

CONTACT INFORMATION
Mining Records Curator
Arizona Geological Survey
3550 N. Central Ave, 2nd floor
Phoenix, AZ, 85012
602-771-1601
http://www.azgs.az.gov
inquiries@azgs.az.gov

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YELLOW POINT MINING CORP

12761-White Tel: (604) (604) 16th Avenue, S , British 538-6601 538-5223 Suite Columbia, #110 VAA IN2

June 17, 1991

Reynolds Metals Exploration, 5301 Longley Lane, Suite 157 Reno, NV 89511*1805 Raymond [7] • Irwin Inc

KE Mohave Proposed Terms County, Arizona. for an Agreement Op. the FB 1A-25A Claims,

Dear Mr. Irwin:

As fol mentioned lowing discussed claims: 91.6 ij proposed our telephone terms for conversation an. agreement Of this 9 the date above-

Type of Agreement: Sub-option to purchas 0

Term:

Royalty:

10 Years

O. to Operating Royalty by January Royalty \$2,500,000US. credited Advanced the an end to based Profit, annual towards 15, continue ф 2001. % ' whichever is the \$2,500,000us royalty the purc D D NSR 8 purchase 94 NSR 20% of is the of for Of to price greater, o be paid \$25,000US Net the Mine life Off

Exploration Expenditures: \$500,000us

mine.

production. minimum to be spent annually to

Production:

from Production the agreement to p e achieved within date (extendable) S years

essment Filing:

work the Claims agreement with co be the maintained Åq Mohave filing during annual County the assessment Recording life Of

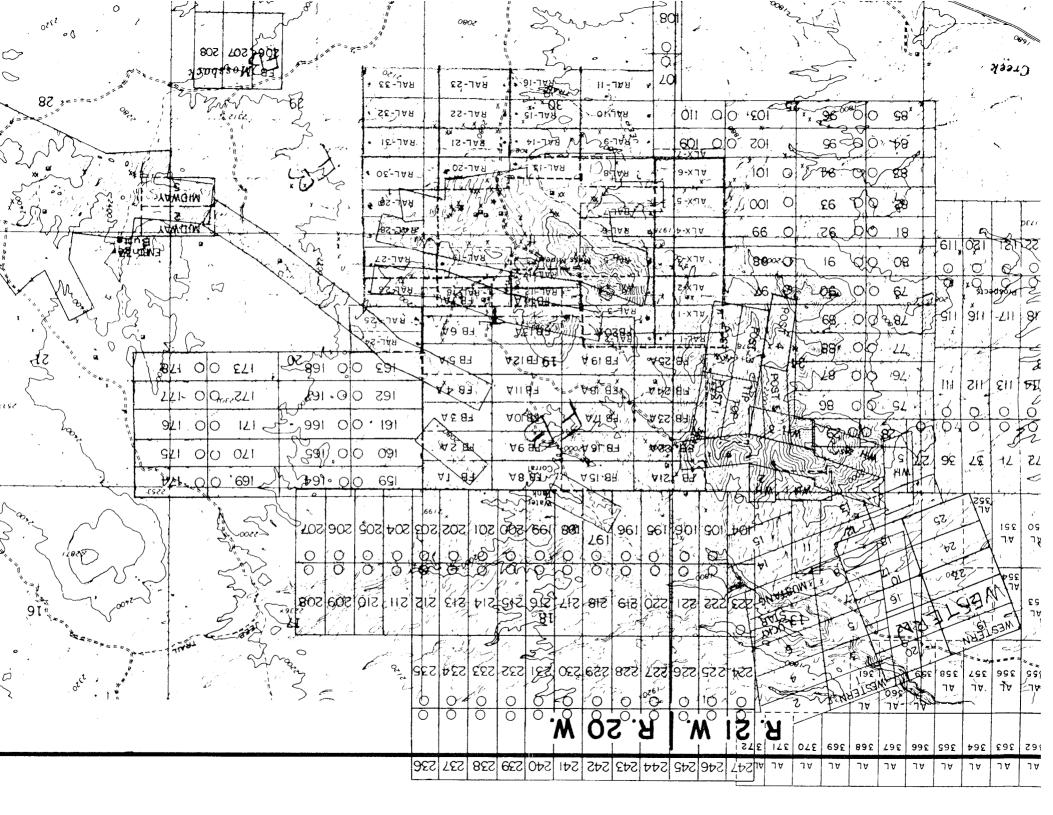
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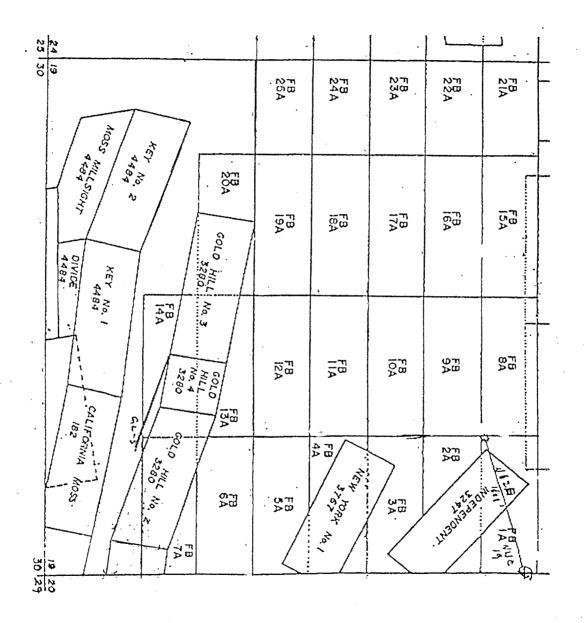
Yours truly,

J. S.

Thomas Tough, P.Eng.

President.





EXHIBITT "A"

All those certain unpatented mining claims located in Section 19, Township 20 North, Range 20 West, and Section 24, Township 20 North, Range 21 West, G&SM, San Francisco Mining District, Mohave County, Arizona, as follows:

B 25	B 24	8 23	8 22	B 21	B 20	B 19	B 18	B 17	B 16	B 15	8 14	B 13	B 12	FB 11A	B 10	S S	В	B 7	on on	or Or	₩ ~	Ü	ΩÖ	Bi ⊢	CLAIM NAME
5618	5618	5618	5617	5617	5617	5617	5617	5617	5617	5617	5617	5617	5616	616	5616	5616	5616	5616	5616	5616	5616	5616	5615	256158	BLM SERIAL #

<u>sspd</u>m

Mical N. Slater, President • 5301 Longley Lane, Suite A-1 • Reno, Nevada 89502 • Telephone (702) 825-1135 Telecopy (702) 825-3005

December 3, 1991

Dr. Douglas D. Jinks, Operations Manager Reynolds Metals Company 6601 West Broad Street Richmond, Virginia 23230 FAX: (804) 281-2467

Dear Doug:

delay competitive district. authorization acquisition at the Black Wonder volunteer, therefore, to acquire acquisition at secured. postpone Compass and controlled continues ₩e the do are afraid that this could turn into a several week to do a not ç by a wish to business b e acquisition concerned regarding delays Wonder and the FB claims. Canadian risk in Arizona and the Black Wonder property since that much delays in property time (Riviera) RMEI has elected authorization in this We hereby lacking

include an assignment clause to RMEI which could be exercised subsequent to Riveria satisfying RMEI's requirements. properties shall be acquired in the name of RMEI, but submit We understand that our Exploration Agreement provides that Compass circumstances as soon as an assignment clause to should acquire the Black possible. Wonder property, The contract would under that a11

The potential threat of losing this excellent property to Magma or type of interim agreement. outside parties, would be substantially alleviated by this

Thank you for your attention to this matter.

Kind regards,

Mical N. Slater

cc: Raymond E. Irwin
Malcolm Humphreys

27 November 1991

RICHMOND E Reynolds Metals Jinks, Broad Street, Q VIRGINIA Company,

Dear Doug,

Oatman Mohave Projects

at Oatman scheduled have been keeping in touch with the progress of the RMEI/CML program to the drill program that I understand is and look forward for early 1992. program that

Our legal adviser has been out of town back to Mike Slater this week concerning Oatman/Mohave agreement that you provided. been out of town our comments tor sometime on the amendment

expenditure between land blocks acquired However, we will likely have some minor clar draft you provided. fred under both agreement clarification changes to allowing tru flexibility agreements.

possible. to approac agreements agreement On another point stance. We would be more than happy to do whatever to secure a signed agreement on this property within 2 wee I am quite concerned that we conclude the the FB claims and Black Wonder claims understand that the acquisition advanced. ø 6 soon weeks. signed offer

program in the Oatman area we would be happy to treat Black Wonder as a separate project under the Mohave agreement and fund exploration and land payments on a 50:50 basis.

only. Please ensure O th The me know if we can help Magma does not slip under our interest to RMEI/CMT ---RMEI/CML and which are subject to verbal in any guard and secure properties that ¥ay D W H am concerned agreements

Yours sincerely,

FROM
GOLDSBERRYS
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PRICE ASSO
ASSOC.
PHOME NO.
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FACSIMILE COVER SHEET

Ste. 110, 12761 - 16th Avenue White Rock, B.C. V4A 1N2
Tel: (604)538-6601
Fax: (604)538-5223

ADDRESSEE: RAY IRUIN

FAX (202) 879-8226

FROM:

PAGES TO FOLLOW:

Dec. 5, 199

DATE:

As REQUESTED.

0

MESSAGE:

STATUS OF ORIGINAL

Not Sent

Couriered

Mailed

FROM GOLDSBERRYS ` る PRICE Q.F.C 0 0 0 0 0 76**8**

SUN RIVER GOLD, INC.

December 4, 1991

Mr. Mel Price, Trustee Mel Price 1987 Living Trust P. O. Box 2689 Bullhead City, Arizona 86430

Dear Mr. Bright

70 () Amendments 15th day of Hodgson and Corp. (now Wor. and 0 Known to Sun January, the À River Ş Memorandu 15.0 tween 15 Agreement and Sun I Sun R River dated 9 5 0 70 C Ptos

and **Parta** 1991 proposed intereste ining regarding proposed for your in the t O your OUR Inok changes to consideration; above telephone recent mentioned Memor Agrooment, nversation Memorandum of O.F the 0 the November 101 Agreement Survey Hodgeona

- extension payable #256158 dreement twenty-five The through noqu i o direct required. or before the thousand Purchase 256182 by completion December a o Sun Ф Нь lare PLOD 184 galapie 1991 funde #1A-25A ¥1th Inc (\$25,000.00US) 0 ۵ for t thirty tormal day gum AMO
- 7 H S. thousand January 65 A thousand cle n ins January, consideration 0 do You to llare 1992. 15, ř US funde (\$ (\$10,000.00) 1992 , Bn HOH You agree the propert out \$5,000.00US) accept tunds Balo the r a Ç, originall Bum the the anc はして #1A-0
- Townser cuonagud Further, od dollars ; Manty T T vderen funds AGTEA 770 000, oous) in lieu .01 म् म् म् म्

PØ1

- shall apply to through 256182. None the the provisions т . 1A thro O H ng, Memorandum of ŽSA claime, Agreement
- **₽** Purchaser, or its nomine charges and engumbrances. The purchase price for the ra cotal amount of \$25,000.0003 payable in form and substance acceptable to 1 100% right, title and interest to urchaser, or its nomines, free and anterest to the cotal acceptable. re claim group shall be a ble upon delivery of a deed to the Purchaser, conveying to the FB Claims to the and clear of all liens,
- 40. existing Memorandum laimer In € consideration for agree 0 exclude Agreement the all of the FB #1A-25 all of our interest ant pertaining to the f of the l ¥B #1A-25A the following in our claime
- و د د The Leld The Big claims, Leland Big Ji <u>ک</u> а patented claim (Survey No. m West #16-28, inclusive, no. 262359-262371 incl. (Survey No. 1680). located 1000
- will ag January 15, the FB 1A-25A claims are placed into productions, 2001 by us or our applique, Sun River Gold, pree to pay you a bonus of one hundred thom (\$100,000.00). production thousand Inc 7
- agreed that schedule of the claims of that the following e claims covered by the 15th day of pelon exercise policy the Memorano Danuary, 1987; shall repre price ement, it 30 on the Agreement remainder of 3 dated mutual1

Bemeinder of the Claims

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Wel price 1987 Living Trust, (Me) grant to the Optionee, Sun River of purchase 100% interest in and to the making a cash payment of \$475, by making a cash payment of \$475, is not exercised by January 15, schedule will remain in effect. alternative o the above the remainder of the claims the remainder of the payment 0,0 ed payments, price Truste Gold, Inc., tee), agrees option

GOLDSBERRYS 严 PRICE ASSOC 800 897

FX03 ..

O Ξ m ช Ø

This new agree Agreement dated Hodgson and their agreement dated Janu Sun 40

BAHOY truly,

Tough, P. Eng.

Thomas R. President

If you are 1 indicate by preparation 1n Ç, signing below agreement 80 .**₹.** terms

XXI 801XG 1987 Living Truet

PØ1

COLDSBURRYS MEL PRICE ASSOC. : 602 768 1775

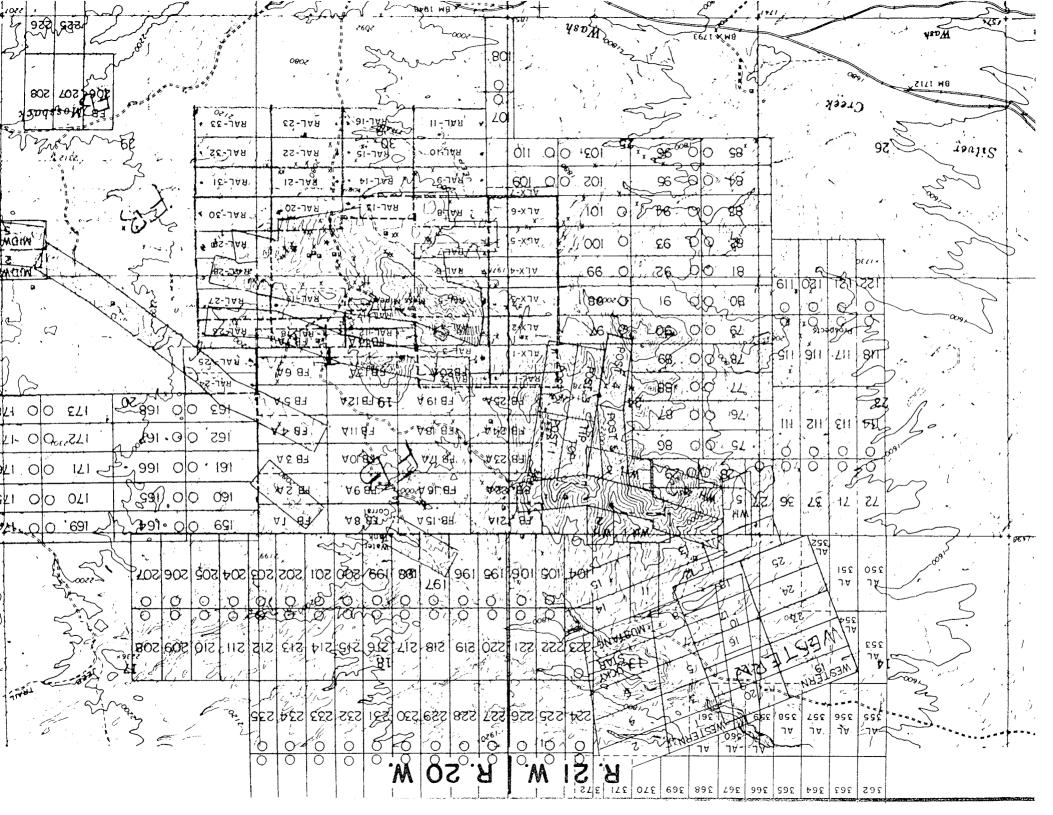
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o de cuertados			Date August 5, 1991
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LAW DEPARTMENT MEMORANDUM

December 10, 1991

To: Earl W. Bates

FROM: Donna C. Dabney

CC: Douglas D. Jinks

R. Irwin

RE: FB Claim Group

from Sun River Gold, Inc. West Oatman Project/ Mohave

county, Arizona

the closi Two checks will need to be issued in connection with closing of a lease of the FB claim group which is scheduled occur on December 13, 1991, as follows:

- Columbia, 008-4743; (a) \$10,000 to Sun River Gold, with an address of 12761 16th Avenue, Columbia, Canada V4A 1N2, Federal Tax and Federal Tax Inc., an Arracia, White Rock, British Identification Number: corporation 98-
- (b) \$25,000 to Mel Price, Trustee, under the Mel Price Living Trust agreement, with an address of P.O. Box 2689, Bullhead City, Arizona 86430. Ray Irwin is trying to get Mr. Price's social security number. \$25,000 to Mel 1987

Inc., a the FB Gold, until Please and we have received the original warranty deed conveying B claims from Mel Price, Trustee to Sun River Gold, Inc. Inc., mineral leasing the claims to Reynolds Metals send these two checks to Ray Irwin who eral lease agreement has been signed by Irwin who will hold Exploration, Sun River them

Co. Fary Driver From Somma Walney Co. Spr 80/8 Phone & Phone & Fax# - 8:29-80:26 Fax# Out-28/-3740	Post-It brand fax transmittal memo 7671 #orpages	петпо 7671 #оградев ► /
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REYNOLDS METALS EXPLORATION, INC.

Reynolds Metals Company • 5301 Longley Lane • Suite 157 • Reno, Nevada 89511-1805 Telephone (702)829-8018 • Facsimile (702)829-8026

DATE: November 22, 1991

TO: Dr. Douglas Jinks

FROM: Ray Irwin

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1991	ma Tom Touch	From AY	From IRWIN
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•	VEILOW POINT MINING REYNOLDS METALS EXPINC	REYNOL	15 METAIS EXP INC
Incs	Dent	Phone #	
		70	702 829-8018
	Fax #	Fax #) 10 P2 /
		7	100 10000

RE: Summary of Option Terms for the FΒ Claims, Mohave County, Arizona

purchase As a follow-up to my memo of November the information that Ms. Donna Dabney agreement for the FB claims 15, : will 1991, | need ţο have summarized all o prepare the option of to

Location:

The FB claims occupy a portion of Sec. 24, T20N, R21W and Sec. $\mathbf{\vdash}$ 9

Ownership:

Upon execution of the assignment document, the FB claims will be seve from the underlying agreement between Mr. Ken Hodgson and Sun River Gold, Inc., a subsidiary of Yellow Point Mining Corporation. Yellow Point Mining Corporation's address is: 12761 16th Avenue, Suite 110, White Rock, British Columbia, Canada V4A 1N2. be severed

number The President of Yellow Point Mining number is (604) 538-6601 and his fax number is Mr. T.R. Tough. His telephone is (604) 538-5223.

Type of Agreement:

Lease with option to purchase.

Term:

years Ten (10) years, with Reynolds' option to renew for an additional ഗ

Advance Royalty Schedule:

All payments shown below are to be considered as advance royalties credited toward the purchase price of \$750,000 U.S., which can be exercised at Reynolds' discretion at any time during the primary to extended term. term ဝှ



			ar	Term
25,000	20,000	25,000	\$35,000	Payment
			(Upon	(U.S.
			signing)	dollars)
	6-7	3-5 6-7	25,000 20,000 25,000	

The Year 1 payment of \$35,000 includes a \$25,000 payment to the underlying owner of the FB claims in consideration for releasing claims from the underlying agreement with Sun River Gold and Ken Hodgson. The remaining \$10,000 is a portion of the previously active payment to Yellow Point Mining. previously agreed the

The payment Year 2 payment of \$25,000 includes a to Yellow Point Mining. \$5,000 deferment from the Year

royalty Should hould Reynolds Metals desire to extend this agreement year term without exercising its purchase option, the would escalate to \$50,000. the for an annual additional

Royalty:

The proposed royalty under this agreement would be the greater of either a 5% NSR or the minimum advance royalty stated above with all payments credited toward the purchase price. Upon Reynolds Metals exercising its purchase option, there would be no residual royalty payable to Yellow purchase option, Point Mining.

Exploration Expenditures:

need for Reynolds Metals to keep as much flexibility in its annual exploration budget as possible, we cannot commit to a \$500,000 annual exploration expenditure on the FB claims. We would, however, be will to commit to a \$500,000 expenditure during the first 5 years of the As a result of the volatility of the mining industry, as well as the need for Reynolds Metals to keep as much flexibility in its annual agreement. as well as the be willing

Production Decision:

Again, as a result of the rapidly changing mining and environmental regulations, as well as the volatility of metals prices, it is not possible nor good business practice for Reynolds Metals to become locked in to a schedule on production or a feasibility study.

Assessment Filing:

During the life of this agreement, Reynolds Metals would file the annual assessment work with the Mohave County recorder and the BLM and conduct all exploration activities in a professional, workman-like manner



Termination and/or Assignment:

Reynolds Metals Exploration, Inc. would have the right to terminate this agreement at any time with 90 days written notice to Yellow Point Mining and will have the right to assign its interests under the terms of this agreement to a third party with 30 days written notification to Yellow Point Mining.

Claim Maintenance:

Reynolds Metals must have a clause in this agreement allowing it to do whatever is necessary to rehabilitate or correct any claim deficiencies that are present or may occur.

The terms of this agreement are subject to a title check and Yellow Point Mining Corporation's success in severing the FB claims from the terms of the underlying agreement between Mr. Ken Hodgson and Sun River Gold, Inc.





REYNOLDS METALS EXPLORATION, INC.

Reynolds Metals Company • 5301 Longley Lane • Suite 157 • Reno, Nevada 89511-1805 Telephone (702)829-8018 • Facsimile (702)829-8026

DATE: November 15, 1991

TO: Dr. Douglas Jinks

FROM: Ray Irwin

RE: Revised Payment Schedule for Aquisition of the FΒ Claims

Mohave County, Arizona

The following terms have been negotiated with Mr. Tom Tough of γ Point Mining Company and are presented to you for your approval. recommend we prepare a rough draft agreement as soon as possible soon as possible. Tom Tough of Yellow

Year	0	Year	Year	Year
8-10	6-7	1	2	ш
35,000	25,000	20,000	25	\$35,000
				(Upon
				signin

The Year 1 payment of \$35,000 includes a \$25,000 payment to the underlying owner of the FB claims in consideration for releasing the claims from his underlying agreement with Sun River Gold and Ken Hodgson. The remaining \$10,000 is a portion of the previously agreed 1st year payment to Yellow Point Mining.

The Year 2 payment to payment of \$25,000 includes Yellow Point Mining. മ \$5,000 deferment from the Year

you would like to discuss this further, please call.





REYNOLDS METALS EXPLORATION, INC.

Reynolds Metals Company • 5301 Longley Lane • Suite 157 • Reno, Nevada 89511-1805 Telephone (702)829-8018 • Facsimile (702)829-8026

DATE: August 9, 1991

TO: Dr. Douglas Jinks

FROM: Ray Irwin Ol

RE: FB Claims, Mohave County, Arizona

To assist Donna Dabney in the preparation of the agreement with Mr. Ken Hodgson, which would exclude the FB claims from the agreement between Mr. Ken Hodgon and Sun River Gold, Inc., I am providing the current addresses and telephone numbers for the various parties involved.

The current addreess for Mr. Kenneth Hodgson and his wife is as follows:

P.O. Box 101 Sumpter, OR 97877 TEL: 503/894-2463

would prefer all mail sent to the following address: In the original agreement between Ken Hodgson and Sun River Gold, Inc., Sun River Gold's address was listed as 722 East Beale Street, Kingman, Arizona. Although Sun River Gold has an office at this address, they

12761 16th Avenue, Suite 110 White Rock, British Columbia Canada V4A 1N2

In the agreement between Kenneth Hodgson and Sun River Gold, Inc., Sun River Gold, Inc.'s parent company went by the name of Sun River Gold Corporation. Recently, the name and the address have been changed to the

Yellow Point Mining Corporation 12761 16th Avenue, Suite 110 White Rock, British Columbia Canada V4A 1N2

The president of Yellow Point Mining is Mr. T.R. Tough. H number is 604/538-6601 and his fax number is 604/538-5223. His telephone

ATTACHED BETWEEN KENNETH っくれ A COPY Had g San 0 H THE And OPTION AGREEMENT SUN RIVER GOID

D 0 in writing to As Assigned you will 1 m:11:00 The 768 ClAims Think And 1:578 30 74.8 PARTY ACCEPTS 76:5 Third bound OPT:ON on schedule A ASREEMENT PARTY yd PRICE And Agrees れら AS CAN bE fore FOR AgREEMENT

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£. 5 THE APPROIATE YOU PROPARE AddRESS AND Th: 5 ASPREEMENT CORPURATE NAME CHANGES I Will PROVIDE YOU

Of January, MEMORANDUM OF 1987. AGREEMENT dated as 0f the 15th day

BETWEEN:

KENNETH HODGSON, his wife, of 299 Havasu, Arizona, U.S.A., 2995 Jamaica Boulevard South, ona, U.S.A., 86403, businessman and RITA HODGSON Lake

(hereinafter collectively called the "Optionor")

OF THE FIRST PART

AND:

Arizona, U.S.A. and having an office at Beale Street, Kingman, Arizona, U.S.A., SUN RIVER GOLD INC., a body incorporated under the laws body of the State corporate duly e of 722 Eas 86401, East

(hereinafter called the "Optionee")

OF THE SECOND PART

AND

Columbia, incorporated under the laws British Columbia and having 500 - 890 West Pender Street SUN RIVER GOLD CORP., 890 West Pender Street, Vancouver, a body corporate duly of the Province of an office at Suite British

(hereinafter called the "Parent")

OF THE THIRD PART

WHEREAS:

- A. interest located in Mohave County in the State of Arizo which mining claims or mineral lands are more described in Schedule "A" attached hereto and described in Schedule
 part hereof; in and to certain mining claims n Mohave County in the State of The Optionor ı. S the holder of a E Arizona, U.S.A., more particularly to and forming a or mineral 100% beneficial lands
- B. The Optionor is desirous of granting to the Optionee an option to purchase the foregoing interest in the foregoing mining claims or mineral lands in accordance with the terms and conditions and for the purchase price with the tenhereinafter set forth;

(1.00)DOLLAR now THEREFORE paid by in the consideration Optionee to of the the Optionor sum of ONE



suff n 0₩ the the contained premises, the mutual covenants rained to be kept and performed for parties hereto hereby paid by the Parent to the Optionor (the receip iciency of which sums are hereby acknowledged) the additional consideration of ONE agree as ЪУ and agreements follows: the parties (1.00) DOLLAR receipt and hereto herein and of

Definitions

For the purposes of this Agreement:

- a rights acquired within the perimeter of 1,000 meters of the claims as described in Schedule "A" as aforesaid by the parties hereof during "claims" means those mining claims more particularly described in Schedule "A" terms of as aforesaid by the all additional claims or mining property this Agreement; togethe
- **D** method or means of any nature, kind or type; whether of operation upon the claims whereby materials are extracted or this "mining extracted or taken racted or taken or mined therefrom, by mining or milling or by any other operations" includes any and

Ω

- proper treatment or other charges at such smelter or other place of sale have been deducted, but without any other deduction settlement sheets after payment of all freight charges from the shipping point to the smelter whatsoever; or other place of sale, and after place of sale as indicated by its return through net smelter returns" amount shown due by shall be charges at such sale have been the construed to smelter or other all other mean
- of "option exercise price" means the payment either FIVE HUNDRED THOUSAND (500,000.00) DOLLARS or ONE THOUSAND (1,000.00) DOLLARS the issuance and allotment of 50,000 fully and non-assessable shares in the capital: this Agreement; d non-assessable shares in the capital stock the Parent in accordance with the terms of of 50,000 fully DOLLARS paid and

<u>а</u>

be issued by the Optionee to the Optionor on or before the date as specified herein, to be credited to the option exercise price; required option payment" to be paid means and the treasury the dollar amount shares

 Φ

sands, gravels, rare earths, rare metals, ores chrome ores, cinnabar, aggregates, and any and all other materials of every nature and kind removed for the purpose of sale by or under the "products" means all minerals, metals, values ores,

direction under the claims; of the Opt ionee from, on, or 5 g

Q "purchase option to option to purchase granted hereunder by the Optionor to the Optionee and more particularly forth in option" paragraph 4 hereof. shall mean the right and

2. Optionor's Representations

a. Optionee and The to Optionor the Parent represents cent that: and warrants to the

- ب. owners of a the claims; They are the 100% immediate registered and
 00% undivided interest in interest in beneficial and to
- and are in good stand laws of the State of accordance all other claims have standing been Arizona, U.S.A. and als applicable legislation; validly in accordance staked and recorded with also in the
- 11. granted by rights There are to purchase with d by the Optionor no present outstanding preferential respect to others; to the claims
- ۲۷ All taxes, been paid; if any, which may be applicable have
- ۲. The Optionor; result of claims any conduct are not 'n any manner encumber or activity by the æ a as
- ۷, the precluding the exterior received no notice of any asserted ownership conflict with the location of the claims, wi exception that there Optionor has boundaries existence no knowledge for the purpose ence of claim for may be overlapping of and has claims, with fractions; of 1 n
- < μ. execute this Agre herein conferred. They have this Agreement the full and and complete authority to grant the rights to
- shall survive the Optionor Agreement laims Parent þу hereinbefore and are the The have relied in entering into this ive the acquisition of any interest Optionee. representations conditions upon which the set ou t and warranties form a part of part of Optionee of this Agreement in the the and and
- 3. Representations of the Optionee and of the Parent

tionor that The Optionee it is a represents duly organized, and warrants to the

validly existing and in good standing under the laws of the State of Arizona, U.S.A., with full power, authority and capacity to enter into this Agreement and to carry out the transactions contemplated hereby, all of which matters have been duly and validly authorized by all necessary corporate proceedings.

Agreement and to carry out the transactions contemplated hereby, all of which matters have been duly and validly authorized by all necessary corporate proceedings and that at the request of the Optionee it will issue shares in its duly Optionor that capital to the hereof. under the laws of the Province of British Columb full power, authority and capacity to enter into onor that it is the beneficial owner of all of the ed shares of the Optionee, that it is a corporation organized, validly existing and in good standing Parent represents and warrants to the it is the beneficial owner of all of Optionor as contemplated British Columbia, w ın. paragraph all of the corporation with

· Purchase Option

consideration of payment The Optionor hereby gives and grants to the Optionee the sole and exclusive right to purchase, subjeto the terms of this Agreement, a 100% undivided right, exercise and price. interest in and to to the Optionor of the option the claims for and in

Right of Entry

exclusive and independent force and effect, the Optionee, its right and option to: For SO contractors shall have the sole long as the purchase option continues employees, agents

- a. Enter upon the claims;
- 5 claims; exclusive and quiet possession of the
- c. Conduct mining operations;
- a Remove from the claims and sell or otherwise ispose of products derived from the claims
- 6. Termination of Purchase Option

valid and subsisting option open Optionee by paying the option exe with paragraph 7(a)(i) or as foll and 13 of this Subject to the provisions of Agreement, the purchase option shall be a on open for exercise by the zion exercise price. follows: exercise accordanc



- execution of which sum is THOUSAND (1,000.00) DOLLARS on the date this Agreement (the receipt of hereby acknowledged); of
- the dates shares in the allotments of NINE HUNDRED NINETY-NINE THOUSAND (999,000.00) DOLLARS and 50,000 fully paid and non-assessable in the capital stock of the Parent in nts of cash and shares made on or before set out below:

15, 2001 7	15, 2000	15, 1999	15, 1998	15, 1997	15, 199	15, 1995	15, 199	15, 19	15, 199	15, 1991 1	15, 1990	15, 1989	5, 1988	per 1	July 15, 1987	1	March 15, 1987 🕏	Date F
25,000.00	25,000.00	25,000.00	5,000.	5,000.	0,000.	0,000.	20,000.00	20,000.00	0,000.	15,000.00	15,000.00	15,000.00	15,000.00	1	10,000.00	I	\$ 4,000.00	Amount
1	ı	ı	1	i	ī	i	ŧ	1	I	1	į	1	12,500	12,500	12,500	12,500	1	of Shares

in paragraph 7 hereof shall be applied by the parties to reduce the NINE HUNDRED NINETY-NINE THOUSAND (999,000.00) DOLLARS to be paid under paragraph 6(a)(ii) above. Any payments made in excess of any cash payment to be made under paragraph 6(a)(ii) above in any period as therein set out shall be credited to cash navments. made thereunder Payments made to or for the benefit in succeeding periods. of the

Exercise of Option

- the exercised: purchase Irrespective of anything else herein contained, se option shall be deemed to have been
- If the Optionor has been paid in at least the minimum amounts required by paragraph 6(a), an aggregate of FIVE HUNDRED THOUSAND (500,000.00) DOLLARS in cash payments and/or net smelter returns hereunder γd January 15, 1992;



- Once the Optionee pays the option in accordance with paragraph 6(a). Optionee pays the option exerc S pr 0
- If the purchase option is exercised by operation of paragraph 7(a)(i) then the balance of payments required after January 15, 1992 under paragraph 6(a)(ii) shall not be required of the Optionor to exercise the purchase be required of the Optionor option.
- liens, charges and encumbrances incurred as a result of the mining operations of the Optionee and the Optionee shall be under no further obligation to the Optionor unthis Agreement. For greater certainty, the Optionee shoot be obligated to make any further payments to the Optionor on account of net smelter returns once the claims shall pass to the liens, charges and encumbrances liens, charges and encumbrances purchase option has been exercised. If and when the purchase option has been reised a 100% right title and interest in and ims shall pass to the Optionee free and clear save and except and to been for of under shall the

Net Smelter Returns

smelt the er Subject Optionor, returns calculated on all products derived from the amount that is equal to 3.0% of net

- wet smelter returns due and poptionor under this paragraph 8 shall be thirty (30) days of receipt of the protects hereund twenty (120) days after receipt of such statements to question in writing their accuracy, failing which the statements shall be deemed to be true and correct. The Optionor, or its representatives duly appointed in writing, shall have the right at all reasonable times, upon request, to inspect those books and financial records of the Optionee as are relevant to the determination of the net smelter returns forthwith. The audited financial statements shall be delivered to the Optionor who shall have sixty (60) days after receipt of such statements to question in writing year shall be audited and any adjustment shall be made forthwith. The audited financial statement rel due and payable relating to the calculation of the net products hereunder. Within one hundred and days of the end of each fiscal year end, the to the Optionor. the proceeds derived from . Within one hundred and and payable be paid within smelter that fiscal have the
- c. lat the claims and sold at a settlement invoices of The Optionee shall file with the Option ater than the fifteenth (15th) day of each month ollowing a month in which products were derived claims. on smelter or other place of sale, all processed products derived Optionor no from the from



the claims, and shall make best efforts to sell products within three (3) months of extraction or refinement. obtain the fair market the claims, and shall I The Optionee shall take all reasonable steps to value for all products derived from all reasonable to

Transfer of Claims and Notice to Third Parties

herein contained. Concurrently therewith, the Optionee shall deposit a Mining Deed of Conveyance releasing all right, title and interest in and to the claims in favour of the Optionor with instructions to the escrow agent to deliver such Mining Deed of Conveyance to the Optionor to completion of per herein contained. we designated as Escrowee for the parties hereto with instructions to the said escrow agent to deliver the said Mining Deed to the Optionee or its designees upon the completion of parformance of the designees upon the same with a mutually agreed upon borne solely by Optionee the the the Optionee, a Mining Optionee or its des of termination, The Optionor this performance of the terms and conditions the Optionee. Agreement. forfeiture designees agrees Deed of All escrow fees shall be to and or abandonment of escrow agent execute, Conveyance of shall deposit at the which the reques the the claims shall

escrow Conveyance, he shall puritten notice of the not act on the said re paragraph provisions of this the option is subsequently terminated determined by reference to paragraph 18 hereof other party has replied to him with conflicting instructions, in which event, he shall provide with notice that he is in conflict and the part not act on the said request (30) days from the date the the Mining Deed request the Agreement adjudicated by a court request eceived the to settle the agent to register the mining deed of conveyance to act appropriate governmental body in order to provide o third parties of its interest under this t provided, however, if registration is made and the written notice 9(a) The escrow (a) above. Upon the escrow agent act in respect of any Mining Deed he shall provide the other party Optionee may in its his Agreement, then the Optionor marow agent to return to it or to recoff Conveyance being held pursuant matter between themselves particulars of the request equest until the expiration Upon the escrow agent of competent jurisdiction. of the escrow agent as other party is deemed to have discretion the request and shall pursuant party hereto with hereof or if or to register parties or receiving request of to the have the parties may of to shall thirty the

10. Covenants of the Optionee

Optionee shall: During the currency of this Agreement, the



- а Кеер operations hereunder; charges the e claims free and and encumbrances clear of arising from a11 liens, its
- 0 pay all taxes required to be paid in maintain the claims in good standing; all necessary work and assessment work and in order

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- preservation and development of the claims workable and productive mine; so as to take out possible with due manner necessary Conduct all work to be undertaken on the claim in a proper, skillfull and miner-like fashion accordance with applicable legislation and in to good and economical mining the greatest amount of on the claims ore as ש
- d. damages to property occurring or committed as a result of mining operations by the Optionee, its agents, contractors, employees, sub-lessees, or Subject to sub-paragraph (f), relieve the Optionor from any and all liability or responsiblity for mining operations on th assigns; therewith and from any injuries to persons for materials furnished in connection on the or
- Φ. with pertaining to mining and milling operations due, pay all wages for work done all laws, both federal and provi and provincial, comply
- risk and expense, access to the claims at a reasonable times and to all factual records prepared by the Optionee in connection with mining Permit the it the Optionor or their representatives, authorized by them in writing, at their operations; writing, at their the claims at al all

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- g material information pertaining to mining operations. Provide to the Optionor timely disclosure of all
- 1 Obligations of the Optionee on Termination

c erms hereof, the this Agreement Optionee s shall: is terminated pursuant to the

Optionee's mining claims maintained Re-transfer all its right, title and interest in and to the claims to the Optionor free and clear of all charges and encumbrances arising from the (1) year from the operations hereunder in good date standing of re-transfer for at with the least



with all assessment work filed that can be legally recorded by the Optionee;

of claims; compiled by the Optionee with respect to assay Deliver ver to the Optionor within thirty (30) days ermination copies of all maps, drill logs, y results and other factual technical data the

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brought upon the claims by or at the instance of the Optione and any mining facilities remaining on the claims after the expiration of the said period of twelve (12) months shall become the Remove from the claims within twelve (12) months from the effective date of termination, all moveable mining facilities erected, installed property of t the Optionee. of the Optionor without compensation the instance of months to or

12. Force Majeure

remove the cause give written cease complying with any provisions of this Agreement by reas of strikes, labour disputes, walkouts, labour shortages power shortages, fires, wars, acts of God, governmental regulations restricting normal operations or any other period of time equal in length to the period of such prevention and delay. The Optionee insofar as possible shall promptly give written notice to the Optionor of the particulars of the reasons for any prevention or delay under this paragraph and shall take all necessary steps remove the cause of such prevention or delay and shall reason or reasons beyond control of the Optionee, the time limited for the performance of the various provisions of this Agreement as set ive written notice to the Optionor as soon the Optionee give written notice to the Optionor of the out above shall be extended by in length to the period of such 1 s prevented labour shortages, from or as delayed in such reasons cause the to

3. Default

case the 1 the contrary, if the Optionee should be in default in respect of the payment of the option exercise in the amounts and within the time limitations as set out in paragraph 6 or 7, the Optionee shall have thirty (30) day after the respective time limitation to cure the default and to make the cash payment or issue the shares, as the such payment or issue the said additional thirty (3) the respective date in o option in good standing. shall terminate. may require, Notwithstanding anything in this Agreement that in order to m ding. If the should have been made on or before (30) days, shares at to maintain the Optionee fails then the the expiration purchase option purchase to make of days the

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any rights granted under this Agreement unless, within thirty (30) days after the receiving of the notice of default given by the Optionor, the Optionee has failed to take reasonable steps to cure the default by the appropriate performance, and if the Optionee fails to take such reasonable. default of the shall give written notice to the Optionee specifying the paragraph default o Optionor shall on account of : reasonable steps to cure any such default, the of any requirement With the exception of the matters 13(a) above, if the Optionee shou such default. Optionee be entitled to seek any remedy and the Optionee shall not lose the Optionee should be herein set forth, the referred to Optionor

Non-Severability

Subject to paragraphs 12 and 13, this option to purchase shall be considered and construed as a single instrument and the failure to perform any of the terms and conditions in this Agreement shall constitute a violation or breach of the entire instrument or agreement and shall constitute the basis for cancellation or termination.

5. Assignment

The Optionee shall have the right to assign or a portion of its interest in this Agreement to one more third parties provided the said third parties acknowledge the terms of this Agreement and agree in writing to be bound hereby as if a party hereto and Optionor hereunder shall provided Parent. further that any be shares y as if a party hereto and shares to be issued to the in the capital of assign the one the

6. Abandonment

The Optionee shall have the right to abandon its interest created herein on the expiration of thirty (30) days after notice thereof has been received by the Optionor, in which event:

- executed and acknowledged by of optionor releasing all of its delivered to established, and to the claims; an escrow arrangement has not been the Cptionor then written notice of abandonment shall be together with a Quit Claim Deed by the Optionee in favour of th right, title and interest the
- appropriate b. If an escrow arrangement has been established, written notice shall be delivered to the Escrowee instructing the Escrowee to deliver to the Optionor the Quite Claim Deed of the Optionee deposited in escrow, if unregistered, or to register the Quit Claim Deed with the governmental body as contemplated in paragraph

æ SCYOW. hereof, together with a 11 other instruments deposited in

Non-Partnership

mining operations shall be determined be without interference from the Optionor. construed to consjoint venture or determination as This Agreement shall not constitute or be to constitute a partnership, mining partnersh ture or joint operation. The full control and to the joint operation. shall manner and extent and character determined bу the Optionee partnership, 0f

8. Notice

Agreement given if d or in the United delivered or shall be Any notice ed or mailed by regis States of America as deemed to required to be be well registered mail given under and sufficiently follows: j. Canada

To the Optionor:

KENNETH HODGSON and RITA HODGSON 2995 Jamaica Boulevard South Lake Havasu, Arizona 86403 U.S.A.

To the Optionee:

SUN RIVER GOLD INC.
c/o Sun River Gold Corp.
500 - 890 West Pender Street
Vancouver, British Columbia
V6C 1J9

with copy to:

Sikula, Werbes & Brown
Barristers & Solicitors
708 - 1111 West Hastings Street
Vancouver, British Columbia
V6E 2J3

To the Parent:

SUN RIVER GOLD CORP.
500 - 890 West Pender Street
Vancouver, British Columbia
V6C 1J9

with copy to:

Sikula, Werbes & Brown
Barristers & Solicitors
708 - 1111 West Hastings Street
Vancouver, British Columbia
V6F 2.13



time Any notice given as aforesaid shall be have been given if delivered when delivered, if telegraphed, on the second business day after the day after telegraphing, or if mailed, day after the date of maili purpose to time, by of this te of mailing. Either par notice in writing change paragraph. on the Either party of the party of th seventh (7th) business mау, address be deemed date of from t o

9. General

- implement and carry into effect the provisions intent of this Agreement. all acts The parties or deeds hereto agree to do and can eeds required or necessary cause and to to
- governed bу The terms of this the erms of this Agreement shall be laws of the State of Arizona, U.S.A.
- 0 Time is of the essence of this Agreement.
- successors and assigns. respective heirs, executors, administrators, to the benefit of the parties hereto and This Agreement shall be binding npon their and
- obtaining into this regulatory body approval to its entering Agreement. This Agreement is subject to the Optionee
- and the This Agreement is nothing herein shall be Optionee to pay the option exercise is an option agreement only construed as obligating price.
- expressed America. All currency expressed in the currency of the United States 'n this Agreement of is

and year hereunto affixed their hands first above written IN WITNESS WHEREOF and the seals parties hereto have as of the

SIGNED, SEALED AND DELIVERED by KENNETH HODGSON in the presence of:

KENNETH HODGSON



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SIGNED, SEALED AND by RITA HODGSON in presence of: DELIVERED the

The CORPORATE SEAL of SUN RIVER GOLD INC. was hereunto affixed in the presence of:

The CORPORATE SEAL (
RIVER GOLD CORP. was hereunto affixed in presence of: was in of the SUN

RITA HODGSON



SCHEDULE "A"

The patented and unpatented lode claims Mohave County of the State of Arizona, U.S.A. and and more particularly described in the records maithe State of Arizona, U.S.A. as follows: maintained located in recorded

A. Patented

Leland)
Leland No. 2)
J.B. Lane)
Survey # 1680
Oro Fino)

B. <u>Unpatented</u>

icro Fino 2,3 Ai ieland 3-20 Al Big Jim West 16-28 Oro Fino Fraction AHC# 243963 thru 243964 AMC# 243944 thru 243961 AMC# 262359 thru 262371 AMC# 243962

known as The : e following twenty-five Heals Group: unpatented lode claims

F.B. 1A - 25A AMC# 256158 thru 256182

Together designation F.W.W. with a Claim all lodem Group. lode C laims recorded under the

 $\mathcal{N}_{\mathbf{y}}$ Inclusive AMC#263542 thru 263563



DATED:

as of January 15, 1987.

BETWEEN:

KENNETH HODGSON AND RITA HODGSON

AND:

SUN RIVER GOLD INC.

AND:

SUN RIVER GOLD CORP.

MINING OPTION AGREEMENT





REYNOLDS METALS EXPLORATION, INC.

Reynolds Metals Company • 5301 Longley Lane • Suite 157 • Reno, Nevada 89511-1805 Telephone (702)829-8018 • Facsimile (702)829-8026

August 23, 1991

Mr. Tom Tough
Yellow Point Mining Corporation
12761 16th Avenue, Suite 110
White Rock, British Columbia V4A 1N2

RE: FB Claims, Mohave County, Arizona

Dear Tom:

Attached, please find a draft copy of the agreement prepared by Reynolds Metals' legal department in Richmond, VA, that would remove the FB claims from the underlying agreement between Mr. Kenneth Hodgson and Sun River Gold, Inc. Please contact me after you have had your attorney River Gold, Inc. review this draft.

If you have any questions, please don't hesitate contacting me.

Sincerely,

Ray Irwin



H K H Ħ 0 0 A H Ħ

#OT Ray Irwin

FROM: D. D. Jinks

DATE: August 20, 1991

SUBJ:

ACQUISITION OF FB RE: YELLOW POINT CLAIMS
MINING/SUN RIVER GOLD/K. HODGSON

PAGES TRANSMITTED: U

sure Tough, etc., understand that this is a draft when you forward it to them. separate the FB Claims from the rest of Tough's package. Find attached a draft prepared by Donna Dabney that is designed to Please be

Jinks



day AMENDMENT of TO MEMORANDUM OF 1991. AGREEMENT dated as of the

BETWEEN:

KENNETH HODGSON, of P.O. Box 101, بو businessmen and RITA HODGSON, his Sumpter, Oregon 97877,

(hereinafter collectively called the "Optionor")

AND

mailing address of 12761 16th Avenue, White Rock, British Columbia Canada V4A 1N2 corporation Suite with g

(hereinafter called the "Optionee")

N I

White Rock, Canada V4A YELLOW POINT MINING CORPORATION (formerly known as River Gold Corp.), a British Columbia corporation, having an office at 12761 16th Avenue, Suite 110 , British Columbia Sun

(hereinafter called the "Parent")

WHEREAS:

- ţ particularly Memorandum of (referred to 1987, morandum of Agreement dated as of the 15th day of January, 87, pursuant to which Optioner granted to Optionee the option purchase certain mining claims located in the State of Arizona eferred to herein as the "Agreement"), which are more rticularly described in the Agreement. Optionor, Optionee and Parent entered into a certain
- group of 25 unpatent described as claims 256182 (referred to of 25 Among the mining claims subject unpatented lode claims known as the Neals Group and s claims F.B. 1A through 25A, AMC# 256158 through erred to herein as the "FB Claims"). to the Agreement
- for separate The parties now wish to provisions to be applicable amend the ö the Agreement to provide FΒ Claims



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receipt of which is acknowledged, and inten-bound hereby, the parties agree as follows: NOW THEREFORE, for good and valuable consideration, of which is acknowledged, and intending to be legally

- 1. Special Provisions of the Agreement shall following provisions of the Agreement shall Claims only: Claims. apply to the FB
- Claims shall not include any additional claims or mining property or rights acquired within the perimeter of 1,000 meters of the claims subject to the Agreement, which claims particularly described in Schedule A thereof. The definition of "claims" when applied which claims are Մ more
- (b) The option to purchase the FB Claims may be exercised by Optionee separately from the exercise of the option to purchase the other claims subject to the agreement, at any time upon written notice to the Optionor at the address stated above.
- delivery of a deed in form and substance acceptable in cash upon conveying a 100% right, title and interest to the FB Claims to Optionee, or its nominee, free and clear of all liens, charges and encumbrances, save and except for liens, charges and encumbrances incurred as a result of the mining operations of the Optionee. The provisions of paragraph 1.d. (definition of "option exercise price"), and paragraph 1.e. (definition of "option payment") shall not apply to the FB Claims. The option exercise price for the FB Claim group shall
- The provisions of paragraph 8 concerning net smelter shall not apply to the FB Claims.
- (e) If a mining deed conveying the PB Claims thereof has been deposited with an escrow area the deed (and release shall Alexand release the deed (and deed (deed conveying the FB Claims without requesting recordation the deed conveying the remainder of the claims subject to subject to the Agreement can be redeposited with agent. The Optionee may request the escrow agent paragraph 9, the parties shall direct the escrow agent to return the deed (and release if applicable) so that separate deeds and releases for the FB Claims and the remainder of the claims Agreement. an escrow agent pursuant recordation of to record the escrow OH
- (f) The non-severability clause at paragraph 14 of the Agreement shall not apply to the FB Claims nor to any of the provisions herein or in the Agreement which may in any manner pertain to the FB Claims.
- Optionee such default any default Notice ç of Default under the under the Agreement, Optionor will give notice of to any person or entity previously identified by Optionor in writing (the Madditional motice and Opportunity t 0 cure. In event

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paragraph notice to the a recipient"), concurrently with the giving of such notice to Optionee. Optionor further agrees that Optionor will not exercise any right to terminate the Agreement without (a) groups to the additional notice recipient that Optionee has then due within 30 days afte additional notice recipient. notice recipient to of the such default within the time for cure provided by Agreement, and (b) permitting the additional cure the default by paying the cash payment days after such notice is given to the cure provided by ng the additional giving

- except for this Amendment, and that the representations by Optionor set forth in the Agreement remain true and correct as the Optionor. In the event optioner shall Agreement or any portion thereof, Optionor shall estoppel certificate to Optionee affirming that the estoppel cartificate the estoppel cartificate to optionee affirming that the estoppel cartificate the estoppel cartificat amended herein, specifically grants to optionee the respect of the FB assign Optionee's rights under the Agreement in respect of the FB Claims, without concurrently assigning Optionee's interest in the other claims subject date of Acknowledgement of Right for this Amendment, the estoppel certificate. In the event Optionee assigns its interest in the to the Agreement, to Assign. and without the consent of The Agreement, been amended the Agreement provide OH,
- arrangements, side letters or understandings, or any sort, that modify, amend, alter, supplement terms of the Agreement. There are no other amendments, arrangements, side letters or Ratification of Agreement.
 force and effect except as exp except as expressly provided amendments, modifications, The Agreement oral or written nt or change the remains in this supplements, or written, Amendment. in full

in the

KENNETH	
KENNETH HODGSON	

presence of: SIGNED, RITA HODGSON in SEALED AND DELIVERED

RITA HODGSON



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SUN RIVER GOLD, INC.

Ву:

The CORPORATE SEAL of SUN RIVER GOLD, INC. was affixed hereunto in the presence of:

YELLOW POINT MINING CORPORATION

By:

The CORPORATE SEAL of YELLOW POINT MINING CORPORATION was affixed hereunto in the presence of:



DRAFT

TOTOL D DE

19,91

11:34

No.001

P.01

DANIEL 904 Forestview Dr. MOLCOTT

Colonial Heights, VA 23834 Tel/Fax (804) 520-2072

FAX TRANSMITTAL FORM

FROM: DAN WOLCOTT

NO. OF PAGES:

TO:

Ray

Irwin

DATE: 15 AUG 91

LOCATION: Reynolds Metals Reno

Subject: FB

IF THERE ARE TRANSMISSION FAULTS PLEASE NOTIFY SENDER IMMEDIATELY

Dear Ray:

I received a legal dans--proceed. agreement spent so you wouldn't need my help. here call from John Wolcott here in Richmond was SPA yesterday. In the couple of days thoughts on how T min on how I might He said your

First, I think if something happens that you could latter use my help, I think we would have a better chance of selling a draft agreement to your legal department if it was drafted using language approved in a prior Reynolds agreement.

Second, I had a few scenarios I was about to call you about. As with most situations, there are various levels of protection you can get, depending upon the level of cooperation of the other parties and the competitive environment. The safest approach would to have a draft agreement for each possibility.

could delay things. You could provide a draft amendment to perhaps help it along. Then you could at the same time enter into a three-way lease with option that would give Reynolds control but give YP secondary control if Reynolds pulled out. The question of course is Hodgson, he optioned the claims to YP in an all or nothing deal so he may not be open to any reasonable deal. or the reliow Point - Hodgson Agreement (YP-H). The problem is, that YP and H would have to negotiate a value for the claims, which could delay things. You could provide a draft amanament to help it. the best deal would be to have the FBs amended

deal which might here the original deal. his hopes under the original deal. I have for the FB H formal assignment NEXT Best - Reynolds could try to get Hodgson to agree to assignment of the FBs under the original YP-H agreement. situation Reynolds would be providing a strength to the ich might keep the YB-H deal alive so Hodgson could realize as under the original deal. Reynolds would then enter into potion with YP for the FB claims. Hodgson might agree to Reynolds could try to of the FBs under the

enter into an adeal, Hodgson FBs would not an agreement whereby expire, but would agree that continue with Hodgson as the lessor. if yp Reynolds-YP failed and agreement lost the t for the

situations ratuusually only ba worst, Hodgson might sue YP and Reynolds to break both agreements, but this would cost Hodgson time and money and he might not win. In the meantime you would probably learn enough about the property to know if you wanted it. Courts tend to award damages in these situations rather than take property away, and the damages are Sign the lease/option with YP, bu deal made through Reynolds so YP parties Hodgson, it may be claim you couldn't 0 through Reynolds the YP-H agreement you have based on what the person ф Д find Hodgson (which you can't). F-H agreement intended for it to l competitors trying to make prudent to deal only with Y but have all payments YP can't leave you hig person expected to get can't ayments under you high and P at this time a c). Assume that t <u>ه</u> damages t out of assignable. dry. the YP-H and are the

Of course you also still have the main problem of the FBs still being tied through the original YP-H deal. But if you weren't able to negotiate changes later, you would still probably get time to explore the property and know whether you could put the project together by the time a problem came to a head. YP would also be more likely to keep the YP-H agreement alive with the help of the Reynolds deal and the fact that there would still be a lot of claims left in the YP-H deal for YP to deal with others on (so long as they couldn't interfere with Reynolds rights). likely to keep the YP-H agreement alive with the help of the would still be a lot of

give me a me a call anytime. These were just some e ideas l н there thought there is I would anything forward g else I in case can

Best regards,

Dan Wolcott

cc: J. Wolcott

LAW DEPARTMENT MEMORANDUM

August 14, 1991

TO: D. D. Jinks

FROM: D. C. Dabney MMM

Moss Mines Project Acquisition of FB Claims

RE:

groups subject to the option agreement. I did not insert RMEX into this portion of the transaction. If the owner agrees to separate the FB Claims from the other claims subject to the option agreement, a partial assignment or other agreement between RMEX and Sun River/Yellow Point would need to be worked out. Corporation) which breaks out the FB Claims from the other clais Enclosed holder of the ħ. an initial draft of an agr Claims and Sun River Gold an agreement between from the other claim

does the least amount of Let me know if you have take Way another The format I took in this initial draft to structure least amount approach it, but it is perhaps the struct of violence to the deal already we any comments, or if you would here. is certainly not the the structure which prefer in place.

702-829-8026	Dept.	C 3 W & 7	To Fay Areun	Post-It " brand fax transmittal memo 7671 + of pages >
1804-281-3740	Phone # - 28/ - 2283	co. Ronc - Law	Frontonna Clabring	memo 7671 # of pages + 5

The information contained in this communication is intended only for use by the person or entity named in the Post-ti²⁷⁷ transmittal memo. No waiver of any privilege is intended by this communication. If you are not the intended recipient (or someone responsible for delivery), you are hereby notified that any distribution or copying of this communication is strictly prohibited. If you have received this communication in error, please notify us immediately by telephone at (804) 281-4804 and return these papers to us by mail to Roynolds Metals Company, Law Dept., P.O. Box 27003, Richmond VA 23261. Thank you.

0 AMENDMENT TO MEMORANDUM OF AGREEMENT dated . 1991. CI CI 0 the

BETWEEN:

wife, KENNETH HODGSON, O fi P.O. Box 101, Sumpter, þ businessman and RITA Oregon 97877, HODGSON, his

(hereinafter collectively called the "Optionor")

AND

White Rock, Br Canada V4A 1NZ SUN RIVER GOLD INC., an Arizona corpo mailing address of 12761 16th Avenue, SUN RIVER British Columbia corporation Suite with 110

(hereinafter called the "Optiones")

7 7 7

River Gold Corp.), a British Columbia corporation, having an office at 12761 16th Avenue, Suite 110 Canada White YELLOW POINT MINING Rock, V4A LNZ British Columbia CORPORATION (formerly known sun

(hereinafter called the "Parent")

WHEREAS:

- to purchase certain mining claims located in the State of Arizona (referred to herein as the "Agreement"), which are more particularly described in the Agreement. Memorandum of Agreement dated as 1987, pursuant to which Optioner Optionor, Optionee Optioner granted to Optionee and of the Parent 15th entered into day of January, the option þ certain
- group of 25 u described as 256182 (refer of 25 unpatented lode bed as claims F.B. 1A (referred to herein a Among the mining claims subject F.B. 1A to herein as through 25A, AMC# 256158 tas the WFB Claims"). ដូ the Agreement through Group and
- for O separate The provisions parties now wish to to эd n to amend the applicable to the Agreement to provide ŦB Claims

receipt hereby, the parties agree of which is acknowledged, NOW THEREFORE, for good and valuable consideration, as follows: and intending to e d

- following provisions Claims only: special Provisions Applicable to the FB owing provisions of the Agreement shall apply to Claims. the FB
- Claims shall not include any additional claims or mining property or rights acquired within the perimeter of 1,000 meters of the claims subject to the Agreement, which claims are more particularly described in Schedule A thereof. The definition of "claims" when applied
- purchase the other claims subject to the agreement, upon written notice to the Optionor at the address purchase the by Optionee separately The option to other claims from the purchase the FB Claims may subject to exercise of the option be exercised stated above. at any time
- and encumbrances, save and except for liens, charges and encumbrances incurred as a result of the mining operations of the Optionee. The provisions of paragraph 1.d. (definition of "option exercise price"), and paragraph 1.e. (definition of "option payment") shall not apply to the FB Claims. delivery of a deed to Optionee, conveying a 100% (c) T or its nominee, The option amount of USS _____, payable in cash upon a deed in form and substance acceptable to Optionee right, title and interest to SSD exercise price for the free and clear of all liens, FB Claim group shall the FB Claims charges
- returns (a) shall The provisions of paragraph not apply to the FB Claims. 8 concerning net smelter
- deed conveying the thereof has been deposited with an escrow agent pursuant to paragraph 9, the parties shall direct the escrow agent to return the deed (and release if applicable) so that separate deeds and releases for the FB Claims and the remainder of the claims Agreement. the deed conveying the subject t to the Agreement can be redeposited with the escrow The Optionee may request the escrow agent to record onveying the FB Claims without requesting recordation ed conveying the remainder of the claims subject to If a mining deed conveying the FB Claims or release recordation of
- Agreement shall not apply provisions herein or in t pertain to the FB Claims. The non-severability clause not apply to the FB Claims nor to any uin or in the Agreement which may in any the FB Claims nor to any of the 8 paragraph 14 of
- such default to any person or entity Optiones to Optionor in writing (the default of Default under the Agreement, and Opportunity to cure. Optionor will give notice previously identified "additional notice event O f

Optionee. Optionor further agrees that Optionor will not exercise any right to terminate the Agreement without (a) g notice to the additional notice recipient that Optionee has failed to cure such default within the time for cure provide that the cure provide the cure such default within the time for cure provide failed to cure such default within the time for cure provide failed to cure such default within the time for cure provide failed to cure such default within the time for cure provide failed to cure such default within the time for cure provide failed to cure such default within the time for cure provide failed to cure such default within the time for cure provide failed to cure such default within the time for cure provide failed to cure such default within the time for cure provide failed to cure such default within the time for cure provide failed to cure such default within the time for cure provide failed to cure such default within the time for cure provide failed to cure such default within the time for cure provide failed to cure such default within the time for cure provide failed to cure such default within the time for cure provide failed to cure such default within the time for cure provide failed to cure such as the failed additional then due within notice recipient to paragraph recipient"), 13 of the Agreement, notice recipient. concurrently with 30 dayв cure after such notice is given to the and the **(**d) giving permitting 0 f for cure provided by such the notice cash payment additional giving

- amended herein, specifically grants to optionee the assign Optionee's rights under the Agreement in reschaims, without concurrently assigning Optionee's claims, without to the Agreement, and without other claims subject to the Agreement, Optionor in full force and effect, except for this Amendment, estoppel Agreement the Optionor. the date Acknowledgement of Right of certificate set forth in the or the any portion thereof, H estoppel the to Optionee affirming event Optionee certificate. , and that Agreement the Agreement to Assign. Optionor shall remain the assigns representations by ain true and correct has not The Agreement, that its been amended respect of the right the Agreement provide an interest interest in the correct consent ដូ in the t D O SS CD the O.F Of
- for ct o ø 13 Ratification and effect 0 Agreement. The Agreement remains ri ri əbi ritten, mendment full the 0 f

IGNED, SEALED AND DELIVERED Y KENNETH HODGSON in the resence of:	here are no other amendments, modifications, supplement rrangements, side letters or understandings, oral or wny sort, that modify, amend, alter, supplement or chanerms of the Agreement.
--	--

5 0

ซ

SIGNED, by RITA presence HODGSON SEALED AND of: ב DELIVERED the

KENNETH HODGSON

RITA HODGSON

By:	SUN
	RIVER
	GOLD,
	INC.

The CORPORATE SEAL of SUN RIVER GOLD, INC. was affixed hereunto in the presence of:

YELLOW POINT MINING CORPORATION

Ву:_____

The CORPORATE SEAL of YELLOW POINT MINING CORPORATION was affixed hereunto in the presence of:



REYNOLDS METALS EXPLORATION, INC.

Reynolds Metals Company • 5301 Longley Lane • Suite 157 • Reno, Nevada 89511-1805 Telephone (702)829-8018 • Facsimile (702)829-8026

DATE: July 9, 1991

TO: Dr. Douglas Jinks

FROM: Ray Irwin ()

RE: FB Claims, Mohave County, Arizona

As discussed in our telephone conversation of July 8th, I have listed below the pertinent claim information needed to prepare the "Option to Purchase Agreement" with Yellow Point Mining Corporation.

Location: The FB 1-A through 25-A lode mining claims are located in parts of Sec. 24, T20N, R21W and Sec. 19, T20N, R20W. Refer to Exhibit "A" for a complete listing of the claims and their respective BLM serial numbers, as well as the attached claim map.

Claim Ownership: The FB 1-A through 25-A lode claims are owned by Sun River Gold, Inc., P.O. Box 1844, Ferndale, Washington 98248, but have been optioned to Yellow Point Mining Corporation, 12761 16th Avenue, Suite 110, White Rock, B.C. V4A 1N2. Mr. T.R. Tough is President of Yellow Point Mining Corporation. His telephone number is 604/538-6601. His fax number is 604/538-5223.



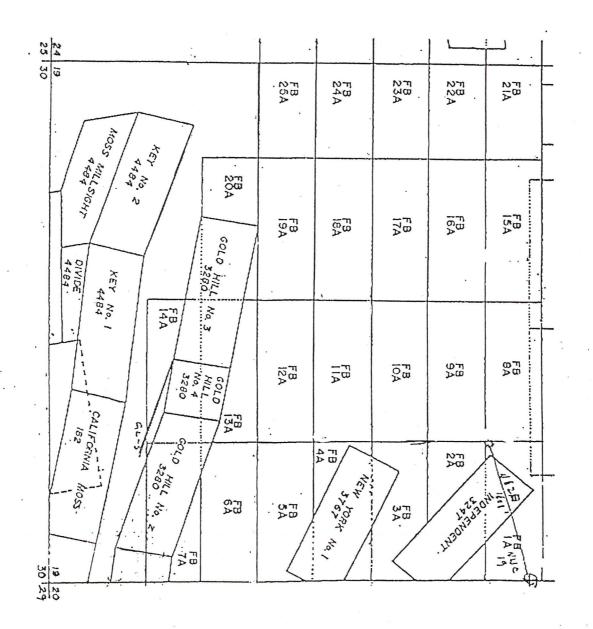
EXHIBITT "A"

All those certain unpatented mining claims located in Section 19, Township 20 North, Range 20 West, and Section 24, Township 20 North, Range 21 West, G&SM, San Francisco Mining District, Mohave County, Arizona, as follows:

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REYNOLDS METALS EXPLORATION, INC.

Reynolds Metals Company • 5301 Longley Lane • Suite 157 • Reno, Nevada 89511-1805 Telephone (702)829-8018 • Facsimile (702)829-8026

June 24, 1991

Mr. T.R. Tough, President Yellow Point Mining Corporation 12761 16th Avenue, Suite 110 White Rock, British Columbia Canada V4A 1N2

RE: Proposed Acquisition Terms for the FB Mohave County, Arizona 1A-25A Claims

Dear Mr. Tough:

I have reviewed your 1991, concerning the proposed terms as stated FB 1A-25A claims located in your letter of June 17, in Mohave County, Arizona.

Obviously, there is quite a difference between my original proposed terms of June 17th. I believe that this of June 17th and your proposed terms of June 17th. I believe that this wide difference in proposed terms has been brought about by Reynolds Metals' belief, based on past experience in the area, that exploration targets are typically small and therefore quite high risk. This is certainly our perception of the exploration potential of the FB claims.

Be that as it may, I have reviewed your proposed terms in light of my original proposal and would like to submit the following terms for your review and consideration.

Type of Agreement: Lease with option to purchase

10 years, with Reynolds' option to renew for additional 5 years 5 years an

Advance Royalty Schedule:

All payments shown below are to be considered as advance royalties credited toward the purchase price of \$750,000 U.S. which can be exercised at Reynolds' discretion at any time during the term of the exercised at Reynolds' discretion at any time during the term of the exercised at Reynolds' discretion at any time during the term of the exercised at Reynolds' discretion at any time during the term of the exercised at Reynolds' discretion at any time during the term of the exercised at Reynolds' discretion at any time during the term of the exercised at Reynolds' discretion at any time during the term of the exercised at Reynolds' discretion at any time during the term of the exercised at Reynolds' discretion at any time during the term of the exercised at Reynolds' discretion at any time during the term of the exercised at Reynolds' discretion at any time during the term of the exercised at Reynolds' discretion at any time during the term of the exercised at Reynolds' discretion at any time during the term of the exercised at Reynolds' discretion at any time during the term of the exercised at Reynolds' discretion at any time during the term of the exercised at the exercised a agreement or the extended term.

Year 1 Year 2-5 Year 6-7 Year 8-10	Term
\$15,000 \$20,000 \$25,000 \$35,000	Payment (U.S. Dollars

Should Reynolds Metals desire to extend this 5 year term without exercising its purchase royalty would escalate to \$50,000. to extend this agreement for an additional option, the annual advance

Royalty:

The Point Mining. purchase option, there would be no residual credited proposed royalty under this or the minimum advance roy toward the purchase price. yalty under this agreement would be the greater of either minimum advance royalty stated above with all payments Upon Reynolds Metals royalty payable to Yellow exercising its

Exploration Expenditures:

As a result of the volatility of the mining industry, as well as the need for Reynolds Metals to keep as much flexibility in its annual exploration budget as possible, we cannot commit to a \$500,000 annual exploration expenditure on the FB claims. We would, however, be willing to commit to a \$500,000 expenditure during the first 5 years of the agreement.

Production:

Again, as a result of the rapidly changing mining and environmental regulations, as well as the volatility of metals prices, it is not possible nor good business practice for Reynolds Metals to become locked into a schedule on production or a feasibility study.

Assessment Filing:

assessment work During the exploration activities in a life of this agreement, Reynolds Metals would file the annual work with the Mohave County recorder and the BLM and conduct with the Mohave professional, workman-like manner.

After reviewing this proposal, if y please feel free to give me a call. if you have any questions 9 comments,

Sincerely,

Raymond E. Irwin Regional Exploration Manager

XELLOW POINT MINING CORP

White Tel: (61 -(604) (604) 16th Avenue, S , British 538-6601 538-5223 Suite Columbia, VAA IN2

June 17, 1991

Reynolds Metals Exp 5301 Longley Lane, Reno, NV 89511-1805 Raymond [7] • Irwin Exploration, ne, Suite 157 Inc.

D 069 1 morning This 70 W:11 CA11 YOU 3 is OPT:ON YEllow And discuss it with Point PROPOSAL dATED JUNE 12Th FROM mining's TONOPAL TomoRRow

XE: Mohave County, Proposed Terms for an A Arizona. Agreement on the B 1A-25A Claims

De X r Irwin:

As discus following mentioned discussed claims: are in proposed our telephone terms for conversation an. agreement of this 9 the date, above-

Type 0 m Agreement: Sub-option to purchas 0

Term:

Royalty:

10 years

o f

\$25,000us

price

0 bу đ credited tow \$2,500,000us. Royalty Operating Royalty Advanced January the an end mine. to based Profit, while of towards 15, continue annual g C 2001. % 5 whichever royalty the purc \$2,500,000us a t NSR or 30 purchase NSR 20% of is the

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Exploration

Expenditures: \$500,000us minimum production. to 9 spent annually

for

the

life

Production

from the agreement date Production to pe e achieved within (extendable S year

Assessment Filing:

work the Office Claims agreement with and to the be the Mohave maintained BLM. filing during annual County the assessment Recording life Of

Yours truly,

President. Thomas in the second **7** Tough, P.Eng.

DR. Post-It™ brand fax transmittal memo 7671 Dept. Doug 1.45 From AY Phone # Co. # of pages Rw. .

MOTIBA POINT MINING CORP

White Tel: (604) (604) Rock, 16th Avenue, S , British 538-6601 538-5223 Suite Columbia, V4AIN2

June 17, 1991

Reynolds Metals Exploration, 5301 Longley Lane, Suite 157 Reno, NV 89511-1805 Raymond E. Irwin Inc

K Proposed Terms Mohave County, for an A Arizona. Agreemenț on. the **B** 1A-2 5A Claims

Dear Х г. Irwin:

As discus mentioned discussed claims: are r T proposed our telephone terms for conversation an agreement of this o n the date above the

Type O.F. Agreement: Sub-option to purchase

Royalty: Term:

> 10 years

0 ¥ф to Operating Royalty to Royalty credited tow \$2,500,0000s. Advanced January 15, the an end mine. based on Profit, towards continue annual 2001. 0 % Ω Wh1 hichever is th \$2,500,000us royalty the purc C+. NSR or š purchase NSR 20% of is the ¢ f

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Production:

Production from the ac agreement to be achieved within 5 ment date (extendable ហ years

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work the Office Claims agreement and with CO the be the maintained BLM Λď Mohave filing during annual County the assessment Recording life O.f

Yours truly,

President. Thomas A. S. S. **2** Tough. Png. a



REYNOLDS **METALS** EXPLORATION, INC.

Reynolds Metals Company • 5301 Longley Lane • Suite 157 • Reno, Nevada 89511-1805 Telephone (702)829-8018 • Facsimile (702)829-8026

June

12761 16th Avenue, White Rock, B.C. Mr. T.R. Tough, President YELLOW POINT MINING CORPORATION V4A 1N2 Suite 110

ᇛ: Proposed Lease Terms for the FB Claims, Mohave County, Arizona

Dear Mr. Tough:

As discussed in our telephone conversation of June 10th, Reynolds Metals Exploration Inc. is currently evaluating a large land position adjacent to the FB claims, which is now under lease by Yellow Point Mining Corporation. To facilitate the evaluation of the area, it would be advantageous for Reynolds to acquire the FB claims, which are located in parts of Sec. 19, T20N, R20W and Sec. 24, T20N, R21W. The propsed terms to acquire the FB claims are subject to Yellow Point Mining Corporation's ability to assign their interest in the FB claims, as well as the underlying terms of the agreement between Sun River Gold Corporation and Mr. Kenneth Hodgson and are as follows:

Type of. Agreement: Lease with option to purchase

years

Royalty: % NSR unless purchase option is exercised

Purchase Option: Reynolds' discretion at any time during the term this agreement. The purchase option of \$250,000 can be exercised at of



Payment Schedule: All payments listed below are the purchase price: to be credited toward

Term Payment (U.S. Dollars

 Year
 1-5
 10,000

 Year
 6-10
 15,000

 Year
 11-15
 25,000

After reviewing these proposed terms, please contact me if you have any questions or comments. I look forward to hearing from you.

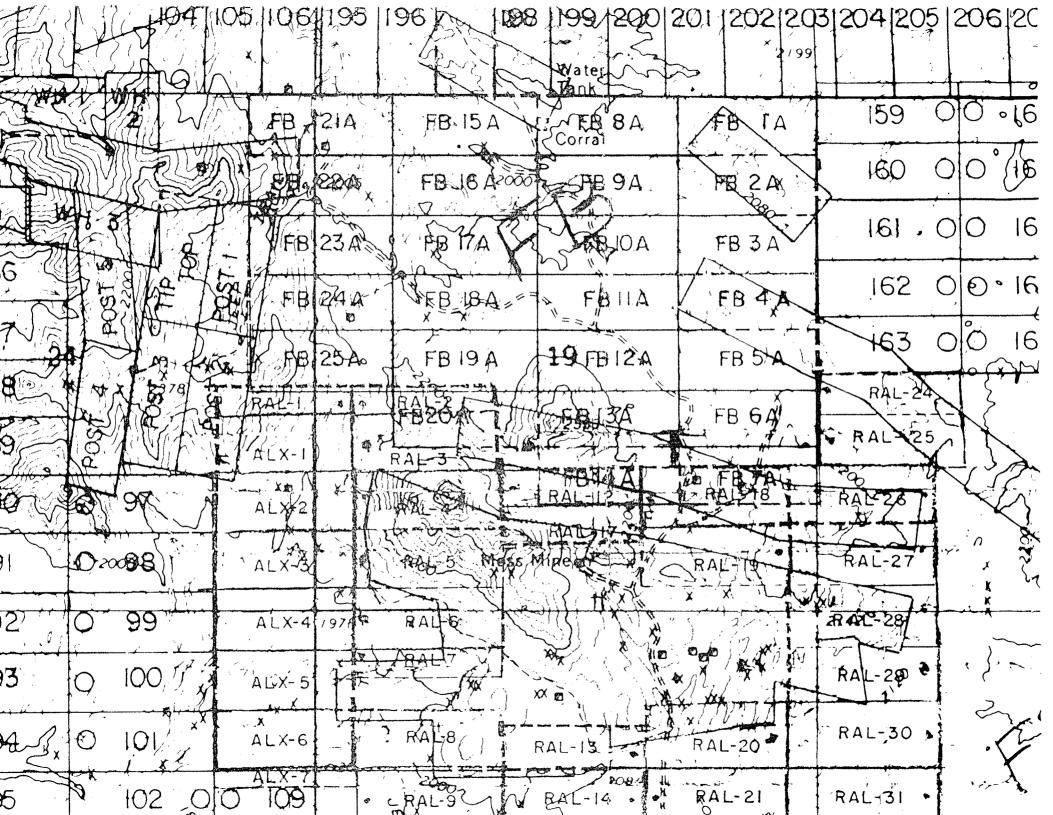
Sincerely,

(Xaymond E. Druin

Raymond E. Irwin

cc: Dr. Douglas Jinks
John Wolcott





MINERAL LEASE

155193

B Claim Group/West Oatman Project

West Broad Street, Ric THIS MINERAL LEASE (the "Agreement") made as of December, 1991, is entered into by and between Avenue, consideration and **REYNOLDS** an Arizona corporation with offices at Suite 110-12761 16e, White Rock, British Columbia, Canada V4A 1N2 ("Lessor") e Rock, British Community, a Delaward METALS EXPLORATION, INC., a Delaward With offices o transact business in Arizona, with offices o transact business in Arizona, With offices of the Pichmond, Virginia 23230 ("Lessee"), for the Pichmond ("Lessee between, SUN RIVER at Suite 110-12761 of the corporation forth below: s at 6601 16th GOLD

ARTICLE I

Grant of Leasehold Interest and Other Rights

improvements thereon are "Property" improvements Section 1.01 for the Primary Term and any Extended Term, the unpatented claims located in Mohave County, Arizona identified on covenants set forth herein, A (the "Mining Claims") to ments thereon. The Mining Grant laims") together with any fixtures the Mining Claims and any fixtures treferred to collectively as the of Lease. Lessor does hereby lease In consideration of the or

following exclusive Section 1.02 grant of Rights. rights upon and Lessor grants 'with respect to to Lessee the the Property:

- other mining methods), stockpile, remove, leach, concentrate, mill, smelt, beneficiate, process, s and market, without limitation, all ores, metals, manner whether by surface, open-pit, underground, or other mining mathage. ("Minerals"); tailings, concentrates, and mineral products To enter the Property to survey, explore, ship,
- and relocate buildings, ore bins, shafts, declines, inclines, tunnels, drifts, open pits, reservoirs, tailings ponds, waste dumps, ore stockpiles, roads, power, and communication lines, and any other structures and facilities; construct, use, maintain, buildings, ore bins, shaf ain, repair, repl shafts, declines, replace
- permanent disposal other materials property; use the Property for the storage of Minerals, produced from water, waste, n the Property 8 tailings

- Property; rights-of-way for ingress and ď use all easements, egress means to of and access, from and the
- worked, or leased by Lessee; and ations conducted dispose into to drain through and from the Property any course on the Property any water of all water on or app thereon or priate, develop, consume, and or appurtenant to the Property, 9 other properties from operand to drain owned,
- Lessee's stated in this Section s activities on o use the Property for all of the purposes is Section 1.02 in conjunction with ivities on other properties.

ARTICLE II

Term

period of 5 years (the "Extended Term") at exercisable by notice to Lessor at least 60 expiration the date hereof (the "Primary Term") and for Agreement of the Primary is granted for Term. an initial 60 days before the Lessee's option, term of 10 an additional

ARTICLE III

Payments

forth below. shall pay Lessor minimum advance royalty payments ("Minim Payments") in the amounts and on the terms and conditions Section 3.01 Minimum Advance Royalty Payments. ("Minimum Lessee

fifth years of the Primary Term; \$25,000 per year during the third through sixth and seventh years of the Primary Term; \$25,000 per year during the year during the eighth through tenth years of the Primary Term; and \$50,000 per year during the Extended Term. The first Minimum Payment shall be paid to Lessor upon execution of this Agreement by Lessee and subsequent payment. be paid of this Agreement in advance, regardless Agreement Lessee shall remains in effect. and the pay satisfaction of the; \$25,000 during the to Lessor \$35,000 upon execution of The Minimum Payany production conditions Payments

- have the right to prepay any Minimum payment made in excess of the annual payment made in excess of the annual required minimum Payments due in Production Royalty payable under Section 3.02. subsequent years. (c) All Minimum Payments shall be creative and purchase price if Lessee exercises its purchase option forth in Article XII of this Agreement; and (ii) any forth in Article XII of this Agreement; and (ii) any required N Minimum and any
- B. Wolcott, independent landman, ("Wolcott") of an original duly executed deed conveying the Property to Lessor from Mel Price, Trustee under the Mel Price 1987 Living Trust (the "Grantor"), substantially in the form attached hereto as Exhibit D, and (ii) receipt of evidence satisfactory to Lessee that the Grantor holds clear and unencumbered title conditioned upon (i) delivery in escrow to the Property. Delivery of the first Minimum Payment Lessee or

production 3.02 <u>Production Royalty</u>. Lessee shall pay Lessor production royalty ("Production Royalty") equal to 5% of Net Smelter Returns as determined under Section 3.02(a), less the amount determined under Section 3.02(d) and adjusted as provided in Section 3.02(g), on all Minerals produced from the Property Lessee as 3.02(g), ed by a sm set forth below: smelter, on all Minerals refiner or other bona fide purchaser þ

- refiner or other bona fide purchaser. listed in <u>Metals Week</u> for such Minerals, the gold or other Minerals are delivered Mineral the case of minerals other than gold, gold or Price "Net Smelter Returns" Quotation (defined below) for gold, and are delivered or "NSR" the to a smelter, on the date means price
- P·耳·"), or the London gold quotation known as the second London rixin final London gold quote (a/k/a "London fixing, as published each business day by Metals Week, ll Street Journal or a similar publication. "Mineral Price Quotation" means the second London fixing the final
- shall be discontinued, Lessee shall select a comgold (or other Minerals) commodity quotation for purposes of calculating the Net Smelter Returns. Metals Week in the case last month ast computed mineral price quotation shall interim basis, pending such selection. for which such selection has not If publication of the of Minerals other than gold) London fixing p.m. been made, comparable be used
- (d) Lessee In calculating shall be the amount of entitled to deduct the Production the

Lessee: following costs, ç the extent incurred and borne γď

- purchaser shipper, smelter, any, for from Lessee or its A11 ll charges, costs and penal transportation of Minerals refiner 9 agent; bona fide penalties to a
- if any, for Minerals; (ii)for All charges, correfining and costs marketing and penalties
- Minerals severance (iii) All taxes imposed (including, without taxes); and taxes); on on production limitation, of.
- (iv) All costs of insuring Mineral concentrates or gold dore.
- estimate other ore which shall be estimates provisional the payable Section total Mineral ţ has of the Mineral Ξf 8.05), Lessor royalty payment using Lessee's any been made. Production prior to Lessee's then Lessee shall pay Lessor a Content adjusted Content of the Royalty Subject Ore (defined of the Subject when final estimate of becomes Lessee's then due Ore and current final
- of each March 31st, "Calendar 45th day payable the Net Smelter Returns calendar four times following Quarter" means A11 June Production Royalty year. 30th, September each each calendar for that Calendar the three-month period ending quarter. 30th and Quarter, year on payments or before the will December based upon The term be 31st
- (g) j n The following adjustments shall be taken into determining Production Royalty payments:
- measurement shipped refiner credited to troy ounces (i) or ဓ္ Any adjustments sold by Lessee; bona fide purchaser of gold or appropriate units of other Minerals, previously Lessee by the shipper, in the number Minerals smelter, 0f of
- and pursuant average suant to Any adjustments percent Section 8.05; recovery in Mineral and calculated Content

- otherwise been credited agai Production Royalty payments. Any Minimum Payments against previous that have
- in the Property in proportion to the payments made with the total purchase price. For exif Lessee has made \$500,000 in Minimum Payments Production Royalty payments to Lessor, Lessee sl purchase deemed to own a 2/3rd's (500,000/750,000) beneficial interest in the Property which interest shall be held in trust by Lessor for the benefit of Lessee until stime as Lessee relinquishes its right to exercise it payments forth in Article XII of this if Lessee elects shall be deemed to earn shall be credited against the purchase price elects to exercise its purchase option set option. Production Royalty payments and 2/3rd's Agreement. an equitable the payments made, Lessee shall All such example, interest and held

ALLICIE VII, Lessee shall commit to spend not less than \$500,000 on Exploration Expenditures (as defined in Exhibit C) by December 31, 1996. The timing, methods and extent of all such exploration Section 3.03 Exploration Expenditures. Subjection to terminate its interests in this Agreement icle VII, Lessee shall commit to spend not less be determined solely by Lessor. Subject pursuant to than \$500,000 to

Article III shall constitute full consideration to and all alterations or destruction, both temporary Section Property caused 3.04 Alterations. by Lessee's The operations. payments provided and permanent, Lessor in any

ARTICLE IV

Title Matters; Representations and Warranties

not owned by Lessor. Upon such partial cermination other payments Payments shall be proportionately reduced and all other payments due under this Agreement will be payable to Lessor only in the proportion that Lessor's actual ownership interest in the monies wrongfully paid to Property as identified on Exhibit A, Lessee may term Agreement with respect to that portion of the Proper not owned by Lessor. Upon such partial termination, accrue Production described on Exhibit Property bears to a Lessor owns section 4.01 Lesser Interest. covenants and warranties of title c to Lessor. Royalty payments, less than the 100% undivided interest in the A. undivided interest in the Property Lessee shall be entitled to offset of title contained in this Agreement, entire and undivided estate in the Lessor and any against Minimum Payments, Lessee may terminate this Without other payments impairment of the Property that that is if

jurisdiction and any appeal therefrom has been resolved, or the period in which to appeal has expired. or until there has been a final determination of the claim controversy by a court or administrative body of competent therefrom, Lessee may deposit in a special escrow account any payments otherwise due Lessor and give written notice of such deposit to Lessor. The sums deposited shall remain in the an attorney that special escrow Property, any account until the claim or controversy is resolved a Third-Party Claims, third party may have a claim of the Mining Claims, Minerals or the proceed the Mining Claims, Minerals or the any of the Mining Claims, Minerals or the proceed the Mining Claims, Minerals or the major in th Minerals or the proceeds claim or γď

promptly to Lessee all material in Lessor's possession relating to the Property's title. Upon execution of this Agreement, manufacturing, documentation, of which Lessor is aware or regarding any existing or past industrial, documentation, Section shall provide station, of whi 4.03 waste storage, or beneficiating use of Title Information. Lessee with any information including Lessor or has milling, shall reason furnish to the 90 any aware

Section 4.04 Further Assurances.

- discharge such promissory note, mortgage, tax, lien, together with interest on such amount as promissory note, mortgage, tax or other lien upon more property and be subrogated to the rights of the holder any payment assurances or other documents, execute and deliver in paragraph (b) below. Lessor hereunder, as as may reasonably be necessary to carry out the and intent of this Agreement. Lessee may pay any sory note, mortgage, tax or other lien upon the Lessee that written would otherwise shall the to amount paid by Lessee have the right to retain, Lessee additional request of Lessee, in proper become payable and recordable formal Lessor ç or provided ţ shall from other
- interest the rate which affects Lessor's right, title or interest Property or to cure any defect in Lessor's title reimburse Lessee upon demand all amounts liabilities incurred by Lessee in effect: upon demand. in effecting such cure, arising Document") Lessor the shall under obligation, from the date of such of 18% per annum. r or a title defect (referred to collectively as a "Title) and all amounts paid or liabilities In addition, эď incurred by Lessee in effecting such cure Any sum not any Lease, immediately due and payable by to cure Lessee shall have the right, including reasonable attorneys contract, paid and Lessor fails any default demand until paid, when Lessee cures or other due shall bear of Lessor paid and title to instrument þ to default Lessor incurred in the but the

party after making a good faith, diligent effort to so, Lessee may elect, in lieu of perfecting its rig instrument to convey) the Property in recordable form; and if consent of a third party is required to transfer Lessor's interest in a Title Document to Lessee and Document and quitclaim deed of Document, Lessor shall property deliver to Lessee Lessor's applicable and Lessor's such reimbursement. payment that would otherwise hereunder. Lessor is unable to obtain the consent of the other Lessee have been Document interest Lessee within of assignment, (plus interest Lessee Lessor's Title liabilities including reasonable elects to as of the and the portion of the Property to which le and Lessor's right, title and interest thereon; then Lessee e and Lessor's right, title and Document and such Property shall automatically assigned and transfer the first features. ereon; or (ii) right, title at its option may either (i) offset from otherwise due to Lessor all amounts paid ა 0 and costs as set forth above) to offset incurred by Lessee in effecting such reasonable attorneys' fees, and shall promptly date of days after receipt of such notice, receive an assignment of the Title may give written Ιf Lessor fails such written notice. and interest in the amounts paid by receive assignment become thereafter (or other appropriate an assignment payable transferred to to reimburse shall be deemed of the notice demanding amounts the Title execute its right to Lessor Title from any Lessee it all and to ıs.

- such right to an assignment or offset upon any other default Lessor assignment ignment or shall not The failure þе to offset מ waiver of of Lessee ij the the to event enforce right of to enforce a default its right
- foregoing to protect determines payments directly to any third party Title Document if Lessee, in its sole third provision is not party. Lessee that it shall have would under this þe intended advisable to þ continuing right sole to Agreement. required under discretion, grant do so in order rights to make The any

warrants Section 4.05 that: Warranty. Lessor covenants, represents, and

any fixtures or improvements thereon, limitation or restriction whatsoever, sole quiet fixtures or improvements thereon, legal and equitable owner of enjoyment Lessor has 0 f the the Mining right of the Claims and exclusive except without Mining possession S Claims the

paramount
Claims; title of the United States as to the Mining

- (b) All of the Mining Claims were leproperly in accordance with federal and solution which was then available for mineral including, without limitation, the proper posting of the claims; proper monumenting located state law location,
- federal, state, and local laws and regulations. Without limiting the generality of the foregoing, assessment work required by law to be performed up the Mining Claims for each and every assessment you properly in accordance with the Federal Management Act of 1976 and all other app has requirements of law; and has been of or for the benefit of each Mining Claim to which it been applied; and the assessment work performed has n of a type customarily claimed as assessment work has tended to benefit each Mining Claim and develop been performed; in an amount sufficient to ø mine. All of the Mining Claims assessment other applicable meet work assessment have has the been maintained Land Policy and minimum been performed work has npon year
- liens, enc interests; (d) encumbrances, and The Property is outstanding adverse free and clear of all leases, erse claims and
- (e) execute and binding agreement terms; this Lessor has Agreement full power nt and this of f Lessor Agreement in accordance and authority js St the valid with its
- possession and any of the Mining Claims, possession and enjoyment of entities therefrom; ession and enjoyment of the Property, and do everything lawfully within its power e to the Property and Lessee's quiet and ession and enjoyment thereof against all who may claim any interest Lessee shall have or Minerals the quiet and in the or the and Lessor peaceful Property, to defend proceeds persons peaceful 9
- zoning, la otherwise federal, relating land use, thereto; state, with respect There or has environmental protection, local law or been no violation of any applicable local law or regulation relating to ţo the Property 9 activities or
- egress exists <u>E</u> ٦. to The law and and from right in fact; the Property and means of and vehicular Ø cular ingress public highw highway

- (i) There is no, and Lessor has not entered into any agreement, oral or written, by which any other party has any right, title or interest in or the right to receive any right, title or interest in the Mining Claims or the Property; and entered into,
- survey thereof. disclosed by an inspection of the Mining Claims or (j) There is Mining Claims is no not easement or right-of-way across of record which would be

remedies at law or in equity, Lessee shall be entitled to deduct costs or damages incurred as a result of any such breach from any payments due Lessor under this Agreement. If Lessor breaches one or more of the above warranties, Lessor shall indemnify and hold Lessee harmless from and against all as a result claims, liabilities, causes of of said breach. In addition to action, or judgments Lessee's

Royalty payments all costs incurred by Lessee to amend, relocate, cure, or perfect Lessor's title in the Property. Lessor shall indemnify and hold Lessee harmless for any causes of action, claims, liabilities, damages, or injury arising out of any action performed by Lessee to cure defects in Lessor's title or to cause millsites. or abandonment desirable to perfect any of the Mining Claims or to secure ground purportedly covered thereby, to avoid or create overlaps, or to include ground within the boundaries of any individual Mining Claim found not to be included because of warranties have improper location procedures or maintenance, or to obtain in its sole discretion sole discretion to Patenting. title by Lessee shall be of the right to deduct set ţ Any Lessee 4.06 conform conform to Lessor's representations, covenants forth in Section 4.05. such Relocation, Amendment, Abandonment, and shall have the right, but not the duty, relocate, or more of the Mining Claims whenever Lessee ion deems such relocation, survey, amendment, relocations, amendments, done as agent from Minimum Payments survey, amend or abandon the for Lessor. Lessee shapments or Production or abandonments at

United States mineral patent for any or all of the Mining Claim and Lessor agrees not to object to or adverse such application. If Lessee takes any such action or applies for a patent to any all of the Mining Claims, application may be made in Lessor's name and Lessor shall at the request of Lessee execute any and all documents in connection with the patent application. Lesses shall pay all costs of such application. If any patent application is rejected in whole or in part, Lessee shall not be Lessee at Lessee's request, an irrevocable power of attorney limited to providing Lessee with authorization to apply for a United States mineral patent for any or all of the Mining Claims Section 4.07 Power of Attorney. Lessor shall deliver Lessee or

proceeded liable to ij Lessor good faith. for any loss whatsoever provided it has

ARTICLE V

Taxes

machinery, and fees necessary to conduct Agreement; any gross receipts arising from its operations un local tax assessments upon structures and other improvements, Section 5.01 equipment, tools, Lessee shall pay for under this Agreement; supplies its of ay for all license, permit taxes operations under this or mining personal property. proceeds and any state taxes

Minimum Section 5.02 Payments or T Lessor Production Royalty shall pay any taxes payments. assessed upon the

ARTICLE VI

Default

Agreement attempts to cure such default, there has been such a default and within 60 days from the date such agreement or determination Lessee initiates and diligently in writing or a court of competent jurisdiction determines there has been such a default and within 60 days from the circumstances liability conduct Lessee's Section shall does conduct shall remain in effect. it might otherwise have not involve the fail give Lessee written 6.01 which constitute a default. ST Non-Monetary Default. in violation of this failure Lessee shall be excused from any lure to notice ţ pay damages specifying pay money to Lessor, Agreement If Lessor believes If the from the date of and this parties the and such agree that then

Lessor the money due Lessor, Lessee shall be obligation to pay damages and this Agreement determines parties default written failure conduct rmines that there the date of the Section 6.02 to pay money to notice specifying to pay money to Lessor, then Lessor shall give notice specifying the circumstances which consto pay the amount of money asserted to be due. agree is in violation of this in writing or a there Monetary Default. agreement has been court n such or determination Lessee Agreement by reason of then Lessor shall give Agreement shall remain in a default, of competent jurisdiction If Lessor believes shall give which const excused from and within 20 constitute a Lessee's pays Lessee any days

default appropriate to recover a ffect. Section 6.03 as its actual action as sole remedy compensatory Remedy. prescribed above, and Ιf this damages Lessee fails to Agreement shall as a Lessor shall result of timely take remain be entitled such

have Agreement between under Section the he part: this 6.04 Agreement. not interfere with or affect any right Rights not resolution thereof relating to be Suspended. Any to dispute this Lessee

ARTICLE VII

Termination

Mining Claims conformity days prior to right, whether terminate this specified in complete termination of this Agreement, or (ii) notice <u>a partial termination as </u> with Section 12.02 stating either the notice. at any time, by notifying to resource in such termination with a written notice in there will that there will Agreement in its ent The Right termination shall take effect upon the date of Termination. fault has occurred or is occurring, to n its entirety or as to any of the). by notifying to Lessor at least 90 4 the Mining Claims specified 2 shall have that there

or Mining Claims, as the case may be. Upon termination, all of Lessee's right, title, interest, and obligations set forth in this Agreement as they apply to the Property or the Mining Claims specified in the notice, including the payment of Minimum the notice of termination, Lessee shall execute, redeliver a release confirming the relinquishment of for with reduced proportionately. Payments or payments respect Section as provided herein, Production Royalty payments, shall terminate that have accrued hereunder and have not yet 7.02 to all remaining Mining Claims. Effects of Termination. This Agreement shall the Minimum Payments If there is a partial After delivery continue in effect record, the Property shall yet and except been

Minerals, thereon. Property pursuant right for a Section or and any Mining Claim, period of one year after any this Article VII, to enter ar 7.03 other Removal of Property. property which any machinery, fixtures, which Lessee has erected and remove from termination made Lessee shall have or placed buildings,

ARTICLE VIII

Duties and Rights of Lessee

perform exploration or development work, to any rate or in any rat rate Section or in any manner, 8.01 Duties of Lessee. 9 to market The provisions for Minimum Minerals to mine implied duty to produced from the Property at

performed Lessee elects extent that Lessee at as follows: to perform activities locations, times, and methods, and its sole discretion may determine. Work on the Lessee, Property, if any, such work shall be shall be and in the only to

- applicable egulations; (a) provisions and Lessee will endeavor of federal, s federal, state, in good and faith to comply local laws and with
- Agreement, Lessee shall indemnify, protect hold harmless Lessor, from and against all claims arising out of Lessee's activities. Except as provided to the protect, save, contrary save, or

workings thereon tot being conducted by Lessee thereon. Lessee, and hobeing conducted by Lessee thereon. Lesset, save, and hobeing conducted by Lessee thereon. Lesset, and hobeing conducted by Lessee thereon. times with appropriate notice as determined by Lessee and at the sole risk of Lessor, to enter upon the Property and any mine workings thereon for the purpose of inspecting same and any work attorneys' regulations, compliance O H health Section from, any and all fees, losses, liabilities, suits, and eys' fees and actions of every kind and character arising any death, personal injury or property damage sustained by Lessor while in or upon the Property. program, with and the 8.02 applicable Lessor's Access to Operations. Lessor rules and requirements shall have the right, federal, inspecting same and any wor Lessor agrees to assume all state, and local sa s of Lessee's and hold harmless local safety at reasonable Subject 9

assessment year, duty to commencing at noon, Sep during the term hereof, during reports required by is no Section to July 1 of any assessment year, or for endeavor in good faith and affidavits as may be required. Lessee shall have n perform assessment work if this Agreement is terminated termination of uly 1 of any assessment year, or for any Mining Claim longer subject to this Agreement on July 1 of any year, for any reason, including without limitation, law 8.03 in good faith to perform the assessment for the maintenance of same, and to fill Assessment Work For the assessment year , September 1, 1989, and each year thereafter reof, Lessee shall, with respect to each Mining this Agreement. to file work

Section 8.04 Books and Records/Confidential Information.

written business representative relative Minerals Lessee may notice hours upon providing to Production Royalty payments Lessee shall keep accurate records of all and mineral products derived from the Property and sold by Lessee, bе inspected of Lessor γd once Lessor or a duly authorized ce each calendar year during and of all calculations to Lessee 48 hours' hereunder. prior The

Lessor from disclosing information pursuant to an of a governmental authority, provided that Lessor notify Lessee of such order (or any promoce) for disclosure) as a finite order. notify Lessee of such order (or any proposal for sudisclosure) as soon as possible, so as to provide Lessee with an opportunity to protect the confident information, and Lessor shall limit the disclosure by Lessor before the date of this Agreement. confidentiality agreement set forth above sh cease entirely information which was available Lessor in connection with this Agreement except commercial information disclosed to or developed information, and Lesso the minimum that will for Lessee's benefit three years after termination or comply with the order. all technical, forth above shall (i) in confidence and use to the public or known geological confidential preclude to an order The for any Уd such and

Ore") with ore mined from real property other than the Property (hereinafter called "other ore") on the following terms and commingle ore from the time and from 8.05 Commingling. time to time, Property at its sole discretion, (hereinafter called "Subject Lessee shall have the right, at

- total weight of all ore mined will be methods as determined will be methods as determined wolumetric measurements or by alternate methods as determined will be methods as determined will be methods as determined will be seen as determined will be seen and the seen grade or assays taken prior to entering mill or heap leach facilities, (ii) mill or heap leach operation recovery levels, and (iii) adjustments at the refinery as key components in the "Mineral Content" means all ore, metals and minerals of Subject Ore and other ore as estimated by Lessee using and beneficiated for each property owner and the aggregate total weight shall be based upon dry weight. Lessee shall keep records of the total weight and Mineral Content of all ore mined sampled, Content" Subject and analyzed Ore and other to estimate Mineral metals and minerals contained ore will be separately estimate determined at Content (i) estimate the head
- by dividing the Mineral Content or sold by Lessee (which Subject or sold by Lessee (which figure represents upon which the Net Smelter Returns are calo beneficiation. the total Mineral Content shall be due shall be based on the Mineral Content ore multiplied by the average percent Lessee Payment of the Production Royalty to as shall Smelter Returns are calculated) provided in Article III. estimate of all ore mined prior to average percent the of all ore beneficiated recovered, average the basis credited of all recovery,

mining industry. accordance with procedures assaying and calculating shall be sampling, measuring, generally performed analyzing, accepted 'n weighing, ב ב

ARTICLE IX

Force Majeure

damage from the elements, strikes, labor disputes, inability to obtain competent workmen, riots, unavailability of transportation of the use of any nroduct operations, lack of access, litigation, the public enemy. The term of this Agr for the use of any product from the I governmental authorities, failure to governmental approvals, inability to Majeure. operations obligation from performing its periods shall period equal to the period of Nothing in to hereunder shall not be be deemed to make Minimum operations hereunder by r during any period in which such performance cause reasonably beyond Lessee's control, this Article deemed in begin at the time Lessee Payments a market reasonably satisfactory IX shall default in the performance as ion, acts of God, an Agreement shall be Force Majeure. receive obtain water for Lessee's provided limit reasons required in Section 3.01 Lessee's transportation A11 of is and acts extended prevented Force such of.

ARTICLE X

After Acquired Rights

the additional consideration by Property and subject to this right acknowledge, this acquisition. Memorandum of Property, Agreement, Lessor shall notify acquisition. Such right or into If Lessor or interest. and deliver an Amendment which right or acquires this Agreement any after-acquired right Lessee. Agreement notify promptly Lessee in writing or interest shall become part of interest ξ Lessee, Lessor shall sign, to this Agreement and to is already warranted without the 00 as or interest ç payment include of n such any the 0f

ARTICLE XI

Assignment

either party may notice to assign the all, other or party מ portion pursuant 0f ţ its Section 12.02 respective

party, rights under this Agreement upon 30 on the following terms and co on 30 days' notice and conditions: to the other

- party by the assigning party which evidences assignee's agreement to be bound to perform to Property, except for any duties or obligation have accrued but have not been performed or Agreement, and upon receipt by the nonassigning part of the Memorandum of Agreement referred to below, the assigning party shall be released and held harmless duties and obligations of the assignor under this and obligations of the recordable form shall be provided to the nonassigning prior obligations nonassigning assignee shall to the assignment. Effective arising from the Agreement xcept for any duties or obl party be bound to as from all further duties and assigning party under this of the A Memorandum of Assignment date perform all of or obligations to perform the duties nonassigning party of the concerning the assignment the Yd in
- assignees, Lessee may in its payments for dividing such payments among themselves. interest) the assignees, interest and its due under this Agreement and/or assigns the to elect If Lessor assignees and Lessor (if Lessor retains a single account to which assigns shall be Agreement Less sole discretion than may be paid, solely responsible to its two entire all or more an require and

ARTICLE XII

Purchase Option.

of the this Agreement to purchase Lessee an exclusive and irrevocable option during the term of this Agreement to purchase the entire and unencumbered ownership Section Mining 12.01 Claims for a Grant of Option. cash purchase price of Lessor does \$750,000.00. hereby grant to

following receipt of such notice by Lessor, Lessor shall an executed deed and such other documents, if any, reason required by Lessee to convey the subject Mining Claims, a receipt of and satisfactory review of same, Lessee shall the full manner. a proposed deed and any other necessary documents Mining Claims being purchased to Lessee. Within following receipt of such notice by Lessor, Lesson option, full Section 12.02 Lessee purchase price to shall Exercise of Option. give written notice Lessor. to Lessor, To exercise 10 to shall deliver reasonably days together with convey and deliver purchase nogu the

section 12.03 Effect of Exercise exercises its purchase option, all right and reservations set forth in this Agro Agreement, rights, duties, including, without obligations Lessee

or not shall terminate limitation, Lessee. other documents they are obligations as to the purchased by Lessee), necessary to Property and all make to convey Production as the of Royalty payment Mining claims of the date the claims y payments, claims (wh are delivered deed and (whether

ARTICLE XIII

Miscellaneous

to cooperate with Lessee, where such cooperation is rec Lessee, in Lessee's obtaining of all necessary permits in Lessee's exercise of any and all rights under this P this Agreement good required by required

notified: required or permitted shall be delivered to Section 13.02 Notice. the by this following add Notices and address shall be other 0f communications the in writing party and

If to Reynolds:

Reynolds Metals Exploration, Inc. Attn: Corporate Secretary 6601 West Broad Street Richmond, Virginia 23230, U.S.A.

Telecopier: (804) 281-3740

with a copy to:

Reynolds Metals Exploration, Inc Attn: Ray Irwin 5301 Longley Lane, Suite 157 Reno, Nevada 89511, U.S.A.

Telecopier: (702) 829-8026

If to Lessor:

Sun River Gold, Inc. Attn: Thomas R. Tough, President 12761 16th Avenue, Suite 110 White Rock, British Columbia Canada V4A 1N2

Telecopier: (604) 538-5223

days giving the other party communication shall be unless mailed by prepa Service, party after with mailing e, in which o may mailing change shall be considered given or by prepaid U.S. express, regi lling evidenced by a receipt 1 case its or when jt notice to address shall delivered, for þe that effect. ress, registered, or certificeceipt from +purposes considered whichever of given or this first section certified made

part, term, or provision in such a way as to carry out the intent of the parties hereto to the extent permissible under such law; provided, however, that if the court or administrative body declines to so act, then, such part, term, or provision shall be considered severable from the rest of the Agreement, and the remaining provisions of the Agreement shall not be thereby affected, and this Agreement shall be construed and enforced as if the Agreement did not continued and enforced as conflict with any federal, state, regional, or county parties shall petition (or shall hereby be deemed to petitioned) such court or administrative body to refo provision of this the Agreement did not contain such part, term or provision. Section competent jurisdiction determines Agreement is Severability. unenforceable, that any part, court or county administrative term,

section 13.04 Binding Effect. This Agreement shall be binding upon, and inure to the benefit of, the parties hereto their respective successors and permitted assigns. Unless otherwise specified herein, this agreement is not intended to any specified herein, this agrey rights in any third party. Binding Effect. To nure to the benefit and

which Lessee may, at its option an memorandum of this of this Section 13.05 Agreement, Agreement in the form set forth as Exhib at its option and expense, record in such Lessor shall Memorandum. execute and deliver to Concurrently with the Exhibit execution Lessee

original, and all of agreement. In additi parties had signed a single signature page. number of attached to Section In addition, separate signature pages may be to this Agreement with the same effect as if 13.06 counterparts, each or all of which together Execution. each of which shall This Agreement shall constitute one same effect as if all of may be executed be considered an signed

merges all prior and contemporaneous representations, promises proposals, discussions, and understandings by or between the parties. It may be amended only by another written agreement duly executed by the parties. Section 13.07 of matter, exclusively and completely states the rights of the parties, sets forth their entire understanding, Sole Agreement. and completely states the rights and This Agreement, as

Arizona shall cona shall govern the validity, effect of this Agreement. Section 13.08 Governing Law. interpretation, The law of the construction, State

unless this Agreement Memorandum of Mineral execution, been executed by Section 13.09 Lessee may at its Deadline for Execution. Lessee has been Lease and delivered attached hereto option revoke its signed in full to as Lessor If this (including san exhibit offer Tor to lease, Agreement the

acknowledgment of signatures thereon) and delivered or before December 31, 1991. to Lessee 9

IN WITNESS WHEREOF, the parties have executed this effective as of the day and year first above written. Agreement

Lessee:

REYNOLDS METALS EXPLORATION, INC.

By: Dougyas D. Jinks, Vice President

Date:

Lessor:

SUN RIVER GOLD, INC.

By: R. Tough, President

Date: /2//3/9/

Exhibit A

All those certain unpatented mining claims situated in Mohave County, Arizona, Township 20 North, Range 20 West, Section 19 in Township 20 North, Range 21 West, Section 24, Gila and Salt River Base Meridian, San Francisco Mining District more particularly described as follows: and

FB Nos 1A-25A

Lode 256158-256182

Exhibit B

RECORDING REQUESTED BY and RETURN TO:

Reynolds Metals Exploration, Inc Attn: Corporate Secretary 6601 West Broad Street Richmond, Virginia 23230

MEMORANDUM OF MINERAL LEASE

and The Delaware corporation authorized to transact business in Nevada, with an office address at 6601 West Broad Street, Richmond, Virginia 23230 (the "Lessee") an exclusive lease of impatented date herewith, wherein SUN RIVER GOLD, INC., an Arizona corporation whose address is 12761 16th Avenue, Suite 110 Rock, British Columbia, Canada V4A 1N2 (the "Lessor") has and hereby grants to REYNOLDS METALS EXPLORATION, INC., a mining claims and any fixtures or improvements thereon (the December, 1991 is filed of record in acceprovisions contained in a MINERAL LEASE "Property") located in Mohave County, Arizona, the I identified on Exhibit A (attached hereto and made a Agreement, which terms and limited, to the following: Property is leased by Lessor to Lessee for the subject to all of the terms and conditions contement, which terms and conditions include, but MEMORANDUM OF MINERAL LEASE effective accordance (the "Agreement") of even the Property being contained in with this consideration part hereof). 6th 110, not day granted White of

- subject only to minimum royalty payments payments reserved to Lessor, and subject of the United States mining, extraction, processing and marketing of all Minerals and for all such other purposes related to the such other pu for all such other purposes related to such operations on other properties adjacent to or in the vicinity of the Property, Property, Lessee an exclusive lease of the Property, including metals, minerals, tailings, concentrates and mineral (the "Minerals") and all water rights appurtenant to GRANT OF RIGHTS. together with the exclusive right to enter upon, Lessor granted and hereby and production royalty to the paramount title grants the products all ores,
- 10 years and, TERM. at The Agreement Lessee's option, is granted for an initial term of and extended term of 5 years.

MINIMUM PAYMENTS AND PRODUCTION ROYALTY PAYMENTS.

explore, develop In lieu of or mine any obligation on the part of Lessee the Property 9 perform any other

activities thereon, Lessee shall pay to Le in the amounts set forth in the Agreement. pay to Lessor Minimum Payments

- Property receive a and Production sold by Lessee Under the terms Royalty on the Minerals from any portion of the Property. of the Agreement, nt, Lessor shall mined from the
- Agreement shall be binding upon and parties and their heirs, successors, ASSIGNMENT. **LENT.** All of the terms and be binding upon and inure and assigns. and conditions to the benefit 0f the of the
- 5. PURCHASE OPTION. Lessor hereby grants to Lessee a option to purchase the Property at any time during the term the Agreement on the terms and conditions set forth in the Agreement. term of
- the business Agreement may be obtained from Lessee's office and iness at 6601 West Broad Street, Richmond, Virginia INFORMATION REGARDING AGREEMENT. Information place of 23230. regarding

MEMORANDUM OF MINERAL LEASE first IN WITNESS WHEREOF, above written. the effective as 0f executed this the day and year

LESSEE:

REYNOLDS METALS EXPLORATION, INC.

B Douglas 0 Jinks

Vice President

LESSOR:

SUN RIVER GOLD, INC.

Thomas President ₽.

ACKNOWLEDGEMENT

COUNTY OF HENRICO COMMONWEALTH OF VIRGINIA ss.

Notary Metals duly authorized to do business annexed Exploration, Public, instrument accombon 11 Douglas D. Jinks, ation, Inc., who ack ment for and on beh 1991, behalf personally appeared before me, ks, Vice President of Reynolds acknowledged that he executed מב Arizona of the corporation, executed which is

Ϋ́ COUNTY commission expires: QF QF OF Public, 1991, Notary personally appeared before me, SS Public Gold, and Inc

My commission expires: who acknowledged on behalf of the Notary business in Arizona. Thomas R. Touya, and that he executed the annexed the annexed to corroration, which is duly authorized to Notary Public for

PAMELA JEAN COLLIER STATE OF NEVADA homas Appaintment Recorded in Washoe টেডনাস্ MY APPOINTMENT EXPIRES NOV. 8, 1953 Notary Public - State of Newada Washae S) ousa SS. Personally appeared before me, a notary public, who acknowledged that _he_ executed the ACKNOWLEDGMENT

'69 (8-67)

EXHIBIT A to MEMORANDUM OF MINERAL LEASE

All those certain unpatented mining claims situated in Mohave County, Arizona, Township 20 North, Range 20 West, Section 19 in Township 20 North, Range 21 West, Section 24, Gila and Salt River Base Meridian, San Francisco Mining District more particularly described as follows: and

FB 1A-25A (Amended)	Claim Name: FB 1A-25A
07-22-1987	<u>Date Located</u> 05-30-1986
Book 1341/p.261-310 256158-256182	Recording Data BLM Serial # Book 1214/p.135-160 256158-256182
256158-256182	BLM Serial # 256158-256182

Exhibit C

EXPLORATION EXPENDITURES

of: expenses incurred for the development including, with "Exploration the purpose of exploration or mine without limitation, all amounts in Expenditures" include all costs and 'n respect

- 1. Reconnaissance, sampling, laboratory fees, earth moving, equipment and all prospecting, activities of every nature. sampling, clearing, transportation, exploration and mine development drilling, trenching, assa transportation, assays,
- statutes maintain Expenditures the Property and to comply with all applicable laws regarding exploration and development of the Propert incurred under applicable laws and statutes Property. and
- 3. Legal expenses and all negotiating and obtaining ciclaim conflicts or encumbra nses and all other costs and e obtaining clear title to, and or encumbrances with respect and expenses and in resolving to the Property. incurred any
- 4. Rental of equipment.
- ហ Insurance, fuel and taxes (except income tax).
- telephone, electrices therefor. Temporary site offices electricity, water, catering, sanitary and and living accommodation on site other
- 7. Air and road transport for personnel
- prorated, if necessary, for time exploration and mine development, such salaries and wages to cover attributable Salaries to such and wages employees. paid by Lessee to for time actually fringe benefits its spent employees, on the equal to 35% of and other costs
- 9 Contracts with contractors for any 0f the foregoing
- 10. Consultants' fees and charges.
- paid under amount item equal to 10% æ hereof. of f the foregoing except for amounts

EXHIBIT D

Deed (See attached)

PØ1

When recorded, mail to:

QUITCLAIM DEED

KNOW ALL MEN BY THESE PRESENTS:

all right, title and interest in that certain property situated in That I (wo), Mel Price, as trustee of the 1987 Mcl Price Living Trust under Trust Agreement Dated August 1987 the undersigned, for the consideration of ten Dollars, and other valuable considerations, do horeby release, remise. and forever quitclaim unto .. Sun River Gold Inc. Mohave Living Trust, County,

1A thru 25A

State of Arizona

and described as follows:

AMC# 256158 thru 256182

Dated: December 13, 1991

ACKNOWLEDGEMENT

RELEASOR

SS.

STATE OF_ Arizona

COUNTY OF

Mohave

On this 13th - day of 1 exemple

Public, personally appeared Mel Price to me known to be the individuals(s) described in and who executed the trippoing instrument, and acknowledged that he (she) (they) executed the same as his (her) (their) free act and doed. before me, the undersigned Notary

My Commission expires: Expires Oct. 25, 1992.

Julary Public



REYNOLDS METALS EXPLORATION,

6601 WRYT BROAD STREET • RICHMOND, VA 23230

December 13, 1991

Sun River Gold, Inc. Suite 110-12761 16th Avenue White Rock, British Columbia Canada, V4A 1N2

Attention: Thomas R. Tough, President

Nineral Lease Between Sun River Gold, Incand Reynolds Metals Exploration, Inc.
dated as of December 6, 1991
FB Claim Group

Gentlemen:

Exploration, Inc. (RMEX) and Sun River Gold, Inc. (Sun River) to clarify the conditions under which the first Minimum Payment under the referenced Mineral Lease (the Lease) will be paid. Capitalized terms not otherwise defined in this letter will have the meaning ascribed to them in the Lease. This letter written g behalf Of Reynolds

upon delivery of an original, duly executed deed conveying the Property to Sun River from Mel Price, Trustee, and receipt of evidence satisfactory to RMEX that Mel Price, Trustee holds clear and unencumbered title to the Property. The Lease further provides that the deed will be in the form attached as Exhibit D to the The Lease provides that RMEX will pay Ç auB River \$35,000

by Mel Price, pursuant land RMEX has rice, Trustee, subject to an option agreement recorded in records of Mohave County, Arizona at Book 1432, Page 866 to Which Sun River has an option to acquire the Property. confirmed that record title to the Property is held

River has agreed the Property will agreement unless the <u>|</u> Property is released from the agreed to purchase the Property not ಕ್ಷ willing longer be subject ţο lease the Property t 0 y from Mel Price so the opt from sun option River

Sun River Gold, Inc. December 13, 1991 Page 2

extension, agreement \$25,000 Price, provided RMEX with a copy of a letter agreement, sun River, a copy of which is attached, under who price manages have a copy of which is attached, under who release the Property from the As evidence of Sun River's agreement with Mel Price, Trustee, payable 9 if required. "" KIVEF, a copy of which is attached, under a, has agreed to sell the Property to Sun the upon the completion and signing of or before December in how with bafore December 31, 1991 with under which ρ thirty a formal River for River Trustee Price, Me1

January Payment attached executed payment, under the Lease Sun River has requested payment of the 15, to as Exhibit D to the Lease, is not delivered to kman by 1992, Sun River will return the \$35,000 first Winimum deed from provided 9 that Mel this date Price, Trusting to the Lease, is Sun River agrees Trustee to Sun River, in the Lease, is not delivered to and RMEX the first Minimum Payment is willing to make such that if an original, duly in the form

that date, sun River will to RMEX upon demand. that report records. the 1991 Further, before December 31, Sun River agrees with RMEX that sun River will file such December 31, 1991, and if the report is not filed by River will return the \$35,000 first Minimum Payment the title report affidavit of labor has not yet been filed in the BIM ц of the Property

If you are in a indicate by signing a agreement сору 0 this with letter the above below. terms, please **8**0

very truly yours,

Douglas D. Jinks Vice President

SUN RIVER GOLD, INC.

Thomas

N

Tough

TOTAL P.03



First Interstate Benk of Nevada, N.A. McCarran Boulevard Office Box 11007 Reno, NV 89520-0010

Acknowledgment by Thomas R. Tough for receipt of cashiers check #1067055 payable to Sun River Gold, Inc., in the amount of \$35,000.00.

Thomas R. Tough December 13, 1991



REYNOLDS METALS EXPLORATION, INC.

Reynolds Metals Company • 5301 Longley Lane • Suite 157 • Reno, Nevada 89511-1805
Telephone (702)829-8018 • Facsimile (702)829-8026

August 17, 1992

Mr. Thomas R. Tough, President Sun River Gold, Inc.
12761 16th Avenue, Suite 110
White Rock, British Columbia
Canada V4A 1N2

Mohave County, Geological and Arizona Geochemical Data for the FB Claims

Dear Tom:

As a result of Reynolds Metals Exploration's results on the FB claims, Mohave County, Arizona, we have concluded that the remaining exploration potential is too high risk to be of further interest. In the near future, you will be officially notified of Reynolds Metals' intention to terminate the lease covering the FB claims by a separate letter from Dr. Douglas Jinks.

As required in the December 6, 1991 lease agreement, I have enclosed copies of all of the noninterpretive geologic and geochemical data the was generated during Reynolds Metals' evaluation of the property. that

Be advised that Reynolds Metals Exploration, Inc. disclaims responsibility for the accuracy of the drill logs, assays, maps. This data consists of the following: sections and

- Rock chip sample location map showing gold values
- 2) Generalized geologic drill hole locations map showing approximate reverse circulation
- Drill hole summary
- 4) Drill logs and assays for holes FB92-1 through FB92-4
- 5) Drill hole sections for FB92-1 through FB92-4
- 0 Copies of rock chip sample assays and sample descriptions

For your information, Reynolds Metals Exploration, Inc. has reclaimed the drill sites and is in the process of filing the 1992 Proof of Labor for the FB claims.

Thank you for the opportunity to conduct exploration on the FB claims and good luck with their continued evaluation.

Sincerely,

Raymond E. Irwin Regional Exploration Manager

Please acknowledge receipt of this data by signing and returning one copy of this letter in the enclosed stamped envelope.

Mr. Thomas R. Tough, President Sun River Gold, Inc.

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REYNOLDS METALS EXPLORATION, INC.

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6601 W. BROAD STREET • RICHMOND, VIRGINIA 23230-1701 MAILING ADDRESS: P.O. BOX 27003 • RICHMOND, VIRGINIA 23261-7003

August 11, 1992

Certified Mail/ Return Receipt Requested

Sun River Gold, Inc. Attn: Thomas R. Tough, President 12761 16th Avenue, Suite 110 White Rock, British Columbia Canada V4A 1N2

Mineral and d Reymolds Metals Exploration, Inc. as Claim Group/West Oatman Project, RMC# between Sun River Gold, Lease dated December Inc. as " 6 1991 "Lessor" (the "Leggee" "Lease")

Dear Mr. Tough:

Mineral Metals This letter is to provi Exploration, Inc. elects t Lease effective November elects to te provide terminate written 1992. notice the referenced that Reynolds

pursuant This ģ notice Section 7.01 thereof. constitutes ρ complete termination e E the

Very truly yours,

m Vice President

Post-It" brand fax transmittal memo 7671 # of pages > 1

To Co. Prom D. J. J. J. J. S.

Co. Phone #

Fax #

Fax #

Fax #

Fax #



REYNOLDS METALS EXPLORATION, INC.

Reynolds Metals Company • 5301 Longley Lane • Suite 157 • Reno, Nevada 89511-1805 Telephone (702)829-8018 • Facsimile (702)829-8026

DATE: August 3, 1992

TO: Dr. Douglas Jinks

FROM: Ray Irwin Q1

Termination of the Lease Agreement Covering the FB Claims

Mohave County, Arizona

As a result of the disappointing drill results and lack of additional targets, I recommend that the lease agreement between Reynolds Metals Exploration, Inc. and Sun River Gold, Inc., covering the FB claims (#155193), be terminated before September 6, 1992. If we do not terminate the lease prior to this date, Reynolds will be obligated to the \$25,000 lease payment due December 6, 1992. pay

cc: Mical Slater, President Compass Minerals, Ltd.