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1ST DRAFT  
9-24-74

Elkhorn Property  
Siskon Corp.  
9/19/74  
REM

LEASE AND OPTION AGREEMENT

THIS AGREEMENT, made and entered into as of the ~~15~~ day of ~~September~~, 1974, by and between SISKON CORPORATION, a corporation organized and existing under and by virtue of the laws of the State of Delaware, and authorized to do business and doing business in the State of Montana, party of the first part and hereinafter referred to as "SISKON", and ESSEX INTERNATIONAL, INC., a corporation organized and existing under and by virtue of the laws of the State of <sup>Michigan</sup> ~~Delaware~~, party of the second part, and hereinafter referred to as <sup>"ESSEX"</sup> ~~"SISKON"~~:

W I T N E S S E T H:

1. RECITALS

This agreement will set forth all of the terms and conditions under which SISKON grants to ESSEX a lease of, with the right to explore, develop and mine, and the option to purchase, the two (2) parcels of property, described in Exhibit "A" attached hereto and hereby referred to and by such reference made a part hereof, situate in the Elkhorn Mining District, in the County of Jefferson, and State of Montana. All of the above mining claims and rights included in Exhibit "A", and all other property, rights and interest of SISKON set forth in this agreement, hereinafter collectively are called the "Property".

NOW THEREFORE, in consideration of the covenants and agreements hereinafter set forth, and of the sum of Twenty-Five Hundred Dollars (\$2,500.00) and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by SISKON, the above parties agree to the following:

2. GRANT

(a) SISKON hereby gives and grants to ESSEX, its successors and assigns, for the term hereinafter provided, an exclusive lease of, together with the right to explore and develop, and the exclusive option to purchase the Property, upon the terms and conditions

hereinafter set forth. The foregoing grant of exclusive option to purchase the Property is called, in this agreement, the "Option" or "Purchase Option".

(b) SISKON hereby represents that it is the sole owner of the unpatented lode mining claims (Parcel No. 2), subject to the paramount title of the United States of America, free and clear of liens and encumbrances; however, SISKON does not in any way warrant that the unpatented lode mining claims described in Parcel No. 2 are free of conflicts with claims of third parties; SISKON represents that it knows of no such conflicts nor has SISKON been notified of any such conflicts, with the exception of conflicts as shown on copy of claim map attached hereto, marked Exhibit "B" and also marked DWG.IPP - 4067.

(c) SISKON further represents that, to the best of its knowledge, all of the unpatented lode mining claims on the Property have been located in compliance with the laws of the state in which the claims lie, and with all laws of the United States of America governing location of the claims.

(d) SISKON represents that it holds a valid and enforceable lease and option agreement ~~with~~ <sup>with</sup> H. B. Chessher, ~~who~~ <sup>Jr.</sup> who ~~has~~ has granted to SISKON the right to purchase that portion of the Property described in Exhibit "A" as Parcel No. 1; that SISKON, pursuant to said agreement, has the right to grant to ~~ESSEX~~ <sup>ESSEX</sup> the right to enter upon, explore and mine the said Parcel No. 1. SISKON warrants its right to Parcel No. 1 against anyone claiming by, through or under SISKON.

(e) SISKON agrees to meet all the terms and conditions of its above-described lease and option with respect to Parcel No. 1 during the life of this agreement and if ~~ESSEX~~ <sup>ESSEX</sup> notifies SISKON that it desires to exercise the option to purchase the Property before SISKON has purchased Parcel No. 1, then SISKON shall immediately exercise its option to purchase said parcel in order that title may orderly pass to SISKON and then to ~~ESSEX~~ <sup>ESSEX</sup>.

### 3. TERM

The rights herein granted to a lease on the Property for the purpose of exploring and developing the claims thereon, and the above Purchase Option, shall exist for a term, hereinafter sometimes called the "Option Period",



(c) All of the monthly payments set forth in subparagraph (a) and all production royalty payments described in subparagraph (b) shall be a credit against the total purchase price. Credits for production royalty payments in excess of monthly payments shall not be carried forward to reduce subsequent minimum monthly payments.

(d) "Net Smelter Returns" shall mean the net amount of money received from purchasers upon the sale of ore, concentrates and any other form in which the minerals or materials, whether metallic or non-metallic, produced from the Property by ~~ESSEX~~ <sup>ESSEX</sup> are sold, after deduction of smelter charges, penalties, and transportation costs, and all other reasonable charges made by the purchasers of the minerals or material products or the net amount of money received from the sale of such minerals or materials from any other purchaser. All payments to SISKON measured by production shall be accompanied by a copy of the settlement sheet or statement setting forth the items of cost and credit upon which such payments are based.

(e) A duly authorized representative of SISKON shall have the right to inspect the Property and the records of ~~ESSEX~~ <sup>ESSEX</sup> which are necessary to determine the facts relative to the computation and payment of the production royalty. Such inspections shall be at reasonable times and at SISKON's risk and expense. The right of SISKON to inspect the records to seek an adjustment of the production royalty shall terminate sixty (60) days after the date of payment of any production royalty payment. However, ~~ESSEX~~ <sup>ESSEX</sup> shall always be willing to correct any error made in payment to SISKON of any production royalty.

(f) All payments to be made to SISKON hereunder may be made by ~~ESSEX~~ <sup>ESSEX'S</sup> check or draft mailed or delivered to SISKON at SISKON's address for notice purposes, hereinafter set forth, or to an escrow agent if one is selected hereunder, or for the account of SISKON at such bank or banks in one of the United States as SISKON may designate from time to time by written notice to ~~ESSEX~~ <sup>ESSEX</sup>. The escrow agent, or said bank or banks, shall be deemed the agent of SISKON for the purpose of receiving, collecting and receipting for such payments.

(g) All taxes applicable to these royalties shall be borne by SISKON.

5. EXERCISE OF OPTION

(a) If ~~ESSEX~~ <sup>ESSEX</sup> elects to exercise its Purchase Option, it shall deliver to SISKON on or before ~~five (5) years after the date of this agreement~~ <sup>five (5) years after the date of this agreement</sup>, written notice of its election, together with the balance of the monies necessary to pay the "Net Purchase Price". The term "Net Purchase Price" shall mean the total purchase price described in subparagraph (a) of Section 4 above, reduced by all payments theretofore made to SISKON under the provisions of Section 4 and further reduced by any credits to which ~~ESSEX~~ <sup>ESSEX</sup> shall be entitled to under provisions of Section 13.

(b) Upon receipt by SISKON, on or before ~~five (5) years after the date of this agreement~~ <sup>five (5) years after the date of this agreement</sup>, of ~~ESSEX'S~~ <sup>ESSEX'S</sup> written notice of its election to exercise the Purchase Option and the balance of the monies due, then SISKON shall immediately execute a Grant Deed for the properties in Parcel No. 1 and a Quitclaim Deed for the properties in Parcel No. 2 and deliver said deeds to ~~ESSEX~~ <sup>ESSEX</sup>. It is the intent of this paragraph that aforesaid closing transactions be personally conducted on or before ~~five (5) years after the date of this agreement~~ <sup>five (5) years after the date of this agreement</sup> by representatives of both SISKON and ~~ESSEX~~ <sup>ESSEX</sup> at a time and place mutually agreed upon.

(c) If notice of election to exercise the Purchase Option and the monies are not delivered by ~~ESSEX~~ <sup>ESSEX</sup> to SISKON as set forth above or into escrow as hereinafter provided, then this agreement shall terminate, and ~~ESSEX~~ <sup>ESSEX</sup> thereafter shall have no further interest or obligations in this agreement or the Property.

6. DESIGNATION OF ESCROW AGENT

(a) At any time during the term of this agreement, SISKON or ~~ESSEX~~ <sup>ESSEX</sup> may designate an escrow agent to serve the parties hereto as outlined in Section 5 ("Exercise of Option") above, subject to all of the terms and conditions of this agreement. If an escrow agent is so designated, the parties shall execute and deliver to the escrow agent instructions to be prepared by them,

setting forth the duties of the escrow agent and the terms of the escrow, consistent with the terms and conditions of this agreement. As between the parties to this agreement, all of the terms and conditions of the escrow instructions shall be subject to the provisions of this Lease and Option Agreement, and any terms and conditions of the escrow instructions conflicting or inconsistent with any of the provisions of this instrument shall be void and of no effect as between the parties to this agreement.

(b) Contemporaneously with the designation of an escrow agent, SISKON shall make, execute and deliver to the escrow agent appropriate deeds to the Property, and ~~ESSEX~~ <sup>ESSEX</sup> shall make, execute and deliver to the escrow agent quitclaim deeds, in recordable form, stating that ~~ESSEX~~ <sup>ESSEX</sup> holds no interest in the Property described in said deeds, respectively. The escrow agent shall hold all documents and instruments, and all sums and payments, delivered to it by the parties hereto, and shall deliver the same to the parties hereto, upon the terms and conditions of the escrow instructions. The fees payable to the escrow agent shall be paid equally by both SISKON and ~~ESSEX~~ <sup>ESSEX</sup>.

#### 7. ANNUAL ASSESSMENT WORK

(a) ~~ESSEX~~ <sup>ESSEX</sup> shall perform all annual assessment work required by law to hold the unpatented claims ~~for the assessment year ending September 30, 1971~~ and for each assessment year, as defined by statute, within the period beginning upon the date hereof and ending upon the date of which this agreement expires or terminates for any reason; provided, however, that if this agreement expires or is terminated on or before the first day of June in any such assessment year, ~~ESSEX~~ <sup>ESSEX</sup> shall have no obligation to perform assessment work for such assessment year or thereafter.

(b) ~~ESSEX~~ <sup>ESSEX</sup> shall prepare and record on or before ~~September~~ <sup>September</sup> 1st of each assessment year, for and in behalf of SISKON, an affidavit of annual labor and improvements for the previous ~~eleven~~ <sup>twelve</sup> (12) months of the assessment year for which ~~ESSEX~~ <sup>ESSEX</sup> performs the above assessment work, which affidavit shall be prepared and recorded as required by statutes of the state in which the unpatented claims are located. Failure to perform and record the assessment work as hereby provided constitutes automatic cancellation of

this agreement without notice, <sup>Rec</sup> except that, in the case of the assessment year ending September 1, 1971, ~~ESSEX~~ shall have until September 1, 1971 to perform such work and until September 30, 1971 within which to prepare and record such affidavit of annual labor and improvements.

(c) The assessment work to be performed by ~~ESSEX~~ <sup>ESSEX</sup> hereunder may consist of, but is not limited to, excavation, road building, drill site preparation, drilling, trenching, pitting, mining, geological, geochemical or geophysical surveys, or other work selected by ~~ESSEX~~ <sup>ESSEX</sup> in its sole discretion, provided that the work so performed is of a type customarily accepted as assessment work, and is of the value of at least the amount then required by applicable statute or government regulation, and is in conformance with the state and federal laws.

8. NEW MINING LOCATIONS

(a) In the event that any mining claim or claims, other than those named and described herein, are presently owned by SISKON, or any officer or director thereof, or in the event that any mining claim or claims or interest therein are located or acquired by SISKON or by any officer, director, or agent thereof, after the date hereof and before ~~ESSEX~~ <sup>ESSEX</sup> has paid the full purchase price, any portion of which is within an area of interest within one (1) mile from the nearest exterior boundary of the group of claims, both patented and unpatented described herein, said claim or claims shall be deemed to be included within the scope of this agreement as though named and described herein, and the title of such claim or claims, shall, if ~~ESSEX~~ <sup>ESSEX</sup> makes all payments herein set forth, be or be deemed to have been acquired by ~~ESSEX~~ <sup>ESSEX</sup>, and SISKON agrees to execute the necessary conveyances by which title thereto shall be assigned or transferred to ~~ESSEX~~ <sup>ESSEX</sup> in the event that ~~ESSEX~~ <sup>ESSEX</sup> pays the full purchase price, all without any increase in price in any sum whatsoever. In the event ~~ESSEX~~ <sup>ESSEX</sup> cancels, terminates, or surrenders this agreement (other than by exercise of its Purchase Option) and in the further event that at the time of, or within a period of one year from the date of such cancellation, termination, or surrender, ~~ESSEX~~ <sup>ESSEX</sup> elects to abandon or relinquish all of its interest in the Elkhorn Mining District, ~~ESSEX~~ <sup>ESSEX</sup> shall execute and deliver to SISKON an assignment or transfer of any interest owned, located or acquired by ~~ESSEX~~ <sup>ESSEX</sup> within the above-described area of interest.

(b) If it shall appear that in the location of any of the unpatented claims included within the Property, such locations were made so that the unpatented claims do not constitute a contiguous body of claims without interior gaps and that one or more of such claims can be amended so as to eliminate such interior gaps, then ~~ESSEX~~ <sup>ESSEX</sup>, in the name of and as agent for SISKON, may amend any of the locations of such claims for that purpose, and the parties hereto agree to execute any further documents necessary to enable ~~ESSEX~~ <sup>ESSEX</sup> so to do. If it shall appear that the location of any of the unpatented mining claims included within the Property as originally located, or as such locations may be amended, are such that there are present a fractional area or areas unlocated, then ~~ESSEX~~ <sup>ESSEX</sup>, in the name of and as agent for SISKON, may locate such fractional areas as mining claims, and the parties hereto agree to execute any further documents to enable ~~ESSEX~~ <sup>ESSEX</sup> so to do and all such amended or new locations shall be deemed to be part of the Property. Likewise, in the event of default, termination, cancellation or surrender of this agreement, ~~ESSEX~~ <sup>ESSEX</sup> shall execute the necessary documents and conveyances by which title thereto shall be transferred to SISKON.

#### 9. RIGHT OF POSSESSION

(a) Upon the execution of this Lease and Option Agreement, ~~ESSEX~~ <sup>ESSEX</sup> shall have the exclusive right to enter upon and into the Property and to conduct exploration, development and mining operations. SISKON shall furnish ~~ESSEX~~ <sup>ESSEX</sup> upon request with copies of all geological, geophysical and assay data and any title data or information SISKON has with respect to the Property. ~~ESSEX~~ <sup>ESSEX</sup> shall reimburse SISKON for such reasonable copying expense as may be incurred by it as a result of such request.

(b) Subject to any rights reserved to SISKON, ~~ESSEX~~ <sup>ESSEX</sup> shall have and take sole and exclusive possession, enjoyment, management and control of the Property with the sole and exclusive right, directly or through agents, representatives or contractors, to drill, explore, sample; test, develop, improve, equip, work, mine, operate and use the same and all water and other rights appurtenant thereto, and to mine, extract and remove therefrom all ores, minerals, rock and other materials therein and appurtenant

and belonging thereto in miner-like manner, and to treat, mill, ship and sell or otherwise dispose of all ores, concentrates, minerals and other materials produced therefrom, and to receive and keep all proceeds thereof subject to payment of royalties provided for hereinabove, and to erect, construct, repair, maintain, remove, replace, use and operate thereon and therein tunnels, roads, railroad, power and telephone lines, water reservoirs and pipelines, dams, buildings, structures, machinery and equipment, fuel lines and storage facilities, waste and tailings dumps, and any and all other property or things deemed necessary or desirable by ~~ESSEX~~ <sup>ESSEX</sup>, so long as all such things done on or in the Property be in compliance with all applicable local, State and Federal laws and regulations.

(c) SISKON shall have the right to enter upon or into the Property, at its own risk and expense and at reasonable times, to inspect the Property to determine that such operations are being carried out in accordance with the terms of this agreement.

#### 10. LIABILITY FOR CLAIMS AGAINST PROPERTY

~~ESSEX~~ <sup>ESSEX</sup> agrees that it will pay all wages, expenses and other obligations which it may incur in connection with its operations on the Property pursuant to this agreement, and that it will not permit such charges to become a lien or encumbrance on the mining claims or properties covered by this agreement. ~~ESSEX~~ <sup>ESSEX</sup> further agrees to save SISKON harmless from any and all damages, claims, costs, and expenses arising from or growing out of, any and all injuries to persons or property in connection with work done by ~~ESSEX~~ <sup>ESSEX</sup> on the Property described herein during the life of this agreement.

#### 11. INSURANCE

With respect to its occupation of any part of the Property or operations thereon, ~~ESSEX~~ <sup>ESSEX</sup> will obtain and continue in force, during the term of this agreement, at its own expense, all insurance specified below. All of ~~ESSEX'S~~ <sup>ESSEX'S</sup> insurance policies must include provision that should cancellation or change be contemplated, at least thirty (30) days' advance notice by registered mail will be given by the insurance carrier to SISKON.

ESSEX

~~ESSEX~~ will not commence work until all insurance has been approved and accepted by SISKON.

ESSEX

The insurance to be obtained and continued in force by ~~ESSEX~~ is the following:

(a) Workmen's Compensation, Occupational Disease Disability, and Employer's Liability insurance as required by the laws of the State of Montana.

(b) Comprehensive General Liability and Property Damage insurance including Contractual Liability coverage with Bodily Injury limits of \$250,000 each person and \$500,000 each occurrence, and Property Damage limits of \$100,000 each occurrence and \$200,000 aggregate.

## 12. TAXES

ESSEX

~~ESSEX~~ agrees to pay, during the life of this agreement and upon receipt from SISKON of the applicable tax statements, all taxes and assessments levied by the State of Montana or any political subdivision thereof, upon the said mining claims and land described herein. In the event that this agreement is executed or terminated during a tax year, the taxes and assessments shall be prorated by the parties as of the date of execution or termination hereof, whichever is applicable, it being the intention of the parties that ESSEX shall pay taxes and assessments only from the date of this agreement to the termination thereof.

## 13. TITLE MATTERS

(a) Upon written request of ESSEX at any time during the term hereof, SISKON shall promptly deliver to ESSEX all abstracts of title to and copies of all title documents affecting the Property which SISKON has in its possession, together with copies of any plats and field notes of surveys of the Property which SISKON has in its possession.

(b) If--(i) in the opinion of counsel for ESSEX, SISKON's title to any of the claims described in Exhibit "A" is defective or less than as represented in Section 2, or (ii) SISKON's title is contested or questioned by any person, entity or governmental agency--and if SISKON is unable or

unwilling to promptly correct the defects or alleged defects in title, ~~ESSEX~~ <sup>ESSEX</sup> may attempt to perfect, defend or initiate litigation to protect SISKON's title. In that event, SISKON shall execute all documents and shall take such other actions as are reasonably necessary to assist ~~ESSEX~~ <sup>ESSEX</sup> in its efforts to perfect, defend or protect SISKON's title. If title is less than as represented in Section 2, then the costs and expenses of perfecting, defending or correcting title (including, but without being limited to, the cost of attorneys' fees and the cost of releasing or satisfying any mortgages, liens or encumbrances) shall be a credit against only the final payment of the total purchase price set forth in Section 4 to the extent that such costs and expenses do not exceed \$25,000.00.

(c) If SISKON is unable to convey title to any one or all of the eight (8) patented mining claims described in Parcel No. 1 of Exhibit "A", then SISKON agrees that the final end purchase price may be reduced by an amount of \$20,000 for each patented mining claim that cannot be conveyed to ~~ESSEX~~ <sup>ESSEX</sup>; however, if SISKON shall be able to convey title to a part interest in one or more of aforesaid patented claims, then ~~ESSEX~~ <sup>ESSEX</sup>, at its' option, may accept title to said part or parts and the \$20,000 per patented claim reduction of the final end purchase price shall be prorated in accordance with the part or parts conveyed. No reduction in the purchase price will be allowed for any unpatented mining claim described in Parcel No. 2 of Exhibit "A" that SISKON may not be able to convey to ~~ESSEX~~ <sup>ESSEX</sup>.

(d) Nothing herein contained and no notice or action which may be taken under this Section 13 shall limit or detract from the right of ~~ESSEX~~ <sup>ESSEX</sup> to terminate this agreement in the manner set forth in Section 14(b) at any time prior to exercise by ~~ESSEX~~ <sup>ESSEX</sup> of its option to purchase.

#### 14. TERMINATION OF AGREEMENT

(a) In the event that ~~ESSEX~~ <sup>ESSEX</sup> shall be in default in making any payment or in performing any other covenants or agreements herein set forth, excepting the assessment work and recording requirement in subparagraph (d) below, and by it to be done and performed, it shall not lose its right to acquire said properties unless within thirty (30) calendar days after notice of said default given in writing by SISKON to ~~ESSEX~~ <sup>ESSEX</sup>, ~~ESSEX~~ <sup>ESSEX</sup> shall fail to

cure such default by the appropriate payment or performance. In the event that ~~ESSEX~~ <sup>ESSEX</sup> shall fail to cure such default as above provided, then this agreement shall terminate, and SISKON shall have the same right as though this agreement had been surrendered and cancelled as herein provided.

(b) This Lease and Option Agreement may be surrendered and cancelled by ~~ESSEX~~ <sup>ESSEX</sup> at any time after the date of its execution only if ~~ESSEX~~ <sup>ESSEX</sup> is not in default of any monies payment or payments, said cancellation to be made by written notice thereof, addressed to SISKON, and cancellation shall be effective on the thirtieth (30th) calendar day following the date of the mailing of such notice.

(c) If this agreement is terminated, cancelled or surrendered for any reason then all previous monies paid to SISKON by ~~ESSEX~~ <sup>ESSEX</sup> shall be retained by SISKON and treated as rent and/or liquidated damages; and, ~~if~~ if no escrow has been established then ESSEX shall within thirty (30) days after the date of termination, cancellation or surrender furnish SISKON appropriate quitclaims deeds for the property.

(d) If ~~ESSEX~~ <sup>ESSEX</sup> fails to perform the annual assessment work and record the affidavit of annual labor on or before ~~August~~ <sup>September</sup> 1st for any year, then this agreement is automatically immediately cancelled and SISKON shall have the right to enter upon the premises and conduct the assessment work.

#### 15. RIGHT TO REMOVE EQUIPMENT

(a) ~~ESSEX~~ <sup>ESSEX</sup> shall be entitled freely to remove from the Property structures or other facilities as it shall have installed at any time within ninety (90) days after it shall have, in the manner herein set forth, surrendered the option to purchase granted herein, or terminated the same during continuance of this agreement, or after the expiration of the terms hereon; provided, however, that ~~ESSEX~~ <sup>ESSEX</sup> shall not remove any underground ladders or timber or stulls required for support of mine openings.

(b) Any structures or other facilities as shall have been installed by ~~ESSEX~~ <sup>ESSEX</sup> not removed from the Property within the time period specified hereinabove shall <sup>at SISKON'S option</sup> thereafter become the exclusive property of SISKON, however, if SISKON does not elect to accept such structures or other facilities, then ESSEX shall remove such installations within ninety (90) days after receiving notice from SISKON.

16. DELIVERY OF DATA

In the event of expiration or termination of this agreement (other than by exercise by ~~ESSEX~~<sup>ESSEX</sup> of its option to purchase the Property), ~~ESSEX~~<sup>ESSEY</sup> shall, upon written request given by SISKON within thirty (30) days of such expiration or termination, furnish SISKON within a reasonable time thereafter one set of copies of all available noninterpretive data pertaining to the Property and developed or prepared by or for ~~ESSEX~~<sup>ESSEX</sup> and shall permit SISKON, at SISKON's expense, to pick up any available core from the Property; provided, however, that ~~ESSEX~~<sup>ESSEX</sup> shall in no event be liable to SISKON for the loss or destruction of any such core.

17. ASSIGNMENT

SISKON gives and grants to ~~ESSEX~~<sup>ESSEX</sup> the right and privilege of assigning or subleasing any of its interest herein to financially responsible third party or parties, and the right to enter any joint ventures or associations which ~~ESSEX~~<sup>ESSEX</sup>, in its sole discretion, shall deem responsible and necessary to prudently develop the property; provided, however, that any assignment or sublease shall not be effective as against SISKON until ~~ESSEX~~<sup>ESSEX</sup> shall give written notice of such assignment or sublease to SISKON setting forth therein the names and mailing addresses of the assignees. Notwithstanding anything to the contrary provided in this agreement, however, ~~ESSEX~~<sup>ESSEX</sup> may assign any part or all of its interest to any of its corporate parents, subsidiaries or corporate associates, provided they are financially responsible.

18. INTERPRETATION; CONSTRUCTION

The paragraph captions or headings in this agreement are inserted for convenience only, and shall not be considered a part of this agreement, or used in its interpretation.

19. FORCE MAJEURE

Neither of the parties hereto shall be liable to the other for failure to perform the obligations required to be performed for such

period of time as failure of performance is caused by strike, strikes, acts of God or national war emergency. This provision, however, shall not relieve ~~ESSEX~~ <sup>ESSEX</sup> of its obligation to make payments and to perform and record the annual assessment work as required herein.

20. NOTICES

All notices which are required or which may be given by either party to the other shall be addressed as follows:

TO SISKON:

SISKON CORPORATION  
P. O. Box 889  
Reno, Nevada 89504

<sup>ESSEX</sup>  
TO ~~ESSEX~~:

ESSEX INTERNATIONAL, INC.  
1550 Wall Street  
Fort Wayne, Indiana 46804

With copy to:  
ESSEX INTERNATIONAL, INC.  
1704 West Grant Road  
Tucson, Arizona 85705

21. MEMORANDUM OF AGREEMENT

The parties to this Lease and Option Agreement agree to execute and record a memorandum of this agreement, if requested by either party, in a form sufficient to constitute record notice to third parties of the rights granted hereunder, which may be recorded with the recorder of Jefferson County, State of Montana.

22. BINDING EFFECT

Time is of the essence of this agreement and this agreement shall be binding upon the heirs, executors, administrators, successors and permitted assigns of the parties hereto.

This agreement shall be governed by the laws of the state in which the Property is situated, and by laws of the United States Government applicable to the location and possession of, and title to, the Property.

IN WITNESS WHEREOF, the above parties have caused this agreement to be properly executed, all as of the day and year first above written.

SISKON CORPORATION

By \_\_\_\_\_  
Title:

ATTEST:

\_\_\_\_\_  
Title:

ESSEX INTERNATIONAL, INC.

By \_\_\_\_\_  
Title:

ATTEST:

\_\_\_\_\_  
Title:

ACKNOWLEDGMENTS

STATE OF NEVADA )  
COUNTY OF \_\_\_\_\_ ) ss.

On \_\_\_\_\_ (date) personally appeared  
before me, a notary public, \_\_\_\_\_ and  
\_\_\_\_\_, the \_\_\_\_\_ and  
\_\_\_\_\_, respectively, of SISKON CORPORATION,  
who acknowledged that they executed the above instrument.

\_\_\_\_\_  
(signature)

STATE OF \_\_\_\_\_ )  
COUNTY OF \_\_\_\_\_ ) ss.

On \_\_\_\_\_ (date) personally appeared  
before me, a notary public, \_\_\_\_\_ and  
\_\_\_\_\_, the \_\_\_\_\_ and  
\_\_\_\_\_, respectively, of ESSEX INTERNATIONAL, INC.  
\_\_\_\_\_, who acknowledged that they executed the above instrument.

\_\_\_\_\_  
(signature)

EXHIBIT "A"

DESCRIPTION OF PROPERTIES IN THE ELKHORN MINING DISTRICT, JEFFERSON COUNTY, MONTANA WHICH ARE THE SUBJECT MATTER OF THAT CERTAIN LEASE AND OPTION AGREEMENT, DATED ~~July~~, 1974, BETWEEN SISKON AND ~~ESSEX~~:

Parcel No. 1:

Eight (8) patented lode mining claims and one (1) Elkhorn Townsite Lot leased and optioned from Chessher by Siskon and described as follows:

Moreau	patented mining claim, Survey 2725
Peacock	patented mining claim, Survey 7968
Turkey	patented mining claim, Survey 7969
Golden Dream	patented mining claim, Survey 7176
Columbus	patented mining claim, Survey 7177
Dewey	patented mining claim, Survey 7178
Pet	patented mining claim, Survey 7221
Japan	patented mining claim, Survey 7320
Elkhorn Townsite Lot 16, Block 4, Elkhorn, Montana	

The surface of the easterly part of the aforesaid Turkey patented mining claim is subject to a ~~lease~~ lease from H. B. Chessher, Jr. to Leslie & Nilda Harris and Gene & Helen Goddard, residents of Boulder, Montana, and said lease expires on June 30, 1976. The Lessor may terminate and cancel the lease by giving the Lessees six (6) months notice and purchasing the Harris & Goddard house on the leased premises at a fair price.

Parcel No. 2:

Eighty-four (84) unpatented lode mining claims described as follows:

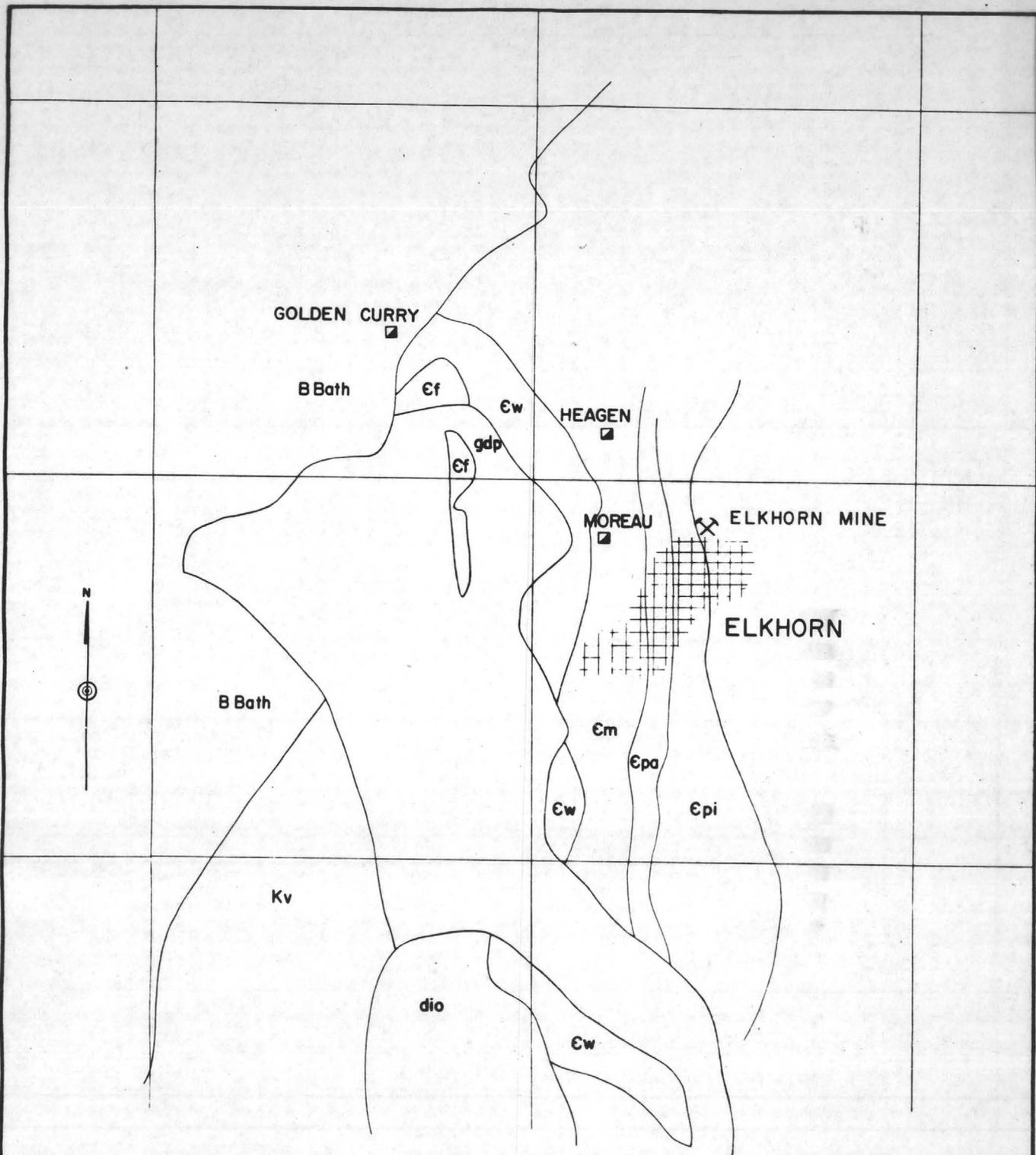
<u>Name of Claim</u>	Recorded in the Official Records of Jefferson County, Montana		<u>Date Of Recordation</u>
	<u>Book of Lodes</u>	<u>Page</u>	
Siskon #2	57	483-484	12/19/69
Siskon #3	57	485-486	12/19/69
Siskon #4	57	487-488	12/19/69
Siskon #6	57	489-490	12/19/69
Siskon #7	57	491-492	12/19/69
Siskon #8	57	493-494	12/19/69
Siskon #9	57	495-496	12/19/69
Siskon #10	57	497-498	12/19/69
Siskon #11	57	499-500	12/19/69
Siskon #12	57	501-502	12/19/69
Siskon #13	57	503-504	12/19/69
Siskon #12-A	57	535-536	1/13/70
Siskon #13-A	57	537-538	1/13/70
Siskon #14	57	539-540	1/13/70
Siskon #15	57	541-542	1/13/70
Siskon #16	57	543-544	1/13/70
Siskon #17	57	545-546	1/13/70
Siskon #18	57	547-548	1/13/70
Siskon #19	57	549-550	1/13/70
Siskon #22	57	551-552	1/13/70

## EXHIBIT "A", Continued

Name of Claim	Recorded in the Official Records of Jefferson County, Montana		Date of Recordation
	Book of Lodes	Page	
Siskon #23	57	553-554	1/13/70
Siskon #24	57	555-556	1/13/70
Siskon #25	57	557-558	1/13/70
Siskon #26	57	559-560	1/13/70
Siskon #27	57	561-562	1/13/70
Siskon #28	57	563-564	1/13/70
Siskon #29	57	565-566	1/13/70
Siskon #30	57	567-568	1/13/70
Siskon #31	57	569-570	1/13/70
Siskon #32	57	571-572	1/13/70
Siskon #33	57	573-574	1/13/70
Siskon #101	58	1-2	1/13/70
Siskon #103	58	3-4	1/13/70
Siskon #105	58	5-6	1/13/70
Siskon #107	58	7-8	1/13/70
Siskon #109	58	9-10	1/13/70
Siskon #111	58	11-12	1/13/70
Siskon #113	58	13-14	1/13/70
Siskon #114	58	15-16	1/13/70
Siskon #115	58	17-18	1/13/70
Siskon #116	58	19-20	1/13/70
Siskon #117	58	21-22	1/13/70
Siskon #118	58	23-24	1/13/70
Siskon #119	58	25-26	1/13/70
Siskon #120	58	27-28	1/13/70
Siskon #121	58	29-30	1/13/70
Siskon #122	58	31-32	1/13/70
Siskon #123	58	33-34	1/13/70
Siskon #124	58	35-36	1/13/70
Siskon #125	58	37-38	1/13/70
Siskon #126	58	39-40	1/13/70
Siskon #127	58	41-42	1/13/70
Siskon #128	58	43-44	1/13/70
Siskon #129	58	45-46	1/13/70
Siskon #130	58	47-48	1/13/70
Siskon #131	58	49-50	1/13/70
Siskon #132	58	51-52	1/13/70
Siskon #133	58	53-54	1/13/70
Siskon #134	58	55-56	1/13/70
Siskon #135	58	95-96	1/14/70
Siskon #136	58	97-98	1/14/70
Siskon #137	58	99-100	1/14/70
Siskon #138	58	101-102	1/14/70
Siskon #139	58	103-104	1/14/70
Siskon #140	58	105-106	1/14/70
Siskon #141	58	107-108	1/14/70
Siskon #142	58	109-110	1/14/70
Siskon #143	58	111-112	1/14/70
Siskon #144	58	113-114	1/14/70
Siskon #201	58	115-116	1/26/70
Siskon #203	58	117-118	1/26/70
Siskon #204	58	119-120	1/26/70
Siskon #205	58	121-122	1/26/70
Siskon #206	58	123-124	1/26/70
Siskon #207	58	125-126	1/26/70
Siskon #208	58	127-128	1/26/70
Siskon #209	58	129-130	1/26/70
Siskon #210	58	131-132	1/26/70
Siskon #211	58	133-134	1/26/70
Siskon #212	58	135-136	1/26/70
Sourdough	58	137-138	1/26/70
Sourdough Fraction	58	139-140	1/26/70
Siskon #18-A	58	237-238	6/1/70
Siskon #22-A	58	239-240	6/1/70



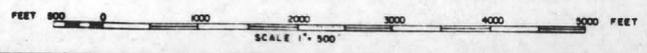


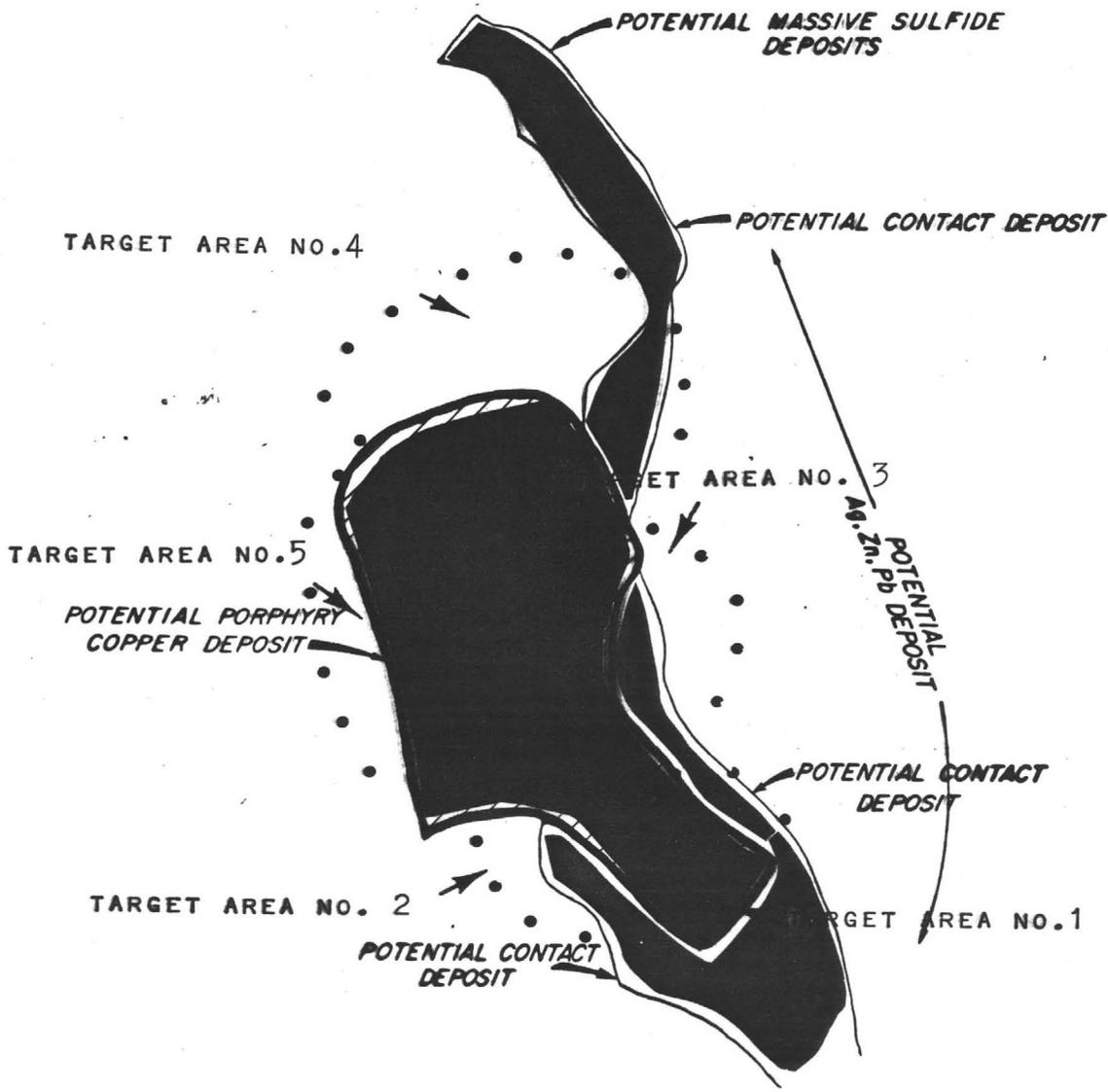


- GRANODIORITE PORPHYRY
- B Bath BOULDER BATHOLITH
- dio DIORITE
- Kv VOLCANICS
- Epi PILGRIM DOLOMITE
- Epa PARK SHALE
- Cm MEAGHER LIMESTONE
- Ew WOLSEY SHALE
- Cf FLATHEAD QUARTZITE

SISKON CORP.  
**ELKHORN PROJECT**  
 JEFFERSON COUNTY, MONTANA

**GEOLOGIC MAP**





TARGET AREAS

EXPLANATION

-  Strike & dip of schistosity
-  Probable or inferred contacts
-  Fault zone
-  Boundary of claims perfected (B.C.M.C.)
-  Boundary of claims not perfected (B.C.M.C.)
-  Slope outline (Newmont 1943-1945)
-  Mineralization (includes both sulfide & oxide)
-  Ultramafic intrusive rocks
-  Chloritic schist
-  Bluish to black, thinly fissile phyllite
-  Recrystallized limestone
-  Gneiss

