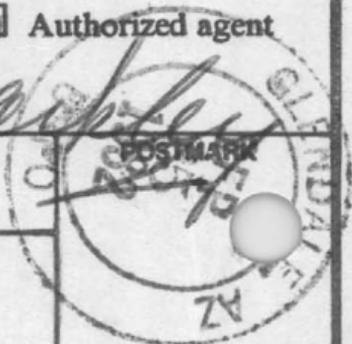
5. **DATE OF DELIVERY**

6. **ADDRESSEE'S ADDRESS** *(Only if requested)*

7. **UNABLE TO DELIVER BECAUSE:**

7a. **EMPLOYEE'S
INITIALS**

RETURN RECEIPT, REGISTERED, INSURED AND CERTIFIED MAIL



UNITED STATES POSTAL SERVICE

OFFICIAL BUSINESS

**PENALTY FOR PREPAYMENT
USE TO AVOID PAYMENT
OF POSTAGE, \$300**



SENDER INSTRUCTIONS

Print your name, address, and ZIP Code in the space below.

- Complete items 1, 2, 3, and 4 on the reverse.
- Attach to front of article if space permits, otherwise affix to back of article.
- Endorse article "Return Receipt Requested" adjacent to number.

**RETURN
TO**



DK MARTIN

(Name of Sender)

4728 No 21ST Ave

(Street or P.O. Box)

Phx Az 85015

(City, State, and ZIP Code)

- **SENDER:** Complete items 1, 2, 3, and 4.
Add your address in the "RETURN TO"
on reverse.

(CONSULT POSTMASTER FOR FEES)

1. The following service is requested (check one).
- Show to whom and date delivered —¢
- Show to whom, date, and address of delivery.. —¢
2. **RESTRICTED DELIVERY** —¢
(The restricted delivery fee is charged in addition to
the return receipt fee.)

TOTAL \$ _____

3. ARTICLE ADDRESSED TO:

A. PROHOROFF
Box 1319 Rt 3
Phx AZ 85043

4. TYPE OF SERVICE:

- REGISTERED INSURED
 CERTIFIED COD
 EXPRESS MAIL

ARTICLE NUMBER

(Always obtain signature of addressee or agent)

I have received the article described above.

SIGNATURE Addressee Authorized agent

5. *A. Prohoroff*

DATE OF DELIVERY

POSTMARK

6. ADDRESSEE'S ADDRESS (Only if requested)

7. UNABLE TO DELIVER BECAUSE:

7a. EMPLOYEE'S
INITIALS

SEP 26 1980

RS

UNITED STATES POSTAL SERVICE
OFFICIAL BUSINESS

SENDER INSTRUCTIONS

Print your name, address, and ZIP Code in the space below.

- Complete items 1, 2, 3, and 4 on the reverse.
- Attach to front of article if space permits, otherwise affix to back of article.
- Endorse article "Return Receipt Requested" adjacent to number.

PENALTY FOR PRIVATE
USE TO AVOID PAYMENT
OF POSTAGE, \$300



D. K. M.
SEP 27 1982

RETURN
TO



D. K. MARTIN

(Name of Sender)

4728 1X0 21ST AVE

(Street or P.O. Box)

Phx AZ 85015

(City, State, and ZIP Code)

D. K. MARTIN & ASSOCIATES
 MINING ADMINISTRATION & DEVELOPMENT
 OFFICE ACCOUNT
 4728 NORTH 21ST AVENUE
 PHOENIX, ARIZONA 85015
 PHONE 246-9573

23RD AVE. CAMELBACK RD. OFFICE
 VALLEY NATIONAL BANK
 PHOENIX, ARIZONA
 103

91-2/1221

NO 1125

PAY Thirty Dollars & 85/100

DATE

AMOUNT

9/24/82

\$ 30.85

THE
ORDER
OF

United States Post Office
Phoenix, Arizona

Handwritten signature
NOT NEGOTIABLE

⑈001125⑈ ⑈122100024⑈

658-7949⑈

CV Rocky Mountain Bank Note

PAYEE: DETACH THIS STATEMENT BEFORE DEPOSITING

D. K. MARTIN & ASSOCIATES
MINING ADMINISTRATION & DEVELOPMENT

DATE	INVOICE NO.	DESCRIPTION	AMOUNT	DISCOUNT OR DEDUCTION	NET AMOUNT
9/24/82		Registered Mail to: U.S. Dept of Interior Board of Land Appeals A. Prohoroff 1 @ roll 20¢ Stamps	155 155 155 20.00		
		Registered Mail to: R. Barkley S. Hedgepath A. Hindrichs Senator Mining Company W. Bagge	155 155 155 155		

P 273 129 949

RECEIPT FOR CERTIFIED MAIL

NO INSURANCE COVERAGE PROVIDED—
NOT FOR INTERNATIONAL MAIL

(See Reverse)

SENT TO				
FIELD SOL - US DEPT INT				
STREET AND NO.				
2080 VNB CENTER				
P.O., STATE AND ZIP CODE				
Pbx AZ 85073				
POSTAGE	\$			
CONSULT POSTMASTER FOR FEES	CERTIFIED FEE	¢		
	OPTIONAL SERVICES	SPECIAL DELIVERY	¢	
		RESTRICTED DELIVERY	¢	
		RETURN RECEIPT SERVICE	SHOW TO WHOM AND DATE DELIVERED	¢
			SHOW TO WHOM, DATE, AND ADDRESS OF DELIVERY	¢
			SHOW TO WHOM AND DATE DELIVERED WITH RESTRICTED DELIVERY	¢
	SHOW TO WHOM, DATE AND ADDRESS OF DELIVERY WITH RESTRICTED DELIVERY		¢	
TOTAL POSTAGE AND FEES	\$			

POSTMARK OR DATE

1976
APR 13
12:30 PM
PHOENIX, AZ

**STICK POSTAGE STAMPS TO ARTICLE TO COVER FIRST CLASS POSTAGE,
CERTIFIED MAIL FEE, AND CHARGES FOR ANY SELECTED OPTIONAL SERVICES. (see front)**

1. If you want this receipt postmarked, stick the gummed stub on the left portion of the address side of the article, **leaving the receipt attached**, and present the article at a post office service window or hand it to your rural carrier. (no extra charge)
2. If you do not want this receipt postmarked, stick the gummed stub on the left portion of the address side of the article, date, detach and retain the receipt, and mail the article.
3. If you want a return receipt, write the certified-mail number and your name and address on a return receipt card, Form 3811, and attach it to the front of the article by means of the gummed ends if space permits. Otherwise, affix to back of article. Endorse front of article **RETURN RECEIPT REQUESTED** adjacent to the number.
4. If you want delivery restricted to the addressee, or to an authorized agent of the addressee, endorse **RESTRICTED DELIVERY** on the front of the article.
5. Enter fees for the services requested in the appropriate spaces on the front of this receipt. If return receipt is requested, check the applicable blocks in Item 1 of Form 3811.
6. Save this receipt and present it if you make inquiry.

P 273 129 950

RECEIPT FOR CERTIFIED MAIL

NO INSURANCE COVERAGE PROVIDED—
NOT FOR INTERNATIONAL MAIL

(See Reverse)

SENT TO					
OFF OF SEC					
STREET AND NO.					
4015 WILSON BLVD					
P.O., STATE AND ZIP CODE					
Arlington Va 22203					
POSTAGE		\$			
CONSULT POSTMASTER FOR FEES	CERTIFIED FEE		¢		
	OPTIONAL SERVICES	SPECIAL DELIVERY		¢	
		RESTRICTED DELIVERY		¢	
		RETURN RECEIPT SERVICE	SHOW TO WHOM AND DATE DELIVERED		¢
			SHOW TO WHOM, DATE, AND ADDRESS OF DELIVERY		¢
			SHOW TO WHOM AND DATE DELIVERED WITH RESTRICTED DELIVERY		¢
			SHOW TO WHOM, DATE AND ADDRESS OF DELIVERY WITH RESTRICTED DELIVERY		¢
TOTAL POSTAGE AND FEES		\$			

POSTMARK OR DATE

APR 1976

**STICK POSTAGE STAMPS TO ARTICLE TO COVER FIRST CLASS POSTAGE,
CERTIFIED MAIL FEE, AND CHARGES FOR ANY SELECTED OPTIONAL SERVICES. (see front)**

1. If you want this receipt postmarked, stick the gummed stub on the left portion of the address side of the article, **leaving the receipt attached**, and present the article at a post office service window or hand it to your rural carrier. (no extra charge)
2. If you do not want this receipt postmarked, stick the gummed stub on the left portion of the address side of the article, date, detach and retain the receipt, and mail the article.
3. If you want a return receipt, write the certified-mail number and your name and address on a return receipt card, Form 3811, and attach it to the front of the article by means of the gummed ends if space permits. Otherwise, affix to back of article. Endorse front of article **RETURN RECEIPT REQUESTED** adjacent to the number.
4. If you want delivery restricted to the addressee, or to an authorized agent of the addressee, endorse **RESTRICTED DELIVERY** on the front of the article.
5. Enter fees for the services requested in the appropriate spaces on the front of this receipt. If return receipt is requested, check the applicable blocks in Item 1 of Form 3811.
6. Save this receipt and present it if you make inquiry.

P 273 129 955

RECEIPT FOR CERTIFIED MAIL

NO INSURANCE COVERAGE PROVIDED—
NOT FOR INTERNATIONAL MAIL

(See Reverse)

SENT TO		R. BARKERLEY	
STREET AND NO.		5510 W 59 TH AVE	
P.O., STATE AND ZIP CODE		Glen Dale H2 85301	
POSTAGE		\$	
CONSULT POSTMASTER FOR FEES	OPTIONAL SERVICES	CERTIFIED FEE	€
		SPECIAL DELIVERY	€
	RESTRICTED DELIVERY	€	
	RETURN RECEIPT SERVICE	SHOW TO WHOM AND DATE DELIVERED	€
		SHOW TO WHOM, DATE, AND ADDRESS OF DELIVERY	€
		SHOW TO WHOM AND DATE DELIVERED WITH RESTRICTED DELIVERY	€
SHOW TO WHOM, DATE AND ADDRESS OF DELIVERY WITH RESTRICTED DELIVERY		€	
TOTAL POSTAGE AND FEES		\$	

POSTMARK OR DATE

SEP 27 1976

**STICK POSTAGE STAMPS TO ARTICLE TO COVER FIRST CLASS POSTAGE,
CERTIFIED MAIL FEE, AND CHARGES FOR ANY SELECTED OPTIONAL SERVICES. (see front)**

1. If you want this receipt postmarked, stick the gummed stub on the left portion of the address side of the article, **leaving the receipt attached**, and present the article at a post office service window or hand it to your rural carrier. (no extra charge)
2. If you do not want this receipt postmarked, stick the gummed stub on the left portion of the address side of the article, date, detach and retain the receipt, and mail the article.
3. If you want a return receipt, write the certified-mail number and your name and address on a return receipt card, Form 3811, and attach it to the front of the article by means of the gummed ends if space permits. Otherwise, affix to back of article. Endorse front of article **RETURN RECEIPT REQUESTED** adjacent to the number.
4. If you want delivery restricted to the addressee, or to an authorized agent of the addressee, endorse **RESTRICTED DELIVERY** on the front of the article.
5. Enter fees for the services requested in the appropriate spaces on the front of this receipt. If return receipt is requested, check the applicable blocks in Item 1 of Form 3811.
6. Save this receipt and present it if you make inquiry.

P 273 129 954

RECEIPT FOR CERTIFIED MAIL

NO INSURANCE COVERAGE PROVIDED—
NOT FOR INTERNATIONAL MAIL

(See Reverse)

SENT TO		<i>H. Proctoroff</i>	
STREET AND NO.		<i>Rt 3 Bx 1319</i>	
P.O., STATE AND ZIP CODE		<i>P4x AZ 85043</i>	
POSTAGE		\$	
CONSULT POSTMASTER FOR FEES	OPTIONAL SERVICES	CERTIFIED FEE	€
		SPECIAL DELIVERY	€
	RESTRICTED DELIVERY	€	
	RETURN RECEIPT SERVICE	SHOW TO WHOM AND DATE DELIVERED	€
		SHOW TO WHOM, DATE, AND ADDRESS OF DELIVERY	€
		SHOW TO WHOM AND DATE DELIVERED WITH RESTRICTED DELIVERY	€
SHOW TO WHOM, DATE AND ADDRESS OF DELIVERY WITH RESTRICTED DELIVERY		€	
TOTAL POSTAGE AND FEES		\$	

POSTMARK OR DATE

2981
1982
SEP

**STICK POSTAGE STAMPS TO ARTICLE TO COVER FIRST CLASS POSTAGE,
CERTIFIED MAIL FEE, AND CHARGES FOR ANY SELECTED OPTIONAL SERVICES. (see front)**

1. If you want this receipt postmarked, stick the gummed stub on the left portion of the address side of the article, **leaving the receipt attached**, and present the article at a post office service window or hand it to your rural carrier. (no extra charge)
2. If you do not want this receipt postmarked, stick the gummed stub on the left portion of the address side of the article, date, detach and retain the receipt, and mail the article.
3. If you want a return receipt, write the certified-mail number and your name and address on a return receipt card, Form 3811, and attach it to the front of the article by means of the gummed ends if space permits. Otherwise, affix to back of article. Endorse front of article **RETURN RECEIPT REQUESTED** adjacent to the number.
4. If you want delivery restricted to the addressee, or to an authorized agent of the addressee, endorse **RESTRICTED DELIVERY** on the front of the article.
5. Enter fees for the services requested in the appropriate spaces on the front of this receipt. If return receipt is requested, check the applicable blocks in Item 1 of Form 3811.
6. Save this receipt and present it if you make inquiry.



D.K. MARTIN & ASSOCIATES
Mining Development & Administration
4728 N. 21st Avenue
Phoenix, Arizona 85015

9/23/82
RE: AMC 65015 thru 65022
Apache #1 thru #8

REASONS FOR APPEAL

Field Solicitor
U.S. Dept of Interior
2080 Valley Bank Center
Phoenix, Arizona 85073

Office of Secretary
Board of Land Appeals
4015 Wilson Blvd.
Arlington, Virginia 22203

Dear Sirs:

On: 9/28/79, Location Notices were filed with BLM
10/28/79, Affidavit of Labor mailed, but without AMC Numbers.
(See attached documents)
11/13/79, Serial Numbers were assigned
9/10/80, Affidavit of Labor mailed, yellow receipt was received
by return mail.
1980-82, All Affidavits received and stamped by BLM

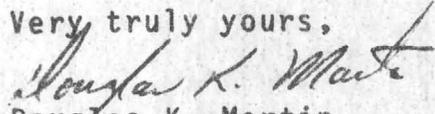
Enclosed is a photo copy of the transmittal and Affidavit of Labor for the 1978-79 assessment period which does not seem to be in the BLM file. I do realize during this first registration period, your office was quite chaotic due to new procedures and the flood of documents being received, and the number of claimants present in the Phoenix BLM Office.

I was fully confident all documentation had been accomplished, and am quite upset the mailed Affidavit was not placed into the file.

Based upon the date of the transmittal, I pray you will include the misplaced document with the file and deem the claims valid.

The claims are presently under contract to a mining exploration company and if they are declared null and void, we will be open to all sorts of legal action.

Very truly yours,


Douglas K. Martin

DKM:dm
cc: A. Prohoroff

(602) 246-9573

D.K. MARTIN & ASSOCIATES

Mining Development & Administration

4728 N. 21st Avenue

Phoenix, Arizona 85015

9/9/82

Bureau of Land Management
2400 Valley Bank Center
Phoenix, Arizona 85073

Dear Sirs:

Please accept this letter as my notice of appeal concerning the decision to declare the following mining claims null and void:

A MC 65015 through 65022, Apache #1 through #8

Please furnish me with the following rules and regulations:

Sec. 4.411, 4.412, 4.413, 4.401(c)(2), 4.402, 4.401(a).

Very truly yours,

Douglas K. Martin

DKM:dm
cc: A. Prohoroff

(602) 246-9573

D.K. MARTIN & ASSOCIATES
Mining Development & Administration
4728 N. 21st Avenue
Phoenix, Arizona 85015

9/9/82

Bureau of Land Management
2400 Valley Bank Center
Phoenix, Arizona 85073

Dear Sirs:

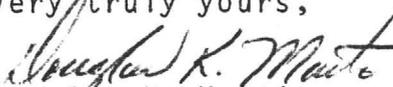
Please accept this letter as my notice of appeal concerning the decision to declare the following mining claims null and void:

A MC 65015 through 65022, Apache #1 through #8

Please furnish me with the following rules and regulations:

Sec. 4.411, 4.412, 4.413, 4.401(c)(2), 4.402, 4.401(a).

Very truly yours,


Douglas K. Martin

DKM:dm
cc: A. Prohoroff

ARIZONA STATE OFFICE
BUREAU OF LAND MANAGEMENT
SEP 09 1982
7:45 A.M.
PHOENIX, ARIZONA

(602) 246-9573



United States Department of the Interior

IN REPLY REFER TO

A MC 65015 thru
A MC 65022 (943-PB)

BUREAU OF LAND MANAGEMENT

ARIZONA STATE OFFICE
2400 VALLEY BANK CENTER
PHOENIX, ARIZONA 85073

D. K. M.
AUG 11 1982

August 9, 1982

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

DECISION

Alex Prohoroff
Sue Hedgepeth
Robert F. Barkley
c/o D.K. Martin & Associates
4728 N. 21st Avenue
Phoenix, Arizona 85015

Mining Claims

Mining Claims Declared Null and Void

Pursuant to requirements of the Federal Land Policy and Management Act of 1976, 43 U.S.C. 1744, and the implementing regulations in 43 CFR 3833.1-2, you filed for recording notices of location for the mining claims listed below.

<u>Serial No.</u>	<u>Claim Name</u>	<u>Date Located</u>	<u>Date Filed</u>
A MC 65015 thru A MC 65022	Apache #1 thru #8 (amended)	3/17/67	9/24/79

In addition to requiring recordation of your mining claims, the Act and the regulations require the owner of unpatented mining claims located on Federal lands on or before October 21, 1976, shall file in the proper Bureau of Land Management office on or before October 22, 1979, or on or before December 30 of each calendar year following the calendar year of recording, whichever date is sooner, evidence of annual assessment work performed during the preceding assessment year or a notice of intention to hold the mining claims.

An affidavit of labor performed or a notice of intention to hold the claims listed above was not received in this office by October 22, 1979. The failure to file one of these instruments within the time allowed is deemed conclusively to constitute abandonment of the claims and they are void, 43 CFR 3833.4. See Decision: Michael Jon McFarland, 51 IBLA 173 (1980).

Any void or abandoned claims may be relocated, subject to valid intervening rights of third parties or the United States, if the area concerned is public land which is open to mining location and if the mineral you are locating is subject to location under the mining laws of the United States. A new certificate of relocation may be filed within 90 days from the date of relocation, accompanied by a \$5 service fee per claim.

An appeal from this decision may be taken to the Board of Land Appeals, Office of Hearings and Appeals, in accordance with the attached regulations in Title 43 Code of Federal Regulations (CFR), Part 4, Subpart E. If an appeal is taken, the notice of appeal must be filed in the Arizona State Office of the Bureau of Land Management, 2400 Valley Bank Center, Phoenix, Arizona 85073, within 30 days from the receipt of this decision. Do not send the appeal directly to the Board. The appeal and case history file will be sent to the Board from this office. Additionally, within 15 days from filing, the regulations also require the appellant to serve a copy of the notice of appeal, statement of reasons, written arguments or briefs on the Field Solicitor, U.S. Department of the Interior, 2080 Valley Bank Center, Phoenix, Arizona 85073. To avoid summary dismissal of the appeal, there must be strict compliance with the regulations. Form 1842-1 is enclosed for additional information.



Mario L. Lopez
Chief, Branch of Lands
and Minerals Operations

Enclosures:

1. Regulations
2. Appeals Procedures
3. Form 1842-1

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

INFORMATION ON TAKING APPEALS TO THE BOARD OF LAND APPEALS

DO NOT APPEAL UNLESS

1. This decision is adverse to you,
AND
2. You believe it is incorrect

IF YOU APPEAL, THE FOLLOWING PROCEDURES MUST BE FOLLOWED

1. NOTICE OF APPEAL Within 30 days file a *Notice of Appeal* in the office which issued this decision (see Sec. 4.411). You may state your reasons for appealing, if you desire.

2. WHERE TO FILE

NOTICE OF APPEAL BUREAU OF LAND MANAGEMENT

Mail to
2400 Valley Bank Center
Phoenix, Arizona 85073

OR

Deliver to
2400 Valley Bank Center
201 North Central Avenue
Phoenix, Arizona 85073

3. STATEMENT OF REASONS Within 30 days after filing the *Notice of Appeal*, file a complete statement of the reasons why you are appealing. This *must* be filed with the U.S. Department of the Interior, Office of the Secretary, Board of Land Appeals, 4015 Wilson Blvd., Arlington, Virginia 22203 (see Sec. 4.412). If you fully stated your reasons for appealing when filing the *Notice of Appeal*, no additional statement is necessary.

4. ADVERSE PARTIES Within 15 days after each document is filed, each adverse party named in the decision *must* be served with a copy of (a) the *Notice of Appeal*, (b) the statement of reasons, and (c) any other documents filed (see Sec. 4.413). **

5. PROOF OF SERVICE Within 15 days after any document is served on an adverse party, file proof of that service with the U.S. Department of the Interior, Office of the Secretary, Board of Land Appeals, 4015 Wilson Blvd., Arlington, Virginia 22203. This may consist of a certified or registered mail "Return Receipt Card" signed by the adverse party (see Sec. 4.401(c)(2)).

Unless these procedures are followed your appeal will be subject to dismissal (see Sec. 4.402). Be certain that all communications are identified by serial number of the case being appealed.

NOTE: A document is not filed until it is actually received in the proper office (see Sec. 4.401(a))

** Additionally, within 15 days from filing, a copy of the notice of appeal and any statement of reasons, written arguments or briefs must be served on the Field Solicitor, U.S. Dept. of the Interior, 2080 Valley Bank Center, 201 N. Central Avenue, Phoenix, Arizona 85073.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
Arizona State Office
2400 Valley Bank Center
Phoenix, Arizona 85073

OFFICIAL BUSINESS
PENALTY FOR PRIVATE USE, \$300

AN EQUAL OPPORTUNITY EMPLOYER

POSTAGE AND FEES PAID
U. S. DEPARTMENT OF THE INTERIOR
INT-415



CLAIM CHECK
NO.

684592

HOLD

DATE

8-11

1ST NOTICE

2ND NOTICE

RETURN

Detached from
PS Form 3849-A
May 1979

D. K. M.
AUG 11 1982

CERTIFIED MAIL

NO. 764456
Return Receipt Requested

Alex Prohoroff, et al
c/o D.K. Martin & Associates
4728 N. 21st Ave.
Phoenix, AZ 85015

Dang.

WE NEED YOU TO FILE THIS WORK
ON BEHALF OF SENATOR MINING CO.

ON THE FOLLOWING CLAIMS:

APACHE #1 THROUGH #8
S.M.C. SENATOR MINING #1 THROUGH #63
GOODPATH 20 THROUGH 23 OPTIONED BY
SENATOR FROM PAUL + THOMAS HANDVERGER.

D. MARTIN & ASSOCIATES
Mining Development & Administration

ST AVENUE

PHOENIX, ARIZONA 85015

Senator Mining Company
P. O. Box 1903
Scottsdale, Arizona 85252

DATE 2/22/82

INVOICE NO. S282

FOR PROFESSIONAL SERVICES

Apache Claims Exploration by Drilling

		Serv.	Pymt.	Bal.
1/27/82	Mobilization	500.00		500.00
1/29/82	Payment #1051		500.00	-0-
1/30/82	Hole # 1 - 200'	2000.00		2,000.00
2/01/82	Payment #30984		2000.00	-0-
2/10/82	Hole # 1 - 200/400	2000.00		2,000.00
2/10/82	Payment # 3-169		2000.00	-0-
2/21/82	Hole # 2 - 145'	1450.00		1,450.00
2/23/82	Hole # 2 - 30/175	300.00		1,750.00
2/24/82	Hole # 3 - 45'	450.00		2,200.00
	30' Steel Casing @ \$5/ft	150.00		
	250 Sample Bags 34x22	65.00		2,415.00
2/24/82	Project Ended			

\$6915.00

Total Balance Due \$ 2,415.00

Pd. 3-1-82

\$1002

SB

Paid 6915.00

1025 street

220



Thank You Doug

OPTION TO ACQUIRE MINING CLAIMS

THIS OPTION AGREEMENT is made this 6th day of March, 1981, by and between ALEX PROHOROFF (hereinafter referred to as "OPTIONOR"), and ARTHUR H. HINDRICHS and/or his nominee (hereinafter referred to as "OPTIONEE") on the following terms and conditions:

1. Grant of Option. For and in consideration of the sum of One Thousand Dollars (\$1,000.00) paid by OPTIONEE to OPTIONOR, the receipt of which is hereby acknowledged, OPTIONOR hereby grants to OPTIONEE the exclusive right to purchase (the "Option") those certain eight (8) lode mining claims (Apache 1-8) as shown on Exhibit A attached hereto, located in portions of Sections 28, 29 and 32, Township 12 North, Range 1 West, Yavapai County, Arizona, such eight claims bearing Bureau of Land Management Claim numbers 65015, 65016, 65017, 65018, 65019, 65020, 65021, and 65022 (such eight claims being hereinafter collectively referred to as the "Mining Claims"), together with all relocations which have been or may be made with respect to the mining claims and all water rights and other rights appurtenant thereto.

2. Term of Option. The term of this Option (the "Option Period") shall commence on the date hereof and shall expire at 5:00 P.M., Mountain Standard Time, on March 6, 1982, unless sooner terminated as provided in Paragraph 7E. hereof.

3. Exercise of Option. This Option shall be exercised by OPTIONEE delivering to OPTIONOR a written notice (the "Exercise Notice") of OPTIONEE'S election to Purchase the Mining Claims at the price and under the terms hereof, at any time prior to the expiration of the Option

Period. At 11:00 A.M. on the tenth (10th) working day following the date of the Exercise Notice OPTIONOR and OPTIONEE shall meet at the offices of Roger Van Camp located at 4113 Saddleback Road, Scottsdale, Arizona 85251 for the purposes of consummating the purchase/sale transaction (herein sometimes referred to interchangeably as the "Closing" or the "Closing Date"). At the Closing the parties will exchange the instruments and documents referred to in Paragraph 5 hereof. Upon mutual written consent, the parties may change the date, time and place of the Closing. Once the Exercise Notice has been timely sent by OPTIONEE to OPTIONOR, this Option Agreement shall constitute a binding agreement by OPTIONOR to sell and transfer the Mining Claims for OPTIONEE to purchase and acquire the Mining Claims, under the terms and conditions set forth herein, without the necessity of the parties executing and delivering a separate agreement.

4. Purchase Price.

A. Except as is otherwise provided in Paragraph 4D below, the total purchase price for the Mining Claims is One Million Five Hundred Thousand Dollars (\$1,500,000.00).

B. The purchase price for the Mining Claims is payable as follows:

(i) On the Closing Date OPTIONEE shall pay to OPTIONOR, in United States funds, the amount of Ten Thousand Dollars (\$10,000.00), by certified or cashier's check.

(ii) The balance of the purchase price shall be evidenced by a non-interest bearing non-recourse promissory note (the "Note"), in the same form as that

March 6
1982 Pd

facsimile promissory note attached hereto as Exhibit B. The payments under the Note shall be due and payable as follows:

(a) Commencing on the thirtieth (30th) day after the Closing Date, and continuing on the same day of each successive month, until the entire principal balance of the Note is paid in full, OPTIONEE shall make equal monthly installment payments of Twenty-Five Hundred Dollars (\$2,500.00).

(b) Upon Production Commencement (as defined in Paragraph 12A below) OPTIONEE shall make additional monthly payments under the Note in amounts equal to the difference between (i) ten percent (10%) of the Net Smelter Return (as defined in Paragraph 12B below) as of the last day of each month and (ii) Twenty-Five Hundred Dollars (\$2,500.00). Such additional payment (if any) shall be due on the twentieth (20th) day of each month based on the Net Smelter Return for the preceding calendar month. Such payments shall continue until the entire principal balance of the Note is paid in full.

(c) OPTIONEE shall have the right to prepay such Note at any time without payment of any premium or penalty.

C. The Note shall be secured by a Deed of Trust (the "Deed of Trust") which shall encumber the Mining Claims. The Deed of Trust shall be in the same form as that facsimile deed of trust attached hereto as Exhibit C.

D. Anything in Paragraph 4A, B, and C to the contrary notwithstanding, at any time within three hundred and sixty-five (365) days from the Closing Date, OPTIONEE may (but shall not be so obligated) pay to OPTIONOR the amount of One Million Dollars (\$1,000,000.00) in United States funds, which amount shall be in excess of any amounts

previously paid by OPTIONEE under this Option Agreement or the Note, if any. Upon paying such amount the Note shall be conclusively deemed to be satisfied and paid in full; the OPTIONOR shall cause the Deed of Trust to be released and satisfied of record, and all of OPTIONEE'S obligations to OPTIONOR hereunder or under any other instrument or document executed in connection herewith shall be conclusively deemed to be satisfied in full and OPTIONEE shall have no further liability or responsibility to OPTIONOR.

E. Neither the One Thousand Dollar (\$1,000.00) Option Payment referred to in Paragraph 1 hereof nor any part of the Ten Thousand Dollars (\$10,000.00) exploration expenditure referred to in Paragraph 7E hereof shall apply or be credited against the purchase price.

5. Closing.

A. At the Closing OPTIONOR shall deliver the following instruments and documents to OPTIONEE:

(i) A Quit Claim Deed to the Mining Claims, in a form acceptable to legal counsel for OPTIONEE.

(ii) A written notice addressed to the Bureau of Land Management ("BLM") advising BLM of such transfer and conveyance of the Mining Claims.

(iii) Any and all other instruments or documents which reasonably may be requested by OPTIONEE in order to give effect and totally consummate the transactions contemplated hereby such that title to the Mining Claims is legally transferred to OPTIONEE and notice thereof has been filed and recorded in all necessary governmental offices.

B. At the Closing OPTIONEE shall deliver the following instruments and documents to OPTIONOR.

(i) The initial down payment referred to in paragraph 4B(i);

(ii) The Note and Deed of Trust.

(iii) A quit claim deed to the Mining Claims, in recordable form, to be held by the trustee under the Deed of Trust and to be recorded only if Optionee defaults hereunder and this Agreement is terminated.

C. The parties will cooperate such that the deeds and the Deed of Trust are recorded in the proper sequence.

6. Taxes and Closing Costs.

A. All taxes and assessments, whether general, special, ordinary or extraordinary, which may be levied on or assessed against the Mining Claims shall be pro-rated as of the Closing Date between the OPTIONOR and OPTIONEE, based upon the latest available tax information.

B. All costs incurred by either OPTIONOR or OPTIONEE in connection with consummating this transaction shall be shared equally by OPTIONOR and OPTIONEE; provided, however, each party hereto shall be responsible for its own attorney's and accountant's fees, if any.

7. Possession During Option.

A. From time to time during the Option Period, OPTIONEE may enter upon the real property upon which the Mining Claims are located (the "Premises") for purposes of prospecting for valuable minerals and removing samples thereof in order to determine the feasibility of actual mining production and exercising this Option, but not for the purpose of actual mining production. In connection therewith, OPTIONEE shall have the full right to determine the amount of prospecting, drilling, exploring, testing, treating, storing and operations to be conducted upon the Premises or in connection with the Mining Claims, and when the same shall commence, cease, or recommence. OPTIONEE

7 ← stripping and waste material; to erect or place thereon machinery, building, fixtures, structures, equipment and other improvements and property; to use presently existing roads and to have full rights-of-way and easements to construct new truck roads, to erect and maintain transmission and telephone lines; and to construct and maintain water lines, ponds and pipelines in connection with operations on the premises. OPTIONEE shall also have the right to erect and maintain on said lands dams, dikes, ponds and other installations for the storage and disposal of mud, debris and other refuse for exploration operations, subject to any applicable restrictions imposed by any federal, state or municipal governing authority.

B. All exploration work done by OPTIONEE during the Option Period shall be done in accordance with all applicable governmental rules, statutes and regulations. OPTIONOR hereby authorizes OPTIONEE, to apply for and obtain zoning and other governmental permits, classifications, approvals, licenses and rights reasonably required in connection with the lawful conduct of OPTIONEE'S exploration work and operations on the Premises and OPTIONOR will cooperate fully to accomplish same. OPTIONEE covenants and agrees to pay all expenses incurred by Optionee in connection with Optionees operations on the Mining Claims to save OPTIONOR and the premises, free and harmless from any and all liens for work or labor done, or materials used or furnished to be used, in or upon the Premises said lands in connection with any work done or alterations made by OPTIONEE during the Option Period. Optionee shall post appropriate "no lien" notices upon the Mining Claims and maintain the same throughout the term of this Agreement.

C. During the Option Period, OPTIONEE shall perform metallurgical test work on the cuttings from previous drillings done by OPTIONOR, which cuttings are now in OPTIONOR'S possession. Such test work shall be done at no cost to OPTIONOR.

D. During the Option Period OPTIONEE shall be permitted to remove from the Premises up to approximately three hundred (300) tons of ore for metallurgical bulk testing purposes. Any minerals extracted from such Ore shall belong to and be the property of OPTIONEE.

E. During the Option Period OPTIONEE agrees to spend a minimum of Ten Thousand Dollars (\$10,000.00) in connection with the exploratory work referred to in Paragraph 7A above and the metallurgical testing work referred to in Paragraph 7C and D above; provided, however, if at anytime during the Option Period OPTIONEE gives OPTIONOR written notice of OPTIONEE'S intent to terminate (the "Notice of Termination") this Option Agreement, OPTIONEE shall have no further obligation to expend funds in excess of the funds expended to such date by OPTIONEE for exploration work and metallurgical testing, notwithstanding the fact that OPTIONEE may not have expended Ten Thousand Dollars (\$10,000.00) to the date of Notice of Termination. In the event OPTIONEE gives OPTIONOR such Notice of Termination, OPTIONEE will also deliver to OPTIONOR appropriate quit claim deeds to the Mining Claims which OPTIONER may record. Upon sending such Notice of Termination to OPTIONOR, this Option Agreement shall be conclusively deemed to be terminated, and neither party hereto shall have any further rights or obligations with respect to the other party.

F. During the Option Period OPTIONOR shall not be entitled to prospect, drill, explore, test, remove

ore, remove samples or otherwise work the Mining Claims or place the Mining Claims into actual mining production, nor shall have OPTIONOR in any way interfere with OPTIONEE in connection with the exercise by OPTIONEE of his exploration and testing rights granted herein.

G. If, during the Option Period an Affidavit of Performance of Annual Labor is required to be filed and recorded under applicable governmental statutes, rules or regulations in connection with the Mining Claims, and if OPTIONEE has not terminated this Option Agreement prior to the date that such Affidavit is required to be filed and recorded, OPTIONEE shall cause such Affidavit to be filed with the Yavapai County Recorder and the BLM and furnish the same to Optionor on or before July 30, 1981.

8. Perimeter Claims.

A. During the Option Period ~~OPTIONOR and~~ OPTIONEE shall have the right, but not the obligation, to locate and stake either lode or placer claims (the "New Claims") within ~~three miles~~ ^{AP OF} the ~~vicinity~~ ^{PERIMETER} of the ~~MINING CLAIMS~~ ^{"MINING CLAIMS"}. If OPTIONEE elects not to exercise the option granted hereby, OPTIONEE shall transfer to OPTIONOR by quit claim deed all such "New Claims" and thereafter OPTIONEE shall have no further right, title or interest therein.

~~B. If, during the Option Period, OPTIONOR ^{AND/OR} OPTIONEE shall locate any lode or placer claims within a radius of three (3) miles of the Mining Claims, ^{EITHER PARTY} OPTIONEE shall be entitled to and ~~OPTIONOR~~ shall transfer, convey and assign any such newly located claims to ^{THE OTHER PARTY} OPTIONEE at the Closing Date if ~~OPTIONEE~~ exercises the option granted hereunder. Such newly located claims shall be transferred, conveyed and assigned to OPTIONEE for the same price and under the same terms and conditions as are set forth in Paragraph 4,~~

B. ANY SUCH "NEW CLAIMS" LOCATED OR LANDS ACQUIRED WITHIN THE THREE (3) MILES OF THE "MINING CLAIMS" DURING THE LIFE OF THIS AGREEMENT SHALL BE SUBJECT TO ALL THE TERMS SET FORTH HEREIN.

without OPTIONEE being required to pay any additional compensation or consideration for such newly located claims.

C. If requested by OPTIONEE, OPTIONOR shall make himself available to consult with and to assist in locating new claims in the vicinity of the Premises. In consideration for such services, OPTIONEE, shall pay to OPTIONOR the amount of \$50.00 per day for each day that OPTIONEE requests and utilizes the services of OPTIONOR.

9. Representations and Warranties. OPTIONOR hereby represents and warrants (which representation and warranties shall be true and in full force and effect upon the Closing Date) that, as of the date of this Agreement:

(a) OPTIONOR is the sole and exclusive owner of the possessory right to the Mining Claims;

(b) Each and all of the Mining Claims have been properly located in accordance with the laws of the State of Arizona and the United States of America;

(c) All discovery, assessment, improvement and annual work, has been done on all of the Mining Claims, all in accordance with the laws of the United States of America and of the State of Arizona from the date of location through December 31, 1980.

(d) All notices of location, discovery work and notices of labor or assessment work and all other Arizona and federally required filings have been properly filed on and in connection with all of the Mining Claims, all in accordance with the laws of the United States of America and of the State of Arizona;

(e) The Premises are now (and were at the time the Mining Claims were located) subject to mineral entry and location;

(f) There is full access available to the Mining Claims and OPTIONEE has the right to use such access without payment of any amounts in addition to the amounts due hereunder;

(g) All of the Mining Claims are in good standing, and, to the best of the knowledge and belief of OPTIONOR, all such Mining Claims are subsisting and valid;

(h) All of the Mining Claims are free and clear of all liens, encumbrances, leases, zoning laws, covenants, conditions and restrictions and claims of third parties, and that OPTIONOR has the exclusive right of possession thereof, subject to the claim of title to the Premises upon which the Mining Claims are located by the United States of America;

(i) No person or entity has the right to impose or claim a mechanic's or materialman's lien upon the Mining Claims.

(j) There are no actions, suits or claims pending or threatened with respect to or in any manner affecting the Mining Claims, nor are there any circumstances which should or could reasonably form the basis for any such actions, suits, claims or proceedings;

(k) OPTIONOR has not entered into and there is not existing any other agreement, written or oral, under which OPTIONOR is or could become obligated to sell, lease, transfer or otherwise convey the Mining Claims to a third party, and no third party has any right to possess, operate or otherwise affect the Mining Claims;

(l) OPTIONOR has not received any notice with respect to and OPTIONOR is aware of no reason why the extraction of mineral and mining operations cannot be

conducted upon the Premises nor any reason why any minerals so extracted cannot be removed from the Premises.

10. Property of Optionee. All tools, equipment, pipelines, apparatus, buildings, structures and property of any nature or description, whether or not affixed to the soil, or placed on or near the Premises by OPTIONEE, shall be deemed to be and shall remain the personal property of OPTIONEE and title thereto shall, at all times, remain and be in OPTIONEE and not subject to any liens, claims or demands made against OPTIONOR. OPTIONEE shall have the right at all times during the Option Period and for a period of sixty (60) days after the termination of this Option Agreement, to remove such property from the Premises.

11. Indemnity.

(a) OPTIONEE agrees to indemnify and hold OPTIONOR harmless from any and all claims, demands or liabilities (including attorneys' fees) arising out of or in connection with the operations or activities of OPTIONEE hereunder.

(b) OPTIONOR agrees to indemnify and hold OPTIONEE harmless from and against any and all claims, demands, losses, liabilities, costs or expenses (including attorneys' fees) arising out of or in connection with the breach of any of OPTIONOR's covenants, representations or warranties provided for herein.

12. Production Royalties.

A. If OPTIONEE exercises the Option granted hereby, OPTIONEE at its sole discretion, shall determine when to begin actual mining operations upon any or all of the Mining Claims. OPTIONEE shall give OPTIONOR written notice of the date upon which any such production commences (herein referred to as "Production Commencement").

B. Upon Production Commencement, OPTIONEE shall send to OPTIONOR a monthly statement of the Net Smelter Return accruing from mining operations upon the premises. The term "Net Smelter Return" as used herein shall be determined by deducting from the gross proceeds received by OPTIONEE from the sale of all metals, minerals and mineral ores extracted from the Mining Claims the following:

(i) The cost of prospecting, drilling, exploring, testing, mining and extracting such metals, minerals and mineral ores from the premises;

(ii) The cost of transportation of such metals, minerals and mineral ores from the place of mining to the smelter, dryer, concentrator, treatment facility, screening facility, jigging facility, floating facility or other processing facility;

(iii) The costs of screening, jigging, floating, drying, concentrating, or other processing;

(iv) All smelter charges and other final treatment costs for minerals, mineral ores or metals which are processed through a smelter or other treatment facility;

(v) All output, production, severance or other taxes imposed by any governmental authority in connection with the mining operation, the extraction of metals, minerals or mineral ores and the storage, processing or sale thereof.

(vi) All other costs and expenses customarily incurred in connection with the mining, processing and sale of metals, minerals and mineral ores. All computations, calculations and production royalty payments required pursuant to Paragraph 4 B(ii)(b) shall be

made in accordance with generally accepted accounting principles applied on a consistent basis. OPTIONEE shall provide OPTIONOR with an annual report setting forth total mining production at the Mining Claims and setting forth all computations, calculations and other determinations required in order to permit OPTIONOR to confirm the actual Net Smelter Return for each month of the preceding calendar year.

(vii) OPTIONOR shall have the right, once mining production has commenced, to enter upon the Premises, at reasonable times, at OPTIONOR's risk, to inspect the mining operations, to take representative samples of ores which are then being mined, processed or shipped, and to inspect the books and records of account of OPTIONEE with respect to the Mining Claims.

13. Miscellaneous.

A. OPTIONEE shall have the right to assign or otherwise transfer its rights under this Option Agreement to other persons or entities.

B. This Agreement shall be binding on and inure to the benefit of the parties hereto and their respective successors, heirs, assigns and personal representatives.

C. This Agreement constitutes the entire agreement and understanding among the parties hereto and supersedes all prior and contemporaneous agreements, understandings, inducements and conditions. No amendment, waiver, or discharge of any provision of this Agreement shall be effective against any party, unless that party or its lawful agent shall have consented thereto in writing.

D. The language and all parts of this Agreement shall be construed as a whole according to its

fair meaning, and not strictly for or against either OPTIONOR or OPTIONEE. The headings of this Agreement are for convenience only and are not to be construed as a part of this Agreement or in any way defining, limiting or amplifying the provisions hereof.

E. The terms and provisions of this Agreement shall be governed by and construed in accordance with and interpreted under the laws of the State of Arizona.

F. If either party institutes a suit against the other in any way connected with this Agreement, or its enforcement, the successful party to any such action shall be entitled to recover from the other party reasonable attorneys' fees, witness fees and expenses and court costs in connection with said suit.

G. Words used herein, regardless of the number and gender actually used, shall be deemed and construed to include any other number, singular or plural, and any other gender, masculine, feminine or neuter, as the context requires.

H. In computing the number of days for purposes of this Agreement, all days shall be counted, including Saturdays, Sundays and holidays; provided, however, that if the final day of any time period falls on a Saturday, Sunday or holiday, then the final day shall be deemed to be the next date which is not a Saturday, Sunday or holiday.

I. All covenants, agreements, warranties and representations provided for herein shall survive all closings provided for herein and shall not merge in any of the deeds or other instruments or documents of conveyance provided for herein.

J. A notice or memorandum of this Option may be recorded by OPTIONEE in the county in which the Mining Claims are located and OPTIONOR agrees to execute and acknowledge any such notice if requested by OPTIONEE.

14. Notices. All notices to be given by either party to the other shall be in writing, shall be served by depositing such notices in the United States mail, certified or registered, return receipt requested, with certification or registration and postage charges prepaid, properly addressed and directed to OPTIONOR and OPTIONEE at the following address:

OPTIONOR: Alex Prohoroff
Route 3, Box 1319
Phoenix, Arizona 85043

OPTIONEE: A. H. Hindrichs
5244 North 25th Street
Phoenix, Arizona 85016

Either party may designate a different person or entity or place to or at which notices shall be given by delivering a written notice to that effect to the other party, which notice shall be effective after the same is actually received by the other party. Except as expressly provided in the preceding sentence, all notices shall be deemed to have been delivered upon the earlier of (i) actual receipt as evidenced by a return receipt or other delivery receipt, or (ii) two (2) days after the postmark on the envelope of such notice provided that such notice has been deposited for delivery in a branch office or postal mail box drop operated by the United States postal service. In lieu of

mailing, any notice may be personally delivered against receipt.

IN WITNESS WHEREOF, this Option Agreement has been executed as of the date first written above.

OPTIONOR:

Alex Prohoroff
ALEX PROHOROFF

OPTIONEE:

Arthur H. Hindrichs
ARTHUR H. HINDRICHS

STATE OF ARIZONA)
County of MARICOPA) ss.

On this 6th day of March, 1981 before me personally appeared ALEX PROHOROFF, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

IN WITNESS WHEREOF, I have hereunto affixed my official seal.

R.A. Van Camp
Notary Public

My Commission Expires:

My Commission Expires July 24, 1981

STATE OF ARIZONA)
County of MARICOPA) ss.

On this 6th day of March, 1981 before me personally appeared ARTHUR H. HINDRICHS, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

IN WITNESS WHEREOF, I have hereunto affixed my official seal.

R.A. Van Camp
Notary Public

My Commission Expires:

My Commission Expires July 24, 1981

SUPPLEMENT TO DEED OF TRUST
AND ASSIGNMENT OF RENTS
DATED _____

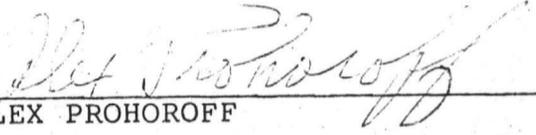
16. Trustor shall cause to be filed and recorded an Affidavit of Performance of Annual Labor each year as required pursuant to applicable statutes, rules or regulations of the State of Arizona and the United States of America; and Trustor shall, in each calendar year, perform at least \$100 worth of work and improvements in connection with each of the Mining Claims to which this Deed of Trust relates such that the aforesaid Affidavit of Performance of Annual Labor can be filed and recorded.

17. Beneficiary hereby covenants and agrees with Trustor that Beneficiary will execute and deliver to

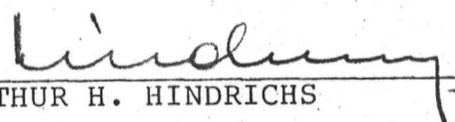
the written request referred to in Paragraph 9 of the printed Deed of Trust which is supplemented hereby, together with the Promissory Note and the original of this Deed of Trust, with such instruments and documents to be held in trust by _____,

for the benefit of Beneficiary. Upon presentation to _____ of evidence that all sums secured hereby have been paid in accordance with the terms of the Promissory Note secured hereby,

_____ shall deliver such instruments and documents to the Trustee named herein such that this Deed of Trust can be released and satisfied of record.



ALEX PROHOROFF



ARTHUR H. HINDRICHS

PROMISSORY NOTE

\$1,490,000.00

Phoenix, Arizona
MARCH 6, 1981

The undersigned promises to pay to the order of ALEX PROHOROFF, at CHICAGO TITLE INSURANCE, or at such other address in Phoenix, Arizona as the holder hereof may from time to time designate in writing as the address where it is holding this Note, the principal sum of \$1,490,000.00, without interest, payable as follows:

(a) Commencing on the thirtieth (30th) day from the date hereof, and continuing on the same day of each successive month, until the entire principal balance hereof is paid in full, equal monthly installments of \$2,500.00 shall be due and payable;

(b) Upon Production Commencement (as defined in Paragraph 12 A of that certain Option to Acquire Mining Claims dated March 6, 1981, by and between Maker and Payee), additional monthly payments shall be due in amounts equal to the difference between (i) ten percent (10%) of the Net Smelter Return (as such term is defined in Paragraph 12 B of said Option Agreement) as of the last day of each month, and (ii) \$2,500.00. Such additional monthly payments (if any) shall be due on the twentieth (20th) day of each month based on the Net Smelter Return for the preceding calendar month.

All sums payable hereunder shall be paid in lawful money of the United States of America.

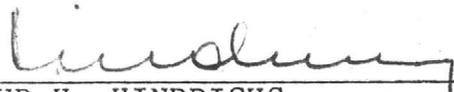
The undersigned may prepay all or any of the principal hereunder at any time or from time to time without premium or penalty. Prepayments shall apply to the next due installments of principal in the order of their maturity. Anything herein to the contrary notwithstanding, at any time within 365 days from the date of this Note, Maker may (but shall not be so obligated) pay to the holder hereof the amount of \$1,000,000.00, which amount shall be in excess of any amounts previously paid hereunder, if any. Upon payment of such amount this Note shall be conclusively deemed to be satisfied and paid in full and Maker shall have no further liability or responsibility in connection herewith.

Should default be made in the payment of any installment when due, and if said default is not cured within 30 days of receipt by Maker of written notice of said default from the holder hereof, then, at the option of the holder of this Note, the whole sum of principal may become immediately due and payable and said installment shall bear interest at 12% per annum from its maturity date until paid.

Should suit be brought to recover on this Note, the undersigned shall pay all costs and expenses of collection, including without limitation reasonable attorneys' fees.

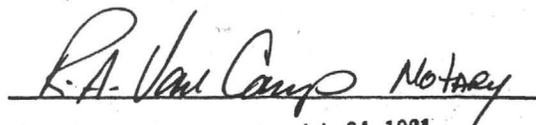
This Note is secured by a deed of trust upon real property in Yavapai County, Arizona.

Anything to the contrary herein notwithstanding, the Maker shall not be personally responsible or liable for any amount (principal, interest, cost, expense or otherwise) due under this Note, and the sole right and remedy of the payee or any subsequent holder hereof for nonpayment of any sum or nonperformance of any provision hereunder shall be against the mining claims which are subject to the deed of trust securing this Note, by trustee's sale or foreclosure as provided therein, and neither the payee nor any holder shall seek by complaint, judgment or otherwise to obtain or recover any deficiency or any other amount from the maker hereunder or as a result of default in any provision of the deed of trust securing payment of the maker's obligations hereunder.



ARTHUR H. HINDRICHS

*In witness whereof, I have hereunto affixed my
OFFICIAL SEAL.*
STATE OF ARIZONA
COUNTY OF MARICOPA


_____ Notary

My Commission Expires July 24, 1981

STATE OF ARIZONA

COUNTY OF

I hereby certify that the within instrument was filed and recorded

Fee No.

in DOCKET page and indexed

at the request of

When recorded mail to:

Witness my hand and official seal.

County Recorder,

Compared Photostated Fee

By

Deputy Recorder

DEED OF TRUST AND ASSIGNMENT OF RENTS

This Deed of Trust, made this 16th day of March between

The Senator Mining Company

, herein called Trustor

whose mailing address is 4413 North Saddlebag Trail, Scottsdale, Arizona 85251 (number and street) (city) (state) (zip code)

TITLE INSURANCE COMPANY OF MINNESOTA, a Minnesota corporation, herein called Trustee, whose mailing address is 3003 North Central Avenue, Phoenix, Arizona 85012.

and, ALEX PROHOROFF, herein called Beneficiary,

whose mailing address is Route #3, Box 1319, Phoenix Arizona 85043 (number and street) (city) (state) (zip code)

WITNESSETH: That Trustor conveys, transfers and assigns to Trustee in Trust, with Power of Sale, the following described real property in County, Arizona:

See Exhibit "A" attached hereto and made a part hereof.

Together with all buildings, improvements, and fixtures thereon.

This Deed of Trust, made on the above date between the Trustor, Trustee, and Beneficiary above named,

WITNESSETH: That Trustor irrevocably grants and conveys to Trustee in Trust, with Power of Sale, the above described real property, together with leases, rents, issues, profits, or income thereof, (all of which are hereinafter called "property income"); SUBJECT, HOWEVER, to the right, power, and authority hereinafter given to and conferred upon Beneficiary to collect and apply such property income; AND SUBJECT TO existing taxes, assessments, liens, encumbrances, covenants, conditions, restrictions, right of way, and easements of record.

FOR THE PURPOSE OF SECURING:

A. Performance of each agreement of Trustor herein contained. B. Payment of the indebtedness evidenced by promissory note or notes of even date herewith, and any extension or renewal thereof in the principal sum of \$ 1,490,000.00 executed by Trustor in favor of Beneficiary or order. C. Payment of additional sums and interest thereon which may hereafter be loaned to Trustor, or his successors or assigns, when evidenced by a promissory note or notes reciting that they are secured by this Deed of Trust.

TO PROTECT THE SECURITY OF THIS DEED OF TRUST, TRUSTOR AGREES:

1. To keep said property in good condition and repair; not to remove or demolish any building thereon to complete or restore promptly and in good and workmanlike manner any building which may be constructed, damaged, or destroyed thereon, and to pay when due all claims for labor performed and materials furnished therefor; to comply with all laws affecting said property or requiring any alterations or improvements to be made thereon; not to commit or permit waste thereof; not to commit, suffer, or permit any act upon said property in violation of law; and do all other acts which from the character or use of said property may be reasonably necessary, the specific enumerations herein not excluding the general. See Supplement.

2. To provide, maintain, and deliver to Beneficiary fire insurance satisfactory to and with loss payable to Beneficiary. The amount collected under any fire or other insurance policy may be applied by Beneficiary upon any indebtedness secured hereby and in such order as Beneficiary may determine, or at option of Beneficiary the entire amount so collected or any part thereof may be released to Trustor. Such application or release shall not cure or waive any default or notice of Trustee's sale hereunder or invalidate any act done pursuant to such notice.

3. To appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee; and to pay all costs and expenses of Beneficiary and Trustee, including cost of evidence of title and attorney's fees in a reasonable sum, in any such action or proceeding in which Beneficiary or Trustee may appear or be named, and in any suit brought by Beneficiary or Trustee to foreclose this Deed of Trust.

4. To pay: before delinquent, all taxes and assessments affecting said property; when due, all encumbrances, charges, and liens, with interest, on said property or any part thereof, which appear to be prior or superior hereto; all costs, fees, and expenses of this Trust, including, without limiting the generality of the foregoing, the fees of Trustee for issuance of any Deed of Partial Release and Partial Reconveyance or Deed of Release and Full Reconveyance, and all lawful charges, costs, and expenses in the event of reinstatement of, following default in, this Deed of Trust or the obligations secured hereby.

Should Trustor fail to make any payment or to do any act as herein provided, then Beneficiary or Trustee, but without obligation so to do and without notice to or demand upon Trustor and without releasing Trustor from any obligation hereof, may: make or do the same in such manner and to such extent as either may deem necessary to protect the security hereof, Beneficiary or Trustee being authorized to enter upon said property for such purposes; appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee; pay, purchase, contest, or compromise any encumbrance, charge, or lien which in the judgment of either appears to be prior or superior hereto; and, in exercising any such powers, pay necessary expenses, employ counsel, and pay his reasonable fees.

5. To pay immediately and without demand all sums expended by Beneficiary or Trustee pursuant to the provisions hereof, together with interest from date of expenditure at the same rate as is provided for in the note secured by this Deed of Trust or at the highest legal rate, whichever be the greater rate. Any amounts so paid by Beneficiary or Trustee shall become a part of the debt secured by this Deed of Trust and a lien on said premises or immediately due and payable at option of Beneficiary or Trustee.

IT IS MUTUALLY AGREED:

6. That any award of damages in connection with any condemnation or any such taking, or for injury to the property by reason of public use, or for damages for private trespass or injury thereto, is assigned and shall be paid to Beneficiary as further security for all obligations secured hereby (reserving unto the Trustor, however, the right to sue therefor and the ownership thereof subject to this Deed of Trust), and upon receipt of such moneys Beneficiary may hold the same as such further security, or apply or release the same in the same manner and with the same effect as above provided for disposition of proceeds of fire or other insurance. Shall apply same upon any indebtedness secured hereby, such amounts to apply towards the next due installments.

7. That time is of the essence of this Deed of Trust, and that by accepting payment of any sum secured hereby after its due date, Beneficiary does not waive his right either to require prompt payment when due of all other sums so secured or to declare default for failure so to pay.

8. That at any time or from time to time, and without notice, upon written request of Beneficiary and presentation of this Deed of Trust and said note(s) for endorsement, and without liability therefor, and without affecting the personal liability of any person for payment of the indebtedness secured hereby, and without affecting the security hereof for the full amount secured hereby on all property remaining subject hereto, and without the necessity that any sum representing the value or any portion thereof of the property affected by the Trustee's action be credited on the indebtedness, the Trustee may: (a) release and reconvey all or any part of said property; (b) consent to the making and recording, or either, of any map or plat of the property or any part thereof; (c) join in granting any easement thereon; (d) join in or consent to any extension agreement or any agreement subordinating the lien, encumbrance, or charge hereof.

9. That upon written request of Beneficiary stating that all sums secured hereby have been paid, and upon surrender of this Deed of Trust and said note(s) to Trustee for cancellation and retention, and upon payment of its fees, Trustee shall release and reconvey, without covenant or warranty, express or implied, the property then held hereunder. The recitals in such reconveyance of any matters or facts shall be conclusive proof of the truthfulness thereof. The grantee in such reconveyance may be described as "the person or persons legally entitled thereto."

10. That as additional security, Trustor hereby gives to and confers upon Beneficiary the right, power, and authority, during the continuance of this Trust, to collect the property income, reserving to Trustor the right, prior to any default by Trustor in payment of any indebtedness secured hereby or in performance of any agreement hereunder, to collect and retain such property income as it becomes due and payable. Upon any such default, Beneficiary may at any time, without notice, either in person, by agent, or by a receiver to be appointed by a court, and without regard to the adequacy of any security for the indebtedness hereby secured, enter upon and take possession of said property or any part thereof, in his own name sue for or otherwise collect such property income, including that past due and unpaid, and apply the same, less costs and expenses of operation and collection, including reasonable attorney's fees, upon any indebtedness secured hereby, and in such order as Beneficiary may determine. The entering upon and taking possession of said property, the collection of such property income, and the application thereof as aforesaid, shall not cure or waive any default or notice of Trustee's sale hereunder or invalidate any act done pursuant to such notice.

11. That upon default by Trustor in the payment of any indebtedness secured hereby or in performance of any agreement hereunder, Beneficiary may declare all sums secured hereby immediately due and payable by delivery to Trustee of written notice thereof, setting forth the nature thereof, and of election to cause to be sold said property under this Deed of Trust. Beneficiary also shall deposit with Trustee this Deed of Trust, said note(s), and all documents evidencing expenditures secured hereby.

Trustee shall record and give notice of Trustee's sale in the manner required by law, and after the lapse of such time as may then be required by law, Trustee shall sell, in the manner required by law, said property at public auction at the time and place fixed by it in said notice of Trustee's sale to the highest bidder for cash in lawful money of the United States, payable at time of sale. Trustee may postpone or continue the sale by giving notice of postponement or continuance by public declaration at the time and place last appointed for the sale. Trustee shall deliver to such purchaser its Deed conveying the property so sold, but without any covenant or warranty, expressed or implied. Any persons, including Trustor, Trustee, or Beneficiary, may purchase at such sale.

After deducting all costs, fees, and expenses of Trustee and of this Trust, including cost of evidence of title in connection with sale and reasonable attorney's fees, Trustee shall apply the proceeds of sale to payment of: All sums then secured hereby and all other sums due under the terms hereof, with accrued interest; and the remainder, if any, to the person or persons legally entitled thereto, or as provided in A.R.S. 33-812. To the extent permitted by law, an action may be maintained by Beneficiary to recover a deficiency judgment for any balance due hereunder.

12. That Beneficiary may appoint a successor Trustee in the manner prescribed by law. A successor Trustee herein shall, without conveyance from the predecessor Trustee, succeed to all the predecessor's title, estate, rights, powers, and duties. Trustee may resign by mailing or delivering notice thereof to Beneficiary and Trustor.

13. That this Deed of Trust applies to, inures to the benefit of, and binds all parties hereto, their heirs, legatees, devisees, administrators, executors, successors, and assigns. The term Beneficiary shall mean the owner and holder of the note(s) secured hereby, whether or not named as Beneficiary herein. In this Deed of Trust, whenever the context so requires, the masculine gender includes the feminine and neuter, and the singular number includes the plural.

14. That Trustee accepts this Trust when this Deed of Trust, duly executed and acknowledged, is made a public record as provided by law. Trustee is not obligated to notify any party hereto of pending sale under any other Deed of Trust or of any action or proceeding in which Trustor, Beneficiary, or Trustee shall be a party unless brought by Trustee.

The undersigned Trustor requests that a copy of any notice of Trustee's sale hereunder be mailed to him at his address hereinbefore set forth.

15. See Deed of Trust Supplement attached hereto.

Trustor

Trustor

Trustor
BY: _____
Name and Title

(INDIVIDUAL)

STATE OF ARIZONA)
)SS
County of MARICOPA)

This instrument was acknowledged before me this 16th day of MARCH
1982, by R.A. Van Ouy Commissioner
EXPIRES 7-23-84

My commission will expire

Notary Public

(CORPORATION)

STATE OF ARIZONA)
)SS
County of _____)

This instrument was acknowledged before me this _____ day of _____
19____, by _____
Name Title

of _____
an _____ corporation, on behalf
of the corporation.

My commission will expire

Notary Public

SUPPLEMENT TO DEED OF TRUST
AND ASSIGNMENT OF RENTS
DATED _____

16. Trustor shall cause to be filed and recorded an Affidavit of Performance of Annual Labor each year as required pursuant to applicable statutes, rules or regulations of the State of Arizona and the United States of America; and Trustor shall, in each calendar year, perform at least \$100 worth of work and improvements in connection with each of the Mining Claims to which this Deed of Trust relates such that the aforesaid Affidavit of Performance of Annual Labor can be filed and recorded.

17. Beneficiary hereby covenants and agrees with Trustor that Beneficiary will execute and deliver to

the written request referred to in Paragraph 9 of the printed Deed of Trust which is supplemented hereby, together with the Promissory Note and the original of this Deed of Trust, with such instruments and documents to be held in trust by _____,

for the benefit of Beneficiary. Upon presentation to _____ of evidence that all sums secured hereby have been paid in accordance with the terms of the Promissory Note secured hereby,

_____ shall deliver such instruments and documents to the Trustee named herein such that this Deed of Trust can be released and satisfied of record.


ALEX PROHOROFF


ARTHUR H. HINDRICHS

March 15, 1982

Bureau of Land Management
201 North Central Avenue
Phoenix, Arizona

Gentlemen:

Please be advised that the undersigned, Alex Prohoroff, has this date transferred those certain eight (8) lode mining claims (Apache 1-8) as shown on Exhibit A attached hereto, located in portions of Sections 28, 28 and 32, Township 12 North, Range 1 West, Yavapai County, Arizona, such eight claims bearing Bureau of Land Management Claim numbers 65015, 65016, 65017, 65018, 65019, 65020, 65021 and 65022, together with all relocations which have been made or may be made with respect to said mining claims and all water rights and other rights appurtenant thereto, to The Senator Mining Company, a general partnership by and among Arthur H. Hindrichs, Van Camp, Inc., an Arizona corporation, and Double Eagle Mining Co., a North Dakota corporation.

Sincerely,

A handwritten signature in cursive script that reads "Alex Prohoroff". The signature is written in dark ink and is positioned to the right of the typed name "Sincerely,".

The Senator Mining Co.
Box 1903
Scottsdale, Arizona 85252

(602) 941-8222
4413 North Saddlebag Trail
Suite #1

March 4, 1982

Alex Prohoroff
Route 3, Box 1319
Phoenix, Arizona 85043

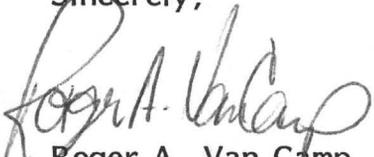
Hand Delivered:

Dear Mr. Prohoroff:

This letter is to exercise the option on the Apache Loade Claims, numbers 1 through 8, per the option agreement in paragraph three of the option that you granted to Mr. Arthur Hindrichs March 6, 1981.

If you will call me at your convenience, at 941-8222, we shall establish a date by which we can complete the exercise on this option according to our agreement.

Sincerely,


Roger A. Van Camp
Operational Partner
Senator Mining Company


Alex Prohoroff
March 5, 1982

RAVC/lb

(602) 246-9573

D.K. MARTIN & ASSOCIATES
Mining Development & Administration

4728 N. 21ST AVENUE

PHOENIX, ARIZONA 85015

Alex Prohoroff
Route 5 Box 1319
Phoenix, Arizona 85043

DATE

March 4, 1981

INVOICE NO.

TRANSMITTAL

FOR PROFESSIONAL SERVICES

Enclosed please find a copy of the Apache Mining
claims Option to Acquire.

PROMISSORY NOTE

\$1,490,000.00

Phoenix, Arizona
MARCH 16, 1982

The undersigned promises to pay to the order of ALEX PROHOROFF, at Route #3, Box 1319, Phoenix, Az., or at such other address in Phoenix, Arizona as the holder hereof may from time to time designate in writing as the address where it is holding this Note, the principal sum of \$1,490,000.00, without interest, payable as follows:

(a) Commencing on the thirtieth (30th) day from date hereof, and continuing on the same day of each successive month, until the entire principal balance hereof is paid in full, equal monthly installments of \$2,500.00 shall be due and payable;

(b) Upon Production Commencement (as defined in Paragraph 12 A of that certain Option to Acquire Mining Claims dated March 6, 1981, by and between Maker and Payee), additional monthly payments shall be due in amounts equal to the difference between (i) ten percent (10%) of the Net Smelter Return (as such term is defined in Paragraph 12 B of said Option Agreement) as of the last day of each month, and (ii) \$2,500.00. Such additional monthly payments (if any) shall be due on the twentieth (20th) day of each month based on the Net Smelter Return for the preceding calendar month.

All sums payable hereunder shall be paid in lawful money of the United States of America.

The undersigned may prepay all or any of the principal hereunder at any time or from time to time without premium or penalty. Prepayments shall apply to the next due installments of principal in the order of their maturity. Anything herein to the contrary notwithstanding, at any time within 365 days from the date of this Note, Maker may (but shall not be so obligated) pay to the holder hereof the amount of \$1,000,000.00, which amount shall be in excess of any amounts previously paid hereunder, if any. Upon payment of such amount this Note shall be conclusively deemed to be satisfied and paid in full and Maker shall have no further liability or responsibility in connection herewith.

Should default be made in the payment of any installment when due, and if said default is not cured within 30 days of receipt by Maker of written notice of said default from the holder hereof, then, at the option of the holder of this Note, the whole sum of principal may become immediately due and payable and said installment shall bear interest at 12% per annum from its maturity date until paid.

Should suit be brought to recover on this Note, the undersigned shall pay all costs and expenses of collection, including without limitation reasonable attorneys' fees.

This Note is secured by a deed of trust upon real property in Yavapai County, Arizona.

Anything to the contrary herein notwithstanding, the Maker shall not be personally responsible or liable for any amount (principal, interest, cost, expense or otherwise) due under this Note, and the sole right and remedy of the payee or any subsequent holder hereof for nonpayment of any sum or nonperformance of any provision hereunder shall be against the mining claims which are subject to the deed of trust securing this Note, by trustee's sale or foreclosure as provided therein, and neither the payee nor any holder shall seek by complaint, judgment or otherwise to obtain or recover any deficiency or any other amount from the maker hereunder or as a result of default in any provision of the deed of trust securing payment of the maker's obligations hereunder.

Lindsay

THE SENATOR MINING COMPANY

In witness hereof, I have hereunto affixed my official seal.

State of Arizona
County of Maricopa

Lindsay

R.A. Van Camp
EXPIRES July 23, 1984

OPTION TO ACQUIRE MINING CLAIMS

THIS OPTION AGREEMENT is made this ____ day of February, 1981, by and between ALEX PROHOROFF (hereinafter referred to as "OPTIONOR"), and ARTHUR H. HINDRICHS and/or his nominee (hereinafter referred to as "OPTIONEE") on the following terms and conditions:

1. Grant of Option. For and in consideration of the sum of One Thousand Dollars (\$1,000.00) paid by OPTIONEE to OPTIONOR, the receipt of which is hereby acknowledged, OPTIONOR hereby grants to OPTIONEE the exclusive right to purchase (the "Option") those certain eight (8) lode mining claims (Apache 1-8) as shown on Exhibit A attached hereto, located in portions of Sections 28, 29 and 32, Township 12 North, Range 1 West, _____ County, Arizona, such eight claims bearing Bureau of Land Management Claim numbers _____, _____, _____, _____, _____, _____, and _____ (such eight claims being hereinafter collectively referred to as the "Mining Claims"), together with all relocations which have been or may be made with respect to the mining claims and all water rights and other rights appurtenant thereto.

2. Term of Option. The term of this Option (the "Option Period") shall commence on the date hereof and shall expire at 5:00 P.M., Mountain Standard Time, on February __, 1982, unless sooner terminated as provided in Paragraph 7E. hereof.

3. Exercise of Option. This Option shall be exercised by OPTIONEE delivering to OPTIONOR a written notice (the "Exercise Notice") of OPTIONEE'S election to Purchase the Mining Claims at the price and under the terms hereof, at any time prior to the expiration of the Option

Period. At 11:00 A.M. on the tenth (10th) working day following the date of the Exercise Notice OPTIONOR and OPTIONEE shall meet at the offices of _____ located at _____ for the purposes of consummating the purchase/sale transaction (herein sometimes referred to interchangeably as the "Closing" or the "Closing Date"). At the Closing the parties will exchange the instruments and documents referred to in Paragraph 5 hereof. Upon mutual written consent, the parties may change the date, time and place of the Closing. Once the Exercise Notice has been timely sent by OPTIONEE to OPTIONOR, this Option Agreement shall constitute a binding agreement by OPTIONOR to sell and transfer the Mining Claims for OPTIONEE to purchase and acquire the Mining Claims, under the terms and conditions set forth herein, without the necessity of the parties executing and delivering a separate agreement.

4. Purchase Price.

A. Except as is otherwise provided in Paragraph 4D below, the total purchase price for the Mining Claims is One Million Five Hundred Thousand Dollars (\$1,500,000.00).

B. The purchase price for the Mining Claims is payable as follows:

(i) On the Closing Date OPTIONEE shall pay to OPTIONOR, in United States funds, the amount of Ten Thousand Dollars (\$10,000.00), by certified or cashier's check.

(ii) The balance of the purchase price shall be evidenced by a non-interest bearing non-recourse promissory note (the "Note"), in the same form as that facsimile promissory note attached hereto as Exhibit B. The

payments under the Note shall be due and payable as follows:

(a) Commencing on the thirtieth (30th) day after the Closing Date, and continuing on the same day of each successive month, until the entire principal balance of the Note is paid in full, OPTIONEE shall make equal monthly installment payments of Twenty-Five Hundred Dollars (\$2,500.00).

(b) Upon Production Commencement (as defined in Paragraph 12A below) OPTIONEE shall make additional monthly payments under the Note in amounts equal to the difference between (i) ten percent (10%) of the Net Smelter Return (as defined in Paragraph 12B below) as of the last day of each month and (ii) Twenty-Five Hundred Dollars (\$2,500.00). Such additional payment (if any) shall be due on the twentieth (20th) day of each month based on the Net Smelter Return for the preceding calendar month. Such payments shall continue until the entire principal balance of the Note is paid in full.

(c) OPTIONEE shall have the right to prepay such Note at any time without payment of any premium or penalty.

C. The Note shall be secured by a Deed of Trust (the "Deed of Trust") which shall encumber the Mining Claims. The Deed of Trust shall be in the same form as that facsimile deed of trust attached hereto as Exhibit C.

D. Anything in Paragraph 4A, B, and C to the contrary notwithstanding, at any time within three hundred and sixty-five (365) days from the Closing Date, OPTIONEE may (but shall not be so obligated) pay to OPTIONOR the amount of One Million Dollars (\$1,000,000.00) in United States funds, which amount shall be in excess of any amounts previously paid by OPTIONEE under this Option Agreement or

the Note, if any. Upon paying such amount the Note shall be conclusively deemed to be satisfied and paid in full; the OPTIONOR shall cause the Deed of Trust to be released and satisfied of record, and all of OPTIONEE'S obligations to OPTIONOR hereunder or under any other instrument or document executed in connection herewith shall be conclusively deemed to be satisfied in full and OPTIONEE shall have no further liability or responsibility to OPTIONOR.

E. Neither the One Thousand Dollar (\$1,000.00) Option Payment referred to in Paragraph 1 hereof nor any part of the Ten Thousand Dollars (\$10,000.00) exploration expenditure referred to in Paragraph 7E hereof shall apply or be credited against the purchase price.

5. Closing.

(A) At the Closing OPTIONOR shall deliver the following instruments and documents to OPTIONEE:

(i) A Quit Claim Deed to the Mining Claims, in a form acceptable to legal counsel for OPTIONEE.

(ii) A written notice addressed to the Bureau of Land Management ("BLM") advising BLM of such transfer and conveyance of the Mining Claims.

(iii) Any and all other instruments or documents which reasonably may be requested by OPTIONEE in order to give effect and totally consummate the transactions contemplated hereby such that title to the Mining Claims is legally transferred to OPTIONEE and notice thereof has been filed and recorded in all necessarily governmental offices.

(B) At the Closing OPTIONEE shall deliver the following instruments and documents to OPTIONOR.

(i) The initial down payment referred to in paragraph 4B(i);

(ii) The Note and Deed of Trust.

(C) The parties will cooperate such that the deeds and the Deed of Trust are recorded in the proper sequence.

6. Taxes and Closing Costs.

A. All taxes and assessments, whether general, special, ordinary or extraordinary, which may be levied on or assessed against the Mining Claims shall be pro-rated as of the Closing Date between the OPTIONOR and OPTIONEE, based upon the latest available tax information.

B. All costs incurred by either OPTIONOR or OPTIONEE in connection with consummating this transaction shall be shared equally by OPTIONOR and OPTIONEE; provided, however, each party hereto shall be responsible for its own attorney's and accountant's fees, if any.

7. Possession During Option.

A. From time to time during the Option Period, OPTIONEE may enter upon the real property upon which the Mining Claims are located (the "Premises") for purposes of prospecting for valuable minerals and removing samples thereof in order to determine the feasibility of actual mining production and exercising this Option, but not for the purpose of actual mining production. In connection therewith, OPTIONEE shall have the full right to determine the amount of prospecting, drilling, exploring, testing, treating, storing and operations to be conducted upon the Premises or in connection with the Mining Claims, and when the same shall commence, cease, or recommence. OPTIONEE shall have the right to use the Premises for all purposes necessary, customary or desirable to fully carry out the rights granted to it in this Agreement. OPTIONEE shall have the right, without limitation, to use the Premises for stockpiling and storing the minerals, soil and overburden,

stripping and waste material; to erect or place thereon machinery, building, fixtures, structures, equipment and other improvements and property; to use presently existing roads and to have full rights-of-way and easements to construct new truck roads, to erect and maintain transmission and telephone lines; and to construct and maintain water lines, ponds and pipelines in connection with operations on the premises. OPTIONEE shall also have the right to erect and maintain on said lands dams, dikes, ponds and other installations for the storage and disposal of mud, debris and other refuse for exploration operations.

B. All exploration work done by OPTIONEE during the Option Period shall be done in accordance with all applicable governmental rules, statutes and regulations. OPTIONOR hereby authorizes OPTIONEE, to apply for and obtain zoning and other governmental permits, classifications, approvals, licenses and rights reasonably required in connection with the lawful conduct of OPTIONEE'S exploration work and operations on the Premises and OPTIONOR will cooperate fully to accomplish same. OPTIONEE covenants and agrees to save OPTIONOR and the premises, free and harmless from any and all liens for work or labor done, or materials used or furnished to be used, in or upon the Premises said lands in connection with any work done or alterations made by OPTIONEE during the Option Period.

C. During the Option Period, OPTIONEE shall perform metallurgical test work on the cuttings from previous drillings done by OPTIONOR, which cuttings are now in OPTIONOR'S possession. Such test work shall be done at no cost to OPTIONOR.

D. During the Option Period OPTIONEE shall be permitted to remove from the Premises up to approximately

three hundred (300) tons of ore for metallurgical bulk testing purposes. Any minerals extracted from such Ore shall belong to and be the property of OPTIONEE.

E. During the Option Period OPTIONEE agrees to spend a minimum of Ten Thousand Dollars (\$10,000.00) in connection with the exploratory work referred to in Paragraph 7A above and the metallurgical testing work referred to in Paragraph 7C and D above; provided, however, if at anytime during the Option Period OPTIONEE gives OPTIONOR written notice of OPTIONEE'S intent to terminate (the "Notice of Termination") this Option Agreement, OPTIONEE shall have no further obligation to expend funds in excess of the funds expended to such date by OPTIONEE for exploration work and metallurgical testing, notwithstanding the fact that OPTIONEE may not have expended Ten Thousand Dollars (\$10,000.00) to the date of Notice of Termination. In the event OPTIONEE gives OPTIONOR such Notice of Termination, OPTIONEE will deliver to OPTIONOR at OPTIONOR'S written request, appropriate quit claim deeds to the Mining Claims. Upon sending such Notice of Termination to OPTIONOR, this Option Agreement shall be conclusively deemed to be terminated, and neither party hereto shall have any further rights or obligations with respect to the other party.

F. During the Option Period OPTIONOR shall not be entitled to prospect, drill, explore, test, remove ore, remove samples or otherwise work the Mining Claims or place the Mining Claims into actual mining production, nor shall have OPTIONOR in any way interfere with OPTIONEE in connection with the exercise by OPTIONEE of his exploration and testing rights granted herein.

G. If, during the Option Period an Affidavit of Performance of Annual Labor is required to be filed and recorded under applicable governmental statutes, rules or regulations in connection with the Mining Claims, and if OPTIONEE has not terminated this Option Agreement prior to the date that such Affidavit is required to be filed and recorded, OPTIONEE shall cause such Affidavit to be filed.

8. Perimeter Claims.

A. During the Option Period OPTIONEE shall have the right to locate and stake either lode or placer claims (the "New Claims") in the vicinity of the Premises. If OPTIONEE elects not to exercise the option granted hereby, OPTIONEE shall be entitled to any such New Claim and OPTIONOR shall have no right, title or interest therein.

B. OPTIONOR covenants and agrees with OPTIONEE that during the Option Period, OPTIONEE shall not locate, stake or maintain any lode or placer mining claims within a radius of three (3) miles from the Mining Claims. If, during the Option Period, OPTIONOR shall locates any lode or placer claim within a radius of three (3) miles of the Mining Claims, OPTIONEE shall be entitled to and OPTIONOR shall transfer, convey and assign any such newly located claims to OPTIONEE at the Closing Date if OPTIONEE exercises the option granted hereunder. Such newly located claims shall be transferred, conveyed and assigned to OPTIONEE for the same price and under the same terms and conditions as are set forth in Paragraph 4, without OPTIONEE being required to pay any additional compensation or consideration for such newly located claims.

9. Representations and Warranties. OPTIONOR hereby represents and warrants (which representation and

warranties shall be true and in full force and effect upon the Closing Date) that, as of the date of this Agreement:

(a) OPTIONOR is the sole and exclusive owner of the Mining Claims;

(b) Each and all of the Mining Claims have been properly located in accordance with the laws of the State of Arizona and the United States of America;

(c) All discovery, assessment, improvement and annual work, has been done on all of the Mining Claims, all in accordance with the laws of the United States of America and of the State of Arizona;

(d) All notices of location, discovery work and notices of labor or assessment work and all other Arizona and federally required filings have been properly filed on and in connection with all of the Mining Claims, all in accordance with the laws of the United States of America and of the State of Arizona;

(e) The Premises are now (and were at the time the Mining Claims were located) subject to mineral entry and location;

(f) There is full access available to the Mining Claims and OPTIONEE has the right to use such access without payment of any amounts in addition to the amounts due hereunder;

(g) All of the Mining Claims are in good standing, and, to the best of the knowledge and belief of OPTIONOR, all such Mining Claims are subsisting and valid;

(h) All of the Mining Claims are free and clear of all liens, encumbrances, leases, zoning laws, covenants, conditions and restrictions and claims of third parties, and that OPTIONOR has the exclusive right of

possession thereof, subject to the claim of title to the Premises upon which the Mining Claims are located by the United States of America;

(i) No person or entity has the right to impose or claim a mechanic's or materialman's lien upon the Mining Claims.

(j) There are no actions, suits or claims pending or threatened with respect to or in any manner affecting the Mining Claims, nor are there any circumstances which should or could reasonably form the basis for any such actions, suits, claims or proceedings;

(k) OPTIONOR has not entered into and there is not existing any other agreement, written or oral, under which OPTIONOR is or could become obligated to sell, lease, transfer or otherwise convey the Mining Claims to a third party, and no third party has any right to possess, operate or otherwise affect the Mining Claims;

(l) OPTIONOR has not received any notice with respect to and OPTIONOR is aware of no reason why the extraction of mineral and mining operations cannot be conducted upon the Premises nor any reason why any minerals so extracted cannot be removed from the Premises.

10. Property of Optionee. All tools, equipment, pipelines, apparatus, buildings, structures and property of any nature or description, whether or not affixed to the soil, or placed on or near the Premises by OPTIONEE, shall be deemed to be and shall remain the personal property of OPTIONEE and title thereto shall, at all times, remain and be in OPTIONEE and not subject to any liens, claims or demands made against OPTIONOR. OPTIONEE shall have the right at all times during the Option Period and for a period

of sixty (60) days after the termination of this Option Agreement, to remove such property from the Premises.

11. Indemnity.

(a) OPTIONEE agrees to indemnify and hold OPTIONOR harmless from any and all claims, demands or liabilities (including attorneys' fees) arising out of or in connection with the operations or activities of OPTIONEE hereunder.

(b) OPTIONOR agrees to indemnify and hold OPTIONEE harmless from and against any and all claims, demands, losses, liabilities, costs or expenses (including attorneys' fees) arising out of or in connection with the breach of any of OPTIONOR's covenants, representations or warranties provided for herein.

12. Production Royalties.

A. If OPTIONEE exercises the Option granted hereby, OPTIONEE at its sole discretion, shall determine when to begin actual mining operations upon any or all of the Mining Claims. OPTIONEE shall give OPTIONOR written notice of the date upon which any such production commences (herein referred to as "Production Commencement").

B. Upon Production Commencement, OPTIONEE shall send to OPTIONOR a monthly statement of the Net Smelter Return accruing from mining operations upon the premises. The term "Net Smelter Return" as used herein shall be determined by deducting from the gross proceeds received by OPTIONEE from the sale of all metals, minerals and mineral ores extracted from the Mining Claims the following:

(i) The cost of prospecting, drilling, exploring, testing, mining and extracting such metals, minerals and mineral ores from the premises;

(ii) The cost of transportation of such metals, minerals and mineral ores from the place of mining to the smelter, dryer, concentrator, treatment facility, screening facility, jigging facility, floating facility or other processing facility;

(iii) The costs of screening, jigging, floating, drying, concentrating, or other processing;

(iv) All smelter charges and other final treatment costs for minerals, mineral ores or metals which are processed through a smelter or other treatment facility;

(v) All output, production, severance or other taxes imposed by any governmental authority in connection with the mining operation, the extraction of metals, minerals or mineral ores and the storage, processing or sale thereof.

(vi) All other costs and expenses customarily incurred in connection with the mining, processing and sale of metals, minerals and mineral ores. All computations, calculations and production royalty payments required pursuant to Paragraph 4 B(ii)(b) shall be made in accordance with generally accepted accounting principles applied on a consistent basis. OPTIONEE shall provide OPTIONOR with an annual report setting forth total mining production at the Mining Claims and setting forth all computations, calculations and other determinations required in order to permit OPTIONOR to confirm the actual Net Smelter Return for each month of the preceding calendar year. Anything herein to the contrary notwithstanding, the Net Smelter Return shall not include proceeds as a result of any by-product, over-burden or soil removal or any other

income producing activity upon the premises, other than the extraction of metals, minerals and mineral ore.

13. Miscellaneous.

* A. OPTIONEE shall have the right to assign or otherwise transfer its rights under this Option Agreement to other persons or entities. *30 day Notice*

B. This Agreement shall be binding on and inure to the benefit of the parties hereto and their respective successors, heirs, assigns and personal representatives.

C. This Agreement constitutes the entire agreement and understanding among the parties hereto and supersedes all prior and contemporaneous agreements, understandings, inducements and conditions. No amendment, waiver, or discharge of any provision of this Agreement shall be effective against any party, unless that party or its lawful agent shall have consented thereto in writing.

D. The language and all parts of this Agreement shall be construed as a whole according to its fair meaning, and not strictly for or against either OPTIONOR or OPTIONEE. The headings of this Agreement are for convenience only and are not to be construed as a part of this Agreement or in any way defining, limiting or amplifying the provisions hereof.

E. The terms and provisions of this Agreement shall be governed by and construed in accordance with and interpreted under the laws of the State of Arizona.

F. If either party institutes a suit against the other in any way connected with this Agreement, or its enforcement, the successful party to any such action shall be entitled to recover from the other party

reasonable attorneys' fees, witness fees and expenses and court costs in connection with said suit.

G. Words used herein, regardless of the number and gender actually used, shall be deemed and construed to include any other number, singular or plural, and any other gender, masculine, feminine or neuter, as the context requires.

H. In computing the number of days for purposes of this Agreement, all days shall be counted, including Saturdays, Sundays and holidays; provided, however, that if the final day of any time period falls on a Saturday, Sunday or holiday, then the final day shall be deemed to be the next date which is not a Saturday, Sunday or holiday.

I. All covenants, agreements, warranties and representations provided for herein shall survive all closings provided for herein and shall not merge in any of the deeds or other instruments or documents of conveyance provided for herein.

J. A notice of this Option may be recorded by OPTIONEE in the county in which the Mining Claims are located and OPTIONOR agrees to execute and acknowledge any such notice if requested by OPTIONEE.

14. Notices. All notices to be given by either party to the other shall be in writing, shall be served by depositing such notices in the United States mail, certified or registered, return receipt requested, with certification or registration and postage charges prepaid, properly addressed and directed to OPTIONOR and OPTIONEE at the following address:

OPTIONOR: _____

OPTIONEE: _____

Either party may designate a different person or entity or place to or at which notices shall be given by delivering a written notice to that effect to the other party, which notice shall be effective after the same is actually received by the other party. Except as expressly provided in the preceding sentence, all notices shall be deemed to have been delivered upon the earlier of (i) actual receipt as evidenced by a return receipt or other delivery receipt, or (ii) two (2) days after the postmark on the envelope of such notice provided that such notice has been deposited for delivery in a branch office or postal mail box drop operated by the United States postal service. In lieu of mailing, any notice may be personally delivered against receipt.

IN WITNESS WHEREOF, this Option Agreement has been executed as of the date first written above.

OPTIONOR:

ALEX PROHOROFF

OPTIONEE:

ARTHUR H. HINDRICHS

STATE OF ARIZONA)
) ss.
County of)

On this _____ day of _____, 1981 before me personally appeared ALEX PROHOROFF, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

IN WITNESS WHEREOF, I have hereunto affixed my official seal.

Notary Public

My Commission Expires:

STATE OF ARIZONA)
) ss.
County of)

On this _____ day of _____, 1981 before me personally appeared ARTHUR H. HINDRICHS, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

IN WITNESS WHEREOF, I have hereunto affixed my official seal.

Notary Public

My Commission Expires:

AMENDED
Notice of Location
LODE CLAIM

Dated....., 19.....

Filed and recorded at request of

....., A. D. 19.....

at.....o'clock.....M.

Book.....

Pages.....

County Recorder

By.....

Deputy Recorder

Docket No.....

When recorded, please mail this instrument to

BOOK 1217 PAGE 20

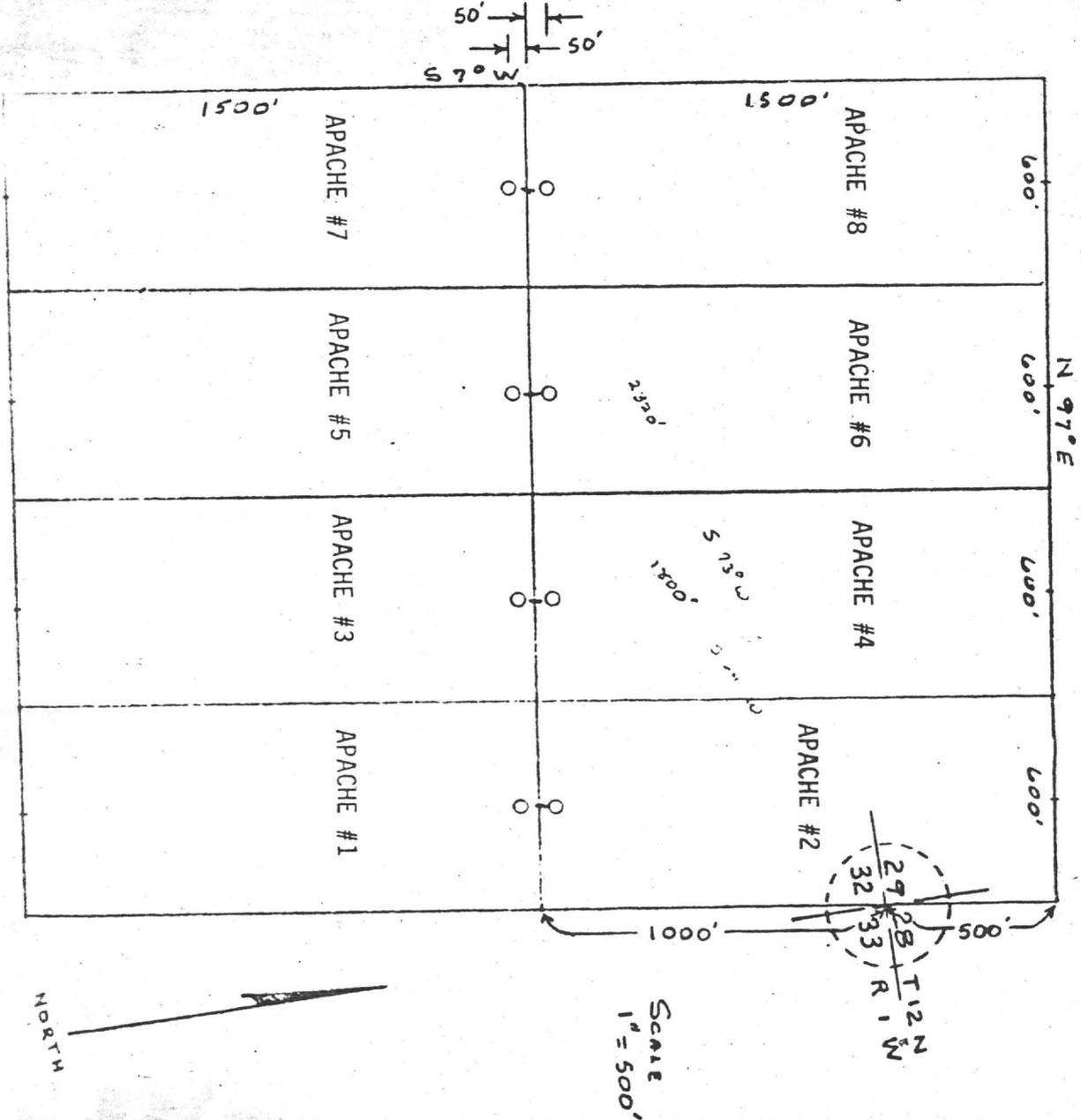


EXHIBIT A

DR 11

PROMISSORY NOTE

\$1,490,000.00

Phoenix, Arizona
_____, 198_

The undersigned promises to pay to the order of ALEX PROHOROFF, at _____, or at such other address in Phoenix, Arizona as the holder hereof may from time to time designate in writing as the address where it is holding this Note, the principal sum of \$1,490,000.00, without interest, payable as follows:

(a) Commencing on the thirtieth (30th) day from the date hereof, and continuing on the same day of each successive month, until the entire principal balance hereof is paid in full, equal monthly installments of \$2,500.00 shall be due and payable;

(b) Upon Production Commencement (as defined in Paragraph 12 A of that certain Option to Acquire Mining Claims dated February __, 1981, by and between Maker and Payee), additional monthly payments shall be due in amounts equal to the difference between (i) ten percent (10%) of the Net Smelter Return (as such term is defined in Paragraph 12 B of said Option Agreement) as of the last day of each month, and (ii) \$2,500.00. Such additional monthly payments (if any) shall be due on the twentieth (20th) day of each month based on the Net Smelter Return for the preceding calendar month.

All sums payable hereunder shall be paid in lawful money of the United States of America.

The undersigned may prepay all or any of the principal hereunder at any time or from time to time without premium or penalty. Prepayments shall apply to the next due installments of principal in the order of their maturity. Anything herein to the contrary notwithstanding, at any time within 365 days from the date of this Note, Maker may (but shall not be so obligated) pay to the holder hereof the amount of \$1,000,000.00, which amount shall be in excess of any amounts previously paid hereunder, if any. Upon payment of such amount this Note shall be conclusively deemed to be satisfied and paid in full and Maker shall have no further liability or responsibility in connection herewith.

Should default be made in the payment of any installment when due, and if said default is not cured within 30 days of receipt by Maker of written notice of said default from the holder hereof, then, at the option of the holder of this Note, the whole sum of principal may become immediately due and payable and said installment shall bear interest at 12% per annum from its maturity date until paid.

Should suit be brought to recover on this Note, the undersigned shall pay all costs and expenses of collection, including without limitation reasonable attorneys' fees.

The makers and endorsers hereof severally waive diligence, demand, presentment for payment and protest, and consent to the extension of time of payment of this Note without notice.

This Note is secured by a deed of trust upon real property in _____ County, Arizona.

Anything to the contrary herein notwithstanding, the Maker shall not be personally responsible or liable for any amount (principal, interest, cost, expense or otherwise) due under this Note, and the sole right and remedy of the payee or any subsequent holder hereof for nonpayment of any sum or nonperformance of any provision hereunder shall be against the mining claims which are subject to the deed of trust securing this Note, by trustee's sale or foreclosure as provided therein, and neither the payee nor any holder shall seek by complaint, judgment or otherwise to obtain or recover any deficiency or any other amount from the maker hereunder or as a result of default in any provision of the deed of trust securing payment of the maker's obligations hereunder.

ARTHUR H. HINDRICHS

STATE OF ARIZONA
COUNTY OF

EXHIBIT C

I hereby certify that the within instrument was filed and recorded

in DOCKET page and indexed

Fee No.

at the request of

When recorded mail to:

Witness my hand and official seal.

County Recorder,

By

Deputy Recorder

Compared
Photostated
Fee

DEED OF TRUST AND ASSIGNMENT OF RENTS

This Deed of Trust, made this _____ day of _____ between _____, herein called Trustor

whose mailing address is _____ (number and street) _____ (city) _____ (state) (zip code)

TITLE INSURANCE COMPANY OF MINNESOTA, a Minnesota corporation, herein called Trustee, whose mailing address is 3003 North Central Avenue, Phoenix, Arizona 85012.

and, ALEX PROHOROFF, herein called Beneficiary,

whose mailing address is _____ (number and street) _____ (city) _____ (state) (zip code)

WITNESSETH: That Trustor conveys, transfers and assigns to Trustee in Trust, with Power of Sale, the following described real property in _____ County, Arizona:

See Exhibit "A" attached hereto and made a part hereof.

Together with all buildings, improvements, and fixtures thereon.

This Deed of Trust, made on the above date between the Trustor, Trustee, and Beneficiary above named,

WITNESSETH: That Trustor irrevocably grants and conveys to Trustee in Trust, with Power of Sale, the above described real property, together with leases, rents, issues, profits, or income thereof, (all of which are hereinafter called "property income"); SUBJECT, HOWEVER, to the right, power, and authority hereinafter given to and conferred upon Beneficiary to collect and apply such property income; AND SUBJECT TO existing taxes, assessments, liens, encumbrances, covenants, conditions, restrictions, right of way, and easements of record.

FOR THE PURPOSE OF SECURING:

A. Performance of each agreement of Trustor herein contained. B. Payment of the indebtedness evidenced by promissory note or notes of even date herewith, and any extension or renewal thereof in the principal sum of \$ 1,490,000.00 executed by Trustor in favor of Beneficiary or order. C. Payment of additional sums and interest thereon which may hereafter be loaned to Trustor, or his successors or assigns, when evidenced by a promissory note or notes reciting that they are secured by this Deed of Trust.

TO PROTECT THE SECURITY OF THIS DEED OF TRUST, TRUSTOR AGREES:

1. To keep said property in good condition and repair; ~~not to remove or demolish any building thereon; to complete or restore promptly and in good and workmanlike manner any building which may be constructed, damaged, or destroyed thereon, and to pay when due all claims for labor performed and materials furnished therefor; to comply with all laws affecting said property or requiring any alterations or improvements to be made thereon; not to commit or permit waste thereof; not to commit, suffer, or permit any act upon said property in violation of law; and do all other acts which from the character or use of said property may be reasonably necessary, the specific enumerations herein not excluding the general.~~ See Supplement.

2. ~~To provide, maintain, and deliver to Beneficiary fire insurance satisfactory to and with loss payable to Beneficiary.~~ The amount collected under any fire or other insurance policy may be applied by Beneficiary upon any indebtedness secured hereby and in such order as Beneficiary may determine, or at option of Beneficiary the entire amount so collected or any part thereof may be released to Trustor. Such application or release shall not cure or waive any default or notice of Trustee's sale hereunder or invalidate any act done pursuant to such notice.

3. To appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee; and to pay all costs and expenses of Beneficiary and Trustee, including cost of evidence of title and attorney's fees in a reasonable sum, in any such action or proceeding in which Beneficiary or Trustee may appear or be named, and in any suit brought by Beneficiary or Trustee to foreclose this Deed of Trust.

4. To pay: before delinquent, all taxes and assessments affecting said property; when due, all encumbrances, charges, and liens, with interest, on said property or any part thereof, which appear to be prior or superior hereto; all costs, fees, and expenses of this Trust, including, without limiting the generality of the foregoing, the fees of Trustee for issuance of any Deed of Partial Release and Partial Reconveyance or Deed of Release and Full Reconveyance, and all lawful charges, costs, and expenses in the event of reinstatement of, following default in, this Deed of Trust or the obligations secured hereby.

Should Trustor fail to make any payment or to do any act as herein provided, then Beneficiary or Trustee, but without obligation so to do and without notice to or demand upon Trustor and without releasing Trustor from any obligation hereof, may make or do the same in such manner and to such extent as either may deem necessary to protect the security hereof; Beneficiary or Trustee being authorized to enter upon said property for such purposes; appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee; pay, purchase, contest, or compromise any encumbrance, charge, or lien which in the judgment of either appears to be prior or superior hereto; and, in exercising any such powers, pay necessary expenses, employ counsel, and pay his reasonable fees.

5. To pay immediately and without demand all sums expended by Beneficiary or Trustee pursuant to the provisions hereof, together with interest from date of expenditure at the same rate as is provided for in the note secured by this Deed of Trust or at the highest legal rate, whichever be the greater rate. Any amounts so paid by Beneficiary or Trustee shall become a part of the debt secured by this Deed of Trust and a lien on said premises or immediately due and payable at option of Beneficiary or Trustee.

IT IS MUTUALLY AGREED:

6. That any award of damages in connection with any condemnation or any such taking, or for injury to the property by reason of public use, or for damages for private trespass or injury thereto, is assigned and shall be paid to Beneficiary as further security for all obligations secured hereby (reserving unto the Trustor, however, the right to sue therefor and the ownership thereof subject to this Deed of Trust), and upon receipt of such moneys Beneficiary may hold the same as such further security; or apply or release the same in the same manner and with the same effect as above provided for disposition of proceeds of fire or other insurance. Shall apply same upon any indebtedness secured hereby,

SUPPLEMENT TO DEED OF TRUST
AND ASSIGNMENT OF RENTS
DATED _____

16. Trustor shall cause to be filed and recorded an Affidavit of Performance of Annual Labor each year as required pursuant to applicable statutes, rules or regulations of the State of Arizona and the United States of America; and Trustor shall, in each calendar year, perform at least \$100 worth of work and improvements in connection with each of the Mining Claims to which this Deed of Trust relates such that the aforesaid Affidavit of Performance of Annual Labor can be filed and recorded.

17. Beneficiary hereby covenants and agrees with Trustor that Beneficiary will execute and deliver to

the written request referred to in Paragraph 9 of the printed Deed of Trust which is supplemented hereby, together with the Promissory Note and the original of this Deed of Trust, with such instruments and documents to be held in trust by _____,

for the benefit of Beneficiary. Upon presentation to _____ of evidence that all sums secured hereby have been paid in accordance with the terms of the Promissory Note secured hereby,

_____ shall deliver such instruments and documents to the Trustee named herein such that this Deed of Trust can be released and satisfied of record.

ALEX PROHOROFF

ARTHUR H. HINDRICHS

D.K. MARTIN & ASSOCIATES
Mining Development & Administration

4728 N. 21ST AVENUE

PHOENIX, ARIZONA 85015

Arthur H. Hindrichs
4113 Saddleback Road
Scottsdale, Arizona 85251

DATE 10/28/81

INVOICE NO. A-001

FOR PROFESSIONAL SERVICES

Prepare and file Affidavit of Labor for Apache Lode Claims

\$25.00

Copies of recorded affidavit to follow

D.K. MARTIN & ASSOCIATES

Mining Development & Administration

4728 N. 21st Avenue

Phoenix, Arizona 85015

CONSULTING FEE AGREEMENT

BETWEEN: Alex Prohoroff
Route 3, Box 1319
Phoenix, Arizona 85043

and D. K. MARTIN & ASSOCIATES.

Client authorizes and directs Consultant, as an independent contractor, to take appropriate action to initiate conferences, assist in analysing and evaluating alternate opportunities, and to employ their full resources on the following assignment:

Apache # 1-- 8, Yavapai County Arizona, Turkey Creek/Goodwin Mining District, Sections 28, 29, 32 T.12 N, R.1 W.

Service that certain contract dated 3/6/81 between Prohoroff and Hindrichs.

If the Client reaches an agreement with any company or individual with whom the consultant has, or has had negotiations relative to the assignment's disposition, and if such agreement results in a consideration (loan, payment, promise or work performed) being exchanged between them, Client agrees to pay Consultant according to the agreement between them, ten percent (10%) of the total amount exchanged between any company or individual.

Payment is due Consultant at the time of any settlement, calculated on the total value of the transaction using audit figures accepted by both parties.

This Agreement shall remain in effect for indefinite Period from this date and thereafter until thirty (30) days from the date the Consultant receives written notice of termination. Client's obligation to Consultant resulting from contracts and negotiations initiated during the term of this agreement shall survive this agreement.

D. K. MARTIN & ASSOCIATES

CLIENT: Alex Prohoroff

BY: D.K. Martin

DATE: 9/9/81

(602) 246-9573



D.K. MARTIN & ASSOCIATES
Mining Development & Administration
4728 N. 21st Avenue
Phoenix, Arizona 85015

Mr. A. H. Hindricks
5244 North 25th Street
Phoenix, Ariz. 85016

9/9/81

Dear Mr. Hindricks,

Persuant to the Mining Claim Option Contract with Alex Prohoroff, dated 3/6/81:

Annual assessment filing was to be properly recorded with the Yavapai County Recorder and the Bureau of Land Management prior to July 30, 1981.

A check of the BLM records as of this writing indicate filing has not been accomplished. Please refer to Page 8, Subsection B of the contract.

Mr. Prohoroff offers the following as a solution to the problem:

- A. Complete the filing within the next two weeks
- B. Engage this company to complete the filing for you.

Very truly yours,

D.K. Martin
D. K. Martin

DKM/dm
cc: Prohoroff

UNITED STATES DEPARTMENT OF AGRICULTURE
FOREST SERVICE

FILE

Prescott National Forest
Crown King Ranger District
Crown King, Arizona 86343

May 13, 1977



Charles R. Ward Corporation
4728 N. 21st Avenue
Phoenix, Arizona 85015

Dear Mr. Martin,

We want to thank you for submitting the work plan for Apache #1 through #8 Mining Claims.

If more intensive work is to be performed other than the core drilling described a more intensive plan will be required and an Environmental Analysis will have to be drafted.

Please let us know when the core drilling has been completed so we can inspect the site.

Sincerely,

Thomas R. Chacon

THOMAS R. CHACON
District Ranger

cc - Prokhoroff
Barkley

CHARLES R. WARD CORPORATION

Mining Development & Mineral Recovery

4728 N. 21ST AVENUE

PHOENIX, ARIZONA 85015

4 May 1977

FILE

Crown King District Ranger
P. O. Box 458
Crown King, Arizona 86343

RE: Mining Assessment and
Exploration work

Dear Sir:

At the request of Mr. Alex Prohoroff, co-owner of the un-
patented "Apache #1 through #8" mining claims, located
approximately one mile south of Goodwin, Arizona, just west
of the Senator Highway, we respectfully submit the following
Work Plan for your approval:

- 1) No new excavations or road work planned
- 2) No brush or tree removal planned
- 3) No shaft, discovery work or tunnels planned

- A) Use rubber tired core drilling rig
- B) Drill two core holes using BX size steel
- C) Drill to a depth of 200 to 300 feet
- D) Split, sample, log and assay cores for mineral
content
- E) Upon approval, work is scheduled to begin the
latter part of May, 1977.

Very truly yours,

Douglas K. Martin
Douglas K. Martin
Vice President

In behalf of:

Alex Prohoroff
Route 3
Box 1319
Phoenix, Arizona 85043
Phone: 936-3687

DKM/dm

cc: Prohoroff
File: 197

LOCATION NOTICE
(Lode)

634-8466

NOTICE IS HEREBY GIVEN that the Goodpath #11 lode mining claim has been located by Paul A. Handverger, whose address is 13 OLD JEROME Hwy, CLARKDALE, AZ 86324. The general course of this claim is N25E-S25W and it is situated in the WALKER Mining District, YAVAPAI County, Arizona.

This claim is 1500 feet in length and 600 feet in width. The claim runs from the location monument on which this notice is posted 15 feet in a NORTHEAST direction to the NORTH end line and 1485 feet in a SOUTHWEST direction to the SOUTH end line. The claim boundaries are marked by six monuments, one at each corner and one at the center of each end line of the claim. The location monument on which this notice is posted is situated within Section 33, T. 12N, R. 1W, G&SRM, Arizona, and this claim encompasses portions of the following quarter section(s), Section(s), Township(s), and Range(s):

SW 1/4 Sec 33 T12N R1W

G&SRM, Arizona.

The locality of this claim with reference to some natural object or permanent monument and additional information (if any) concerning its locality are as follows:

2 miles south of Goodwin

DATED AND POSTED on the ground this 12 day of September, 19 80.

LOCATOR:

Paul A. Handverger
Thomas W. Handverger

IRON KING ASSAY OFFICE
ASSAY CERTIFICATE

BOX 14 - PHONE 632-7410
HUMBOLDT, ARIZONA 86329



ASSAY
MADE
FOR

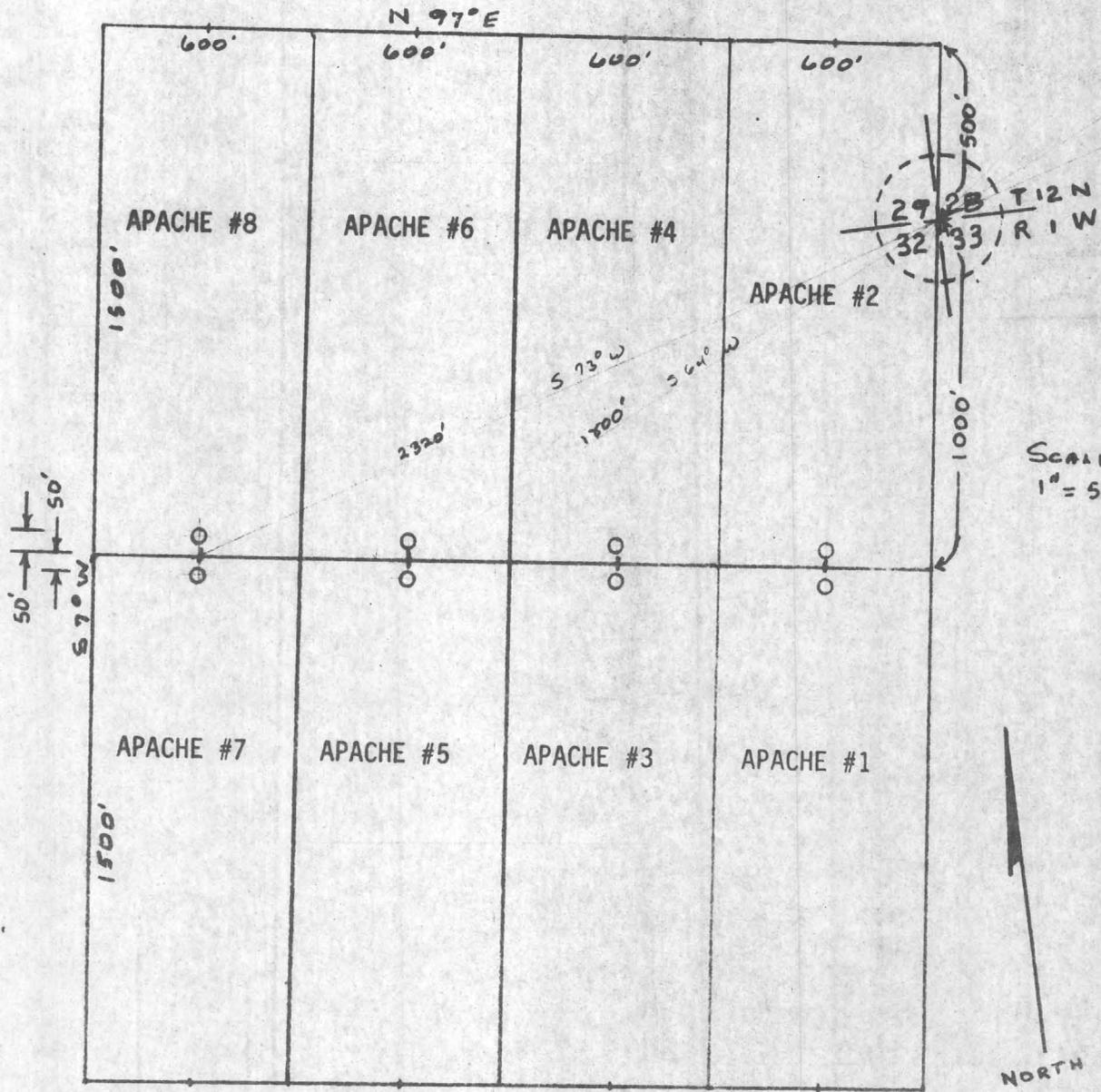
Alex Prohoroff
Phoenix, Ariz.

Nov. 29, 1977

Ref no.	DESCRIPTION	oz/ton Au	oz/ton Ag		% Fe	% Pb	% Zn	% Cu
81-15-2	Mayer #2	9.282	10.79					
81-15-3	Drill hole 10' - 40'	27.170	16.35					

CHARGES _____

ASSAYER _____



DKM



340 000 FEET MATCH LINE TO SHEET 10

R 2 W

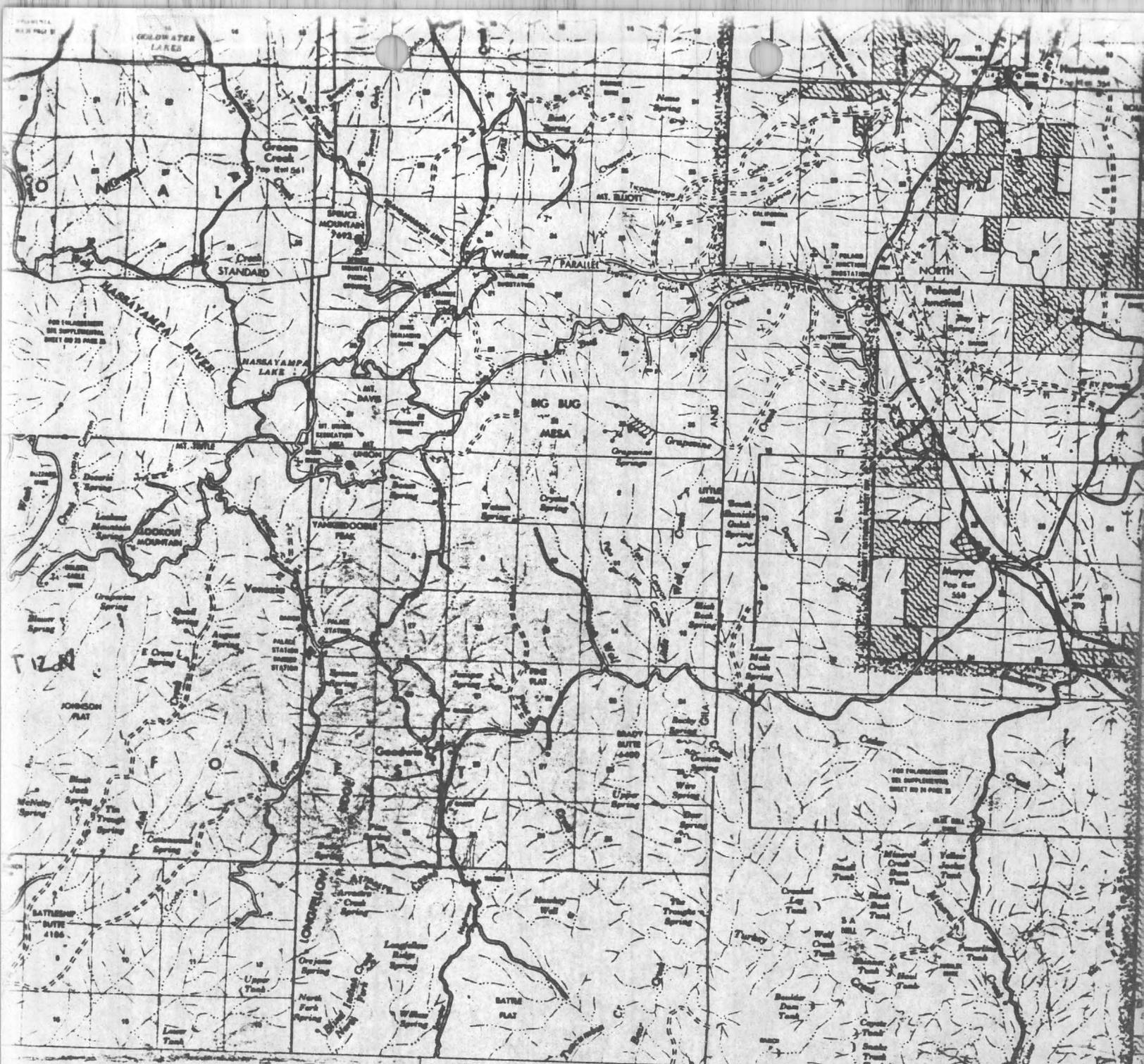
GENERAL HIGHWAY MAP
 YAVAPAI COUNTY, ARIZONA
 ARIZONA HIGHWAY DEPARTMENT
 SURVEYING AND MAPPING DIVISION
 IN COOPERATION WITH THE
 DEPARTMENT OF TRANSPORTATION
 FEDERAL HIGHWAY ADMINISTRATION
 BUREAU OF PUBLIC ROADS
 1966



REVISION DATE
3-13-73

ARIZONA STATE
 MINERAL TR
 YAVAPAI
 12 SHEETS , S

© AHD
 APACHE



240 000 FEET MATCH LINE TO SHEET 10



GENERAL HIGHWAY MAP
PAI COUNTY, ARIZONA
 ARIZONA HIGHWAY DEPARTMENT
 RAMMETY AND MAPPING DIVISION
 IN COOPERATION WITH THE
 DEPARTMENT OF TRANSPORTATION
 FEDERAL HIGHWAY ADMINISTRATION
 BUREAU OF PUBLIC ROADS
 1966

REVISION DATE
3-13-73

ARIZONA STATE
MINERAL TR
YAVAPAI
12 SHEETS

© AHD

APACHE