



CONTACT INFORMATION  
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**TRANSAMERICA**  
**TITLE INSURANCE COMPANY**

September 21, 1995

ARIMETCO, INC.  
335 N. WILMOT RD., STE 400  
TUCSON, AZ 85711

RE: Escrow No. 40009135 et al/  
Subject Property: County: Yavapai

Gentlemen:

The above referenced escrow has been closed and the items indicated below are enclosed herewith:

Copy of Note for \$310,000.00  
Closing Statement  
Copy of Deed of Trust  
Title Insurance Policy to follow  
Escrow Instructions, Payment Reminder Letter, Copy of Preliminary  
Report Acceptance, Bill of Sale, Quitclaim Deed, copies of Redemption  
Certificates

Any recorded documents to which you may be entitled will be mailed to you from the County Recorder's Office.

Taxes in Arizona are paid for the calendar year - January 1 through December 31. Annual taxes of \$10 or less must be paid in full. The first installment is due October 1 and delinquent on November 1. It covers taxes from January 1 through June 30. The second installment is due March 1 and is delinquent on May 1. It covers taxes from July 1 through December 31. If you do not receive the tax statement from the Treasurer's Office or the seller, it is your responsibility to obtain the amount of the taxes from the Treasurer and pay the taxes when due. If the property taxes were prorated by charging the seller and crediting the buyer, you, as the buyer, are responsible for payment of said taxes.

Please accept our thanks for this opportunity to serve you. We hope to be of service to you in the future.

Sincerely,

  
Sue Siegert, for  
Miriam Reed  
Escrow Officer

encl.



**Reliance**

A Reliance Group Holdings Company

PAYMENT REMINDER

Your Transamerica Title Insurance Company escrow, No. 40009135 has been recorded and closed.

You have agreed that Transamerica Title Insurance Company will be your Servicing Agent and the following collection number has been assigned to your account: **C-40009135**. Should you ever need to inquire about your account, please refer to this account number.

For your convenience we offer the following information concerning your payments:

Pay to:	TRANSAMERICA TITLE INSURANCE COMPANY
Address:	P.O. Box 29849, Phoenix, Arizona 85038-9849
Account No.:	C-40009135
Payable:	monthly
Payment due:	30th of each month, beginning 9-30-95
Amount of Payment:	\$50,000.00
Plus Collection Fee*:	\$3.00
Total payment due:	\$50,003.00

\* Collection Fee is payable on a prorata basis at the time each payment is due. Collection fee is subject to change.

We appreciate your patronage and hope that we may have the opportunity to be of service to you again in the future.

COMPANY

TRANSAMERICA TITLE INSURANCE

WHEN RECORDED, MAIL TO:

Transamerica Title Ins. Co.  
P. O. Box 52159  
Phoenix, AZ 85072-2159

Escrow No. 40009135

DEED OF TRUST

TRUSTOR: ARIMETCO, INC., a Nevada Corporation

TRUSTOR'S MAILING ADDRESS: Suite 400  
335 N. WILMOT/ RD., TUCSON, AZ, 85711

BENEFICIARY: THE ZONIA COMPANY, an Arizona Corporation and ZONIA LANDFILL, INC., an  
Arizona Corporation

BENEFICIARY'S ADDRESS: 212 S. MARINA, PRESCOTT, AZ 86303

TRUSTEE: TRANSAMERICA TITLE INSURANCE COMPANY, a Corporation  
234 North Central Avenue, Suite 670, Phoenix, AZ 85004

PROPERTY in Yavapai County, State of Arizona, described as:  
VARIOUS MINING CLAIMS AS DESCRIBED ON EXHIBIT 'A' ATTACHED HERETO AND MADE A PART  
HEREOF, LOCATED IN YAVAPAI COUNTY, ARIZONA.

THIS DEED OF TRUST is made between the Trustor, Trustee and Beneficiary named above. Trustor irrevocably grants and conveys to Trustee in trust, with power of sale, the above-described real property and all buildings, improvements and fixtures located thereon or hereinafter erected thereon, together with the leases, rents, issues, profits, or income thereof. (all of which are hereinafter called "property income"); SUBJECT, HOWEVER, to the right, power and authority hereinafter given to and conferred upon Beneficiary to collect and apply such property income; AND SUBJECT TO covenants, conditions, restrictions, rights-of-way, and easements of record.

THIS DEED OF TRUST IS MADE FOR THE PURPOSE OF SECURING:

(A) Performance of each agreement of Trustor herein contained. (B) Payment of the indebtedness evidenced by promissory note(s) of even date herewith, and any extension or renewal thereof, in the principal sum of \$ 310,000.00 executed by Trustor in favor of Beneficiary or order. (C) Payment of additional sums and interest thereon which may hereafter be loaned to Trustor, or his successors or assigns, when evidenced by a promissory note(s) reciting that they are secured by this Deed of Trust.

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

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

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

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

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

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

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

IT IS MUTUALLY AGREED:

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

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

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

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

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

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

Trustee shall record and give notice of Trustee's sale and shall sell the property at public auction, all in the manner required by law. Any persons, including Trustor, Trustee or Beneficiary, may purchase at such sale. Trustee shall deliver to such purchaser its Deed conveying the property so sold, but without any covenant or warranty, express or implied. Trustor requests that a copy of any notice of Trustee's sale hereunder be mailed to Trustor at his address hereintofore set forth.

After deducting all costs, fees and expenses of Trustee and of this Trust, including cost of evidence of title in connection with sale and reasonable attorney's fees, Trustee shall apply the proceeds of sale in the manner provided by law. To the extent permitted by law, an action may be maintained by Beneficiary to recover a deficiency judgment for any balance due hereunder.

In lieu of sale, pursuant to the power of sale conferred hereby, this Deed of Trust may be foreclosed in the same manner provided by law for the foreclosure of mortgages on real property. Beneficiary shall also have all other rights and remedies available to it hereunder and at law or in equity. All rights and remedies shall be cumulative.

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

13. The term Beneficiary shall mean the owner and holder of the note(s) secured hereby, whether or not named as Beneficiary herein. In this Deed of Trust, whenever the context so requires, the masculine gender includes the feminine and neuter, and the singular number includes the plural.

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

15. That the trust relationship created by this Deed of Trust is limited solely to the creation and enforcement of a security interest in real property. All of Trustee's duties, whether fiduciary or otherwise, are strictly limited to those duties imposed by this instrument and A.R.S. §33-801 et seq., inclusive, and no additional duties, burdens or responsibilities are or shall be placed on Trustee.

16. That this Deed of Trust applies to, inures to the benefit of and binds all parties hereto, their heirs, legatees, devisees, administrators, executors, successors and assigns.

DATED: September 2, 1995

Harold E. Davis  
ARIMETCO, INC. by: Trustor Vice President CFO  
Trustor

STATE OF AZ }  
County of Pima } ss.

This instrument was acknowledged before me this 12 day of September, 19 95, by

ARIMETCO, INC. by: Harold E. Davis H.E. DAVIS  
Vice President, CFO

OFFICIAL SEAL  
LYNETTE PROUTY  
NOTARY PUBLIC - ARIZONA  
PIMA COUNTY  
My commission will expire Apr. 3, 1999  
B 3117-2 (Rev. 5-95)

OFFICIAL SEAL  
LYNETTE PROUTY  
NOTARY PUBLIC - ARIZONA  
PIMA COUNTY  
My Comm. Expires Apr. 3, 1999

Notary Public



# Bill of Sale

KNOW ALL MEN BY THESE PRESENTS:

That THE ZONIA COMPANY, an Arizona Corporation and ZONIA LANDFILL, INC., an Arizona Corporation,

the parties of the first part, for and in consideration of the sum of

---ten----- Dollars,

lawful money of the United States of America, to them in hand paid by

ARIMETCO, INC., a Nevada Corporation

the party of the second part, the receipt whereof is hereby acknowledged, do by these presents grant, bargain, sell and convey unto the said party of the second part, their heirs, executors, administrators and assigns

1978 Chevy 4 x 4 3/4 ton VIN CKL248Z183886

Hough Payloader #16AH1053

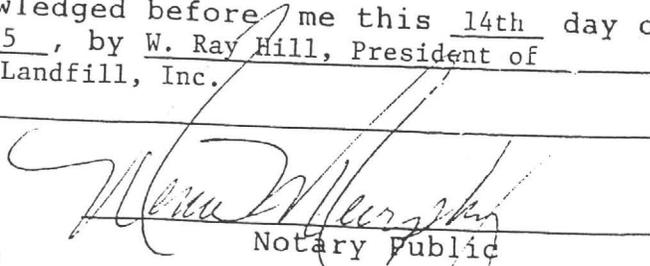
Bucyrus Erie Cable Crane 11-B # 120619

TO HAVE AND TO HOLD the same to the said party of the second part, their heirs, executors, administrators and assigns forever; and the said parties of the first part do for their heirs, executors, administrators and assigns, covenant and agree to and with the said party of the second part, their heirs, executors, administrators and assigns, to warrant and defend the sale of the said property, goods and chattels hereby made unto the said party of the second part, their heirs, executors, administrators and assigns against all and every person

STATE OF ARIZONA )  
 ) ss.  
County of Yavapai )

This instrument was acknowledged before me this 14th day of September, 19 95, by W. Ray Hill, President of The Zonia Company and Zonia Landfill, Inc.

and

  
Notary Public

My commission expires: 3-2-99

QUITCLAIM DEED

For Ten Dollars (\$10.00) and other valuable consideration, the receipt and sufficiency of which is hereby acknowledged, THE ZONIA COMPANY, an Arizona corporation, and ZONIA LANDFILL, INC., an Arizona corporation (as Grantors) hereby quitclaim unto ARIMETCO, INC., a Nevada corporation, whose address is 355 North Wilmot Road, Suite 400, Tucson, AZ 85711 (as Grantee), all of Grantors' rights, titles and interests in and to the Iron Hat Patented Mill Site Claim in Walnut Grove Mining District, Yavapai County, Arizona, being shown on Mineral Survey No. 1323B on file in the Bureau of Land Management, as granted by Patent recorded in Book 49 of Deeds, page 478, records of Yavapai County, Arizona.

TO HAVE AND TO HOLD unto Grantee, its successors and assigns forever, but all without representation of title either express or implied.

IN WITNESS WHEREOF, this QUITCLAIM DEED has been executed effective as of the 14 day of September, 1995.

THE ZONIA COMPANY

By: W. Ray Hill

ZONIA LANDFILL, INC.

By: W. Ray Hill

Escrow No. 40009135

# Promissory Note

\$310,000.00 Prescott, Arizona September 2, 1995

For value received, I/We ARIMETCO, INC., A NEVADA CORPORATION promise(s) to pay to THE ZONIA COMPANY, AN ARIZONA CORPORATION AND ZONIA LANDFILL, INC., AN ARIZONA CORPORATION or order, the sum of THREE HUNDRED TEN THOUSAND AND 00/100 DOLLARS payable as follows:

Promissory Note to be paid as follows:

In monthly installments of \$50,000.00 or more, on or before the 30th day of each month, beginning September 30th, 1995 and every 30th day of each and every month thereafter, WITHOUT INTEREST, until paid.

If payment is not received by Transamerica Title account servicing department within 10 days of any given regular monthly due date, the sum of \$20.55 per day shall accrue to the account of the beneficiary as a late charge until said regular monthly payment is made.

It is understood and agreed by the parties hereto that the payor shall not assign or otherwise transfer any right, title or interest in or to these premises or this encumbrance during the life of this encumbrance without prior written approval. In the event of such assignment or transfer, all indebtedness secured by this encumbrance shall become all due and payable.

COPY

Should default be made in the payment of any installment when due, then the whole sum of principal and interest shall become immediately due and payable at the option of the holder of this Note.

Principal and interest payable in lawful money of the United States of America.

Should suit be brought to recover on this Note, the undersigned, jointly and severally, promise(s) to pay, in addition to the amount found due hereunder, all reasonable attorneys fees.

This Note is secured by a DEED OF TRUST upon real property.

This Note shall be binding upon and shall be the joint and several obligation of all makers, sureties, guarantors, endorsers and their successors and assigns, all of whom waive presentment, notice of dishonor and protest.

ARIMETCO, INC.

*Ale Davi*

Vice President, Treasury, CFO

DO NOT DESTROY THIS ORIGINAL NOTE: UPON PAYMENT IN FULL THIS NOTE, ALONG WITH THE ORIGINAL DEED OF TRUST, MUST BE SURRENDERED TO THE TRUSTEE FOR CANCELLATION AND RETENTION BEFORE RECONVEYANCE CAN BE MADE.

TRANSAMERICA TITLE INSURANCE COMPANY



The buyer and seller each acknowledge that any transfers of title for the above personal property items will be handled direct and outside escrow between the buyer and seller, as well as any registration and title fees that may be due for said transfers. Transamerica Title Ins. Company's liability for these personal property items will be limited to the preparation and delivery of this Bill of Sale to the buyer.

INITIALS OF SELLERS

WJA

INITIALS OF BUYERS

HH

40009135

-EXHIBIT "A"-  
LEGAL DESCRIPTION

**PARCEL 1:**

Georgia, Georgia No. 2, Georgia No. 3, Yankee Girl, Sunrise, Sunrise No. 2, Sunrise No. 3 and Sunrise No. 4 Lode Mining Claims in Walnut Grove Mining District, being shown on Mineral Survey No. 3866 on file in the Bureau of Land Management, as granted by Patent recorded in Book 134 of Deeds, page 557, records of Yavapai County, Arizona.

**PARCEL 2:**

Richmond and Virginia Lode Mining Claims in Walnut Grove Mining District being shown on Mineral Survey No. 3867 on file in the Bureau of Land Management, as granted by Patent recorded in Book 134 of Deeds, page 369, records of Yavapai County, Arizona.

**PARCEL 3:**

Polar Star, Tourmaline, Copper Glance, Sunset, Manilla, Copperopolis, Defiance and Fairplay Lode Mining Claims in Walnut Grove Mining District, being shown on Mineral Survey No. 1324 on file in the Bureau of Land Management, as granted by Patent recorded in Book 49 of Deeds, page 485, records of Yavapai County, Arizona;

EXCEPT all that portion within the boundaries of Quartette Lode Mining Claim, according to Mineral Survey No. 1321, all veins, lodes and ledges, throughout their entire depth, the tops or apexes of which may be inside of said excluded portion, as set forth in said Patent.

**PARCEL 4:**

Quartette Lode Mining Claim in Walnut Grove Mining District, being shown on Mineral Survey No. 1321 on file in the Bureau of Land Management, as granted by Patent recorded in Book 77 of Deeds, page 114, records of Yavapai County, Arizona.

**PARCEL 5:**

Sunflower, Lone Pine, Fraction and Iron Hat Lode Mining Claims in Walnut Grove Mining District, being shown on Mineral Survey No. 1323A on file in the Bureau of Land Management, as granted by Patent recorded in Book 49 of Deeds, page 478, records of Yavapai County, Arizona.

EXCEPT all that portion within the boundaries of Fountain Lode Mining Claim and Arrastra Lode Mining Claim, according to Mineral Survey Nos. 762 and 767 respectively, and all veins, lodes and ledges, throughout their entire depth, the tops of apexes of which may be inside of said excluded portion, as set forth in Patent.

-CONTINUED-

40009135

## -EXHIBIT "A" (continued)-

## PARCEL 6:

Fountain Lode Mining Claim in Walnut Grove Mining District, being shown on Mineral Survey No. 762 on file in the Bureau of Land Management, as granted by Patent recorded in Book 27 of Deeds, page 633, records of Yavapai County, Arizona.

## PARCEL 7:

Arrastra Lode Mining Claim in Walnut Grove Mining District, being shown on Mineral Survey No. 767 on file in the Bureau of Land Management, as granted by Patent recorded in Book 27 of Deeds, page 636, records of Yavapai County, Arizona.

EXCEPT all that portion within the boundaries of Fountain Lode Mining Claim, according to Mineral Survey No. 762, and all veins, lodes and ledges, throughout their entire depth, the tops of apexes of which may be inside of said excluded portion, as set forth in Patent.

## PARCEL 8:

Cuprite, Black Prince, Shamrock, Zonia, Fraction, Victor Copper, Victory Copper No. 1, One Lode Mining Claim, and Zonia Millsite Nos. 2 to 6, inclusive, 12 to 16, inclusive, 21 to 32, inclusive, 37 to 39, inclusive, 43, 46 to 56, inclusive, 59 to 61, inclusive, and 63 in Walnut Grove Mining District, being shown on Mineral Survey Nos. 4659 A and B Amended on file in the Bureau of Land Management, as granted by Patent recorded in Book 1294 of Official Records, page 686, records of Yavapai County, Arizona; and

EXCEPT all that portion within the boundaries of Quartette Lode Mining Claim, according to Mineral Survey No. 1321; Copperopolis, Defiance and Fairplay Lode Mining Claims, according to Mineral Survey No. 1234; Contact No. 1, Navy No. 1, Navy No. 2 and Navy No. 3 Lode Mining Claims, according to Mineral Survey No. 1495; Sunrise No. 3 and Sunrise No. 4 Lode Mining Claims, according to Mineral Survey No. 3866; Zonia Millsite Nos. 70 to 73, inclusive, Lode Mining Claims in Walnut Grove Mining District, according to Mineral Survey No. 4681 A and B; and the West half of Section 14, Township 11 North, Range 4 West of the Gila and Salt River Base and Meridian, Yavapai County, Arizona, as set forth in Patent.

-CONTINUED-

## -EXHIBIT "A" (continued)-

## PARCEL 9:

Zonia NO. 26 Lode Mining Claim and Zonia Millsite Nos. 70 to 73, inclusive, Lode Mining Claims in Walnut Grove Mining District, being shown on Mineral Survey Nos. 4681 A and B Amended on file in the Bureau of Land Management, as granted by Patent recorded in Book 1294 of Official Records, page 686, records of Yavapai County, Arizona;

EXCEPT all that portion within the boundaries of Quartette Lode Mining Claim, according to Mineral Survey No. 1321; Copperopolis, Defiance and Fairplay Lode Mining Claims, according to Mineral Survey No. 1324; Contact No. 1, Navy No. 1, Navy No. 2, and Navy No. 3 Lode Mining Claims, according to Mineral Survey No. 1495; Sunrise No. 3 and Sunrise No. 4 Lode Mining Claims, according to Mineral Survey No. 3866; and the West half of Section 14, Township 11 North, Range 4 West of the Gila and Salt River Base and Meridian, Yavapai County, Arizona, as set forth in Patent.

A. U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

B. TYPE OF LOAN:

SETTLEMENT STATEMENT

1.  FHA 2.  FMHA 3.  CONV. UNINS.  
4.  VA 5.  CONV. INS.

TRANSAMERICA  
TITLE INSURANCE COMPANY

6. FILE NUMBER  
40009135  
7. LOAN NUMBER

8. MORTG. INS. CASE NO.

C. NOTE: This form is furnished to give you a statement of actual settlement costs. Amounts paid to and by the settlement agent are shown. Items marked "(p.o.c.)" were paid outside the closing; they are shown here for information purposes and are not included in the totals.

D. NAME AND ADDRESS OF BORROWER ARIMETCO, INC. 335 N. WILMOT RD., STE 400 TUCSON, AZ 85711	E. NAME AND ADDRESS OF SELLER THE ZONIA COMPANY 212 S. MARINA PRESCOTT, AZ 86303	F. NAME AND ADDRESS OF LENDER
G. PROPERTY LOCATION VARIOUS MINING CLAIMS	H. SETTLEMENT AGENT Transamerica Title Insurance Company Miriam Reed PLACE OF SETTLEMENT 624 West Gurley, Suite F Prescott, AZ 86301	I. SETTLEMENT DATE: 09-14-1995 Funding Date: 09-14-1995

J. SUMMARY OF BORROWER'S TRANSACTION		K. SUMMARY OF SELLER'S TRANSACTION	
100. GROSS AMOUNT DUE FROM BORROWER:		400. GROSS AMOUNT DUE TO SELLER	
101. Contract sales price	800000.00	401. Contract sales price	800000.00
102. Personal property		402. Personal property	
103. Settlement charges to borrower (line 1400)	1583.00	403.	
104. Reimburse. taxes per instructions	9166.50	404. Reimburse. taxes per instructions	9166.50
105A		405A	
105B		405B	
105C		405C	
105D		405D	
105E		405E	
105F		405F	
105G		405G	
105H		405H	
<i>Adjustments for items paid by seller in advance</i>		<i>Adjustments for items paid by seller in advance</i>	
106. City/town taxes \$	to	406. City/town taxes \$	to
107. County taxes \$	to	407. County taxes \$	to
108. Assessments \$	to	408. Assessments \$	to
109.		409.	
110.		410.	
111.		411.	
112.		412.	
120. GROSS AMOUNT DUE FROM BORROWER:	810749.50	420. GROSS AMOUNT DUE TO SELLER:	809166.50
200. AMOUNTS PAID BY OR IN BEHALF OF BORROWER:		500. REDUCTIONS IN AMOUNT DUE TO SELLER:	
201. Deposit or earnest money		501. Excess deposit (see instructions)	
202. Principal amount of new loan(s)		502. Settlement charges to seller (line 1400)	1583.00
203. Existing loan(s) taken subject to		503. Existing loan(s) taken subject to	
204. Additional Deposits	60749.50	504. Payoff of first mortgage loan	
205.		505. Payoff of second mortgage loan	
206. Seller Carryback Loan	310000.00	506. Seller Carryback Loan	310000.00
207. Funds pd. direct & outside esc.	440000.00	507. Funds pd. direct & outside esc.	440000.00
208.		508.	
209A		509A	
209B		509B	
209C		509C	
209D		509D	
209E		509E	
209F		509F	
209G		509G	
<i>Adjustments for items unpaid by seller</i>		<i>Adjustments for items unpaid by seller</i>	
210. City/town taxes \$	to	510. City/town taxes \$	to
211. County taxes \$	to	511. County taxes \$	to
212. Assessments \$	to	512. Assessments \$	to
213.		513.	
214.		514.	
215.		515.	
216.		516.	
220. TOTAL PAID BY/FOR BORROWER	810749.50	520. TOTAL REDUCTION AMOUNT DUE SELLER	751583.00
300. CASH AT SETTLEMENT FROM/TO BORROWER:		600. CASH AT SETTLEMENT TO/FROM SELLER:	
301. Gross amount due from borrower (line 120)	810749.50	601. Gross amount due to seller (line 420)	809166.50
302. Less amounts paid by/for borrower (line 220)	(810749.50)	602. Less reductions in amount due seller (line 520)	(751583.00)
303. CASH ( <input type="checkbox"/> FROM) ( <input checked="" type="checkbox"/> TO) BORROWER		603. CASH ( <input checked="" type="checkbox"/> TO) ( <input type="checkbox"/> FROM) SELLER	57583.50

L. SETTLEMENT CHARGES				PAID FROM BORROWER'S FUNDS	PAID FROM SELLER'S FUNDS
<b>700. TOTAL SALES/BROKER'S COMMISSION</b>					
based on price \$ 800000.00 @ % =					
Division of Commission (line 700) as follows:					
701.	\$	to			
702A	\$	to			
702B	\$	to			
702C	\$	to			
702D	\$	to			
703.	Commission paid at Settlement				
704.					
705.					
<b>800. ITEMS PAYABLE IN CONNECTION WITH LOAN</b>					
801.	Loan Origination fee	%			
802.	Loan Discount	%			
803.	Appraisal Fee	to			
804.	Credit Report	to			
805.	Lender's inspection fee				
806.	Mortgage Insurance application fee	to			
807.	Assumption fee				
808.	Tax service	to			
809.					
810.					
811.					
<b>900. ITEMS REQUIRED BY LENDER TO BE PAID IN ADVANCE</b>					
901.	Interest from	to	@ \$ /day		
902.	Mortgage insurance premium for	months to			
903.	Hazard insurance premium for	years to			
904.		years to			
905.					
<b>1000. RESERVES DEPOSITED WITH LENDER</b>					
1001.	Hazard insurance	months @ \$	per month		
1002.	Mortgage insurance	months @ \$	per month		
1003.	City property taxes	months @ \$	per month		
1004.	County property taxes	months @ \$	per month		
1005.	Annual assessments	months @ \$	per month		
1006.					
1007.					
<b>1100. TITLE CHARGES</b>					
1101.	Settlement or closing fee	to	Transamerica Title Insurance Company	409.50	409.50
1102.	Abstract or title search	to			
1103.	Title examination	to			
1104.	Title insurance binder	to			
1105.	Document preparation	to			
1106.	Notary fees	to			
1107.	Attorney's Fees	to			
<i>(includes above items No.: )</i>					
1108.	Title insurance	to	Transamerica Title Insurance Company	1062.50	1062.50
<i>(includes above items No.: )</i>					
1109.	Lender's coverage	\$ 50.00			
1110.	Owner's coverage	\$ 2075.00			
1111.	Indorsement	to	Transamerica Title Insurance Company		
1112.	Express Mail to Transamerica Title Insurance Company			30.00	30.00
1113.	Unpat. Claims QCD prep. to Transamerica Title Insurance Company			25.00	25.00
1114.					
1115.					
<b>1200. GOVERNMENT RECORDING AND TRANSFER CHARGES</b>					
1201.	Recording fees:	Deed \$ 30.00 ; Mortgage \$ 10.00 ; Releases \$ 10.00		25.00	25.00
1202.	City/county tax/stamps:	Deed \$ ; Mortgage \$			
1203.	State tax/stamps:	Deed \$ ; Mortgage \$			
1204.	Affidavit of value			1.00	1.00
1205.	Unpatented Claims Quit Claim Deed			5.00	5.00
1206.					
<b>1300. ADDITIONAL SETTLEMENT CHARGES</b>					
1301.	Survey	to			
1302.	Pest inspection	to			
1303.	ACCOUNT SET-UP FEE to TRANSAMERICA TITLE INSURANCE COMPANY			25.00	25.00
1304.					
1305.					
1306.					
<b>1400. TOTAL SETTLEMENT CHARGES</b> (enter on lines 103, Section J and 502, Section K)				1583.00	1583.00

# ESCROW INSTRUCTIONS

TRANSAMERICA TITLE INSURANCE COMPANY  
 624 West Gurley, Suite F  
 Prescott, AZ 86301  
 Prescott, AZ

Escrow Number 40009135-  
 Escrow Officer Miriam Reed  
 Phone (602)776-7734

August 21, 1995

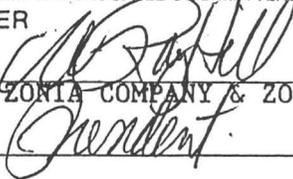
THE ZONIA COMPANY & ZONIA LANDFILL, INC., AS AN ARIZONA CORPORATION HEREIN CALLED SELLER whose address is 212 S. MARINA, PRESCOTT, AZ 86303

AND ARIMETCO, INC., AS A NEVADA CORPORATION HEREIN CALLED BUYER whose address is 335 N. WILMONT RD., TUCSON, AZ 85711

hereby employ Transamerica Title Insurance Company to act as Escrow Agent in connection with a sale by Seller to Buyer upon the following terms and conditions which shall be complied with by said parties on or before September 7, 1995, except as otherwise specified herein. The property herein referred to is situated in Yavapai County, Arizona, and is described as follows, to-wit: VARIOUS MINING CLAIMS AS DESCRIBED ON EXHIBIT 'A' ATTACHED HERETO AND MADE A PART HEREOF, LOCATED IN YAVAPAI COUNTY, ARIZONA.

SALES PRICE TO BE PAID BY BUYER	\$ 800,000.00	ALL ITEMS CHECKED THUS (✓) OR (X) ARE THE OBLIGATIONS WHICH EACH PARTY WILL PAY	BUYER	SELLER
Which is represented by:		TAXES 1994	X	
EARNEST MONEY TO BE DEPOSITED IN ESCROW RECEIPT ACKNOWLEDGED PAID	\$ 440,000.00	1995 AND FUTURE	X	
DIRECT & OUTSIDE ESCROW	\$	Prorate to NONE		
CASH PAYMENT TO BE DEPOSITED IN ESCROW ON OR BEFORE CLOSE OF ESCROW CASHIERS CHECK REQUIRED	\$ 50,000.00	IMPROVEMENT LIEN ASSESSMENTS	N/A	N/A
ENCUMBRANCE OF RECORD beginning with payment due NONE with approximate unpaid balance of	\$ 0.00	Prorate to NONE		
SELLER TO PAY IN FULL, IF ANY		IRRIGATION PROJECT ASSESSMENTS	N/A	N/A
ENCUMBRANCE OF RECORD beginning with payment due with approximate unpaid balance of	\$ 0.00	Transfer fee		
SELLER TO PAY IN FULL, IF ANY		Prorate to NONE		
Any variation in amount of Encumbrance(s) shall be reflected in	NOT APPLICABLE	HOMEOWNERS ASSESSMENTS		
Any reserve funds held under said Encumbrance(s) shall be	NOT APPLICABLE	Transfer fee		
BALANCE OF	\$ 310,000.00	Prorate to		
Evidenced By NOTE + DEED OF TRUST		FIRE INSURANCE POLICY		
Disclosure: This disclosure is given pursuant to A.R.S. §6-841.03 to inform the buyer(s) and seller(s) of a residential dwelling that monies deposited into escrow are not insured by the State of Arizona or the United States Government against loss due to fraud or theft.		Prorate to NONE		
As follows: As per Exhibit "B" attached hereto and made a part thereof.		MIP INSURANCE Prorate to NONE		
		INTEREST Prorate to NONE		
		RENTS Prorate to NONE		
		RECORDING FEES:		
		Deed	1/2	1/2
		Encumbrance	1/2	1/2
		Release of Encumbrance	1/2	1/2
		Affidavit of Value	1/2	1/2
		STATEMENT FEES /	N/A	N/A
		TRANSFER FEES	N/A	N/A
		HOME WARRANTY PLAN		
		TERMITE INSPECTION & TREATMENT		
		AGENT'S COMMISSION NONE		
		TO:		
		Loan Escrow Charges	1/2	1/2
		ESCROW CHARGES	1/2	1/2
		TITLE POLICY INSURING		
		Owner STANDARD	1/2	1/2
		Mortgagee or Beneficiary STANDARD	1/2	1/2
		ACCOUNT ACCEPTANCE FEE	1/2	1/2
		ACCOUNT SERVICE FEE	1/2	1/2
PROCEEDS OF CASH PAYMENT SHALL BE PAID TO THE SELLER(S) HEREIN AS FOLLOWS: SELLER AS THEIR INTEREST MAY APPEAR		PERSONAL PROPERTY: If personal property is involved in this escrow, escrow agent assumes no liability for transfer of property nor any lien thereon or title thereto. Personal Property, Bill of Sale to be delivered at Close of Escrow		

THE PARTIES HEREBY ACKNOWLEDGE THAT THEY HAVE READ AND UNDERSTAND THE MATTERS CONTAINED ON THE REVERSE SIDE OF THESE INSTRUCTIONS, INCLUDING BUT NOT LIMITED TO PARAGRAPHS 8 THRU 11 INCLUSIVE, CONCERNING THE CANCELLATION OF THIS ESCROW, AND PARAGRAPH 19 CONCERNING THE DEPOSITOR'S RIGHT TO EARN INTEREST ON DEPOSITED FUNDS. ALL SAID MATTERS ARE INCORPORATED HEREIN.

SELLER  
  
 THE ZONIA COMPANY & ZONIA LANDFILL, INC.  
 President  
 9/1/95  
 Date

BUYER  
  
 ARIMETCO, INC.  
 Vice President CFO  
 9/12/95  
 Date

**SELLER AND BUYER UNDERSTAND AND AGREE THAT:**

1. They will deposit with Escrow Agent the necessary documents to complete the sale as established by the terms of these instructions; they authorize Escrow Agent to deliver or record said documents at the appropriate time; all money payable shall be paid to Escrow Agent unless otherwise specified; they authorize Escrow Agent to pay from funds held for said purpose, amounts necessary to procure the documents and to pay charges and obligations necessary to consummate this transaction; they authorize Escrow Agent to complete fire insurance endorsement requests and deliver any policies on deposit with Escrow Agent; and they authorize Escrow Agent to act upon any statement furnished by a lien holder or his agent without liability to Escrow Agent.
2. They will pay all costs, damages, attorneys' fees, and expenses, which Escrow Agent may incur or sustain in connection with these instructions, except as caused by the gross negligence of Escrow Agent.
3. When these instructions have been complied with, Escrow Agent shall deliver by recording in the appropriate public office all necessary documents, disburse all funds, and issue the title insurance policy.
4. These Escrow Instructions and any amendments, demands, and/or supplements thereto shall have no effect until signed by the Seller and Buyer and delivered to Escrow Agent.
5. No instruction, demand, or notice shall be effective unless it is in writing and signed by the party making said instruction, demand or notice. Escrow Agent shall not be bound by, nor be obligated to act upon, any instruction, demand, or notice not in writing and signed by said party.
6. They authorize Escrow Agent in the event of any conflicting demands made upon it concerning these instructions, or this escrow, at its election, to hold any money and documents deposited hereunder until it receives mutual instructions by all parties or until a civil action shall have been finally concluded in a Court of competent jurisdiction, determining the rights of all parties. In the alternative, Escrow Agent may at its discretion at any time, commence a civil action to interplead any conflicting demands to a Court of competent jurisdiction to determine its rights and the rights of the parties to this escrow. In accordance with paragraph two (2), the parties will pay to Escrow Agent its expenses and attorneys' fees sustained in connection with the civil action, and any appeal to determine its rights and the rights of the parties to this escrow.
7. They grant to Escrow Agent the right to execute on behalf of the Seller and Buyer herein, the Affidavit of Value, using the total consideration for the established value, unless instructed by Seller and Buyer to the contrary.
8. Notwithstanding, the provisions contained in any Deposit Receipt and Agreement, Real Estate Contract or Real Estate Sales Agreement executed by Seller and Buyer, if Seller or Buyer elect to cancel these instructions because of the failure of the other party to comply with any of the terms hereof within the time limits provided herein, said party so electing to cancel shall deliver to Escrow Agent a written notice to the other party and Escrow Agent demanding that said other party comply with the terms hereof within thirteen days from the receipt of said notice by Escrow Agent or that these instructions shall thereupon become cancelled. If other party fails to comply, these instructions shall be cancelled and Escrow Agent shall:
  - (a) Pay to the party electing to cancel, any earnest money deposited, and pay all other money to the party who made the deposit, after deducting cancellation fees and/or work charges due Transamerica Title Insurance Company, and any cancellation fees or statement fees due in connection with this escrow.
  - (b) Return all documents to the party who delivered them into escrow.
9. If, under these instructions, a commission is to be paid to a Real Estate Broker, regardless of the provisions of paragraph eight (8a) above, then:
  - (a) The party obligated to pay the commission shall not acquiesce in any mutual cancellation without approval of the Real Estate Broker.
  - (b) Upon the cancellation of the escrow should any funds become payable to a party obligated hereunder to pay said commission, then Escrow Agent shall pay to the Real Estate Broker therefrom, a sum equal to one-half of the earnest money, but not more than the full amount of the commission.
10. Escrow Agent shall within three days after receipt of any Notice, Demand or Declaration, send it to the party to whom it is directed by enclosing a copy of said instrument in an envelope addressed to said party at the last written address which said party shall have filed with Escrow Agent. If no written address has been filed, the Notice shall be sent in care of General Delivery, at the City in which the office of Escrow Agent is located as shown on the first page of these instructions. The Notice shall be deposited in the United States Mail. The mailing of any such instrument by Escrow Agent in the manner herein provided shall constitute notice of the contents of such instrument to the party to whom the instrument is directed as to the date of such mailing and no further notice shall be required.
11. Escrow Agent will not accept payments under a cancellation notice, unless the payments are paid by cash, or by certified check, cashier's check or money order made payable to Transamerica Title Insurance Company.
12. Should Escrow Agent be closed on day of compliance with these instructions, the requirements may be met on the next succeeding day Escrow Agent is open for business. "Close of Escrow" shall mean the day the documents are recorded.
13. Escrow Agent shall be under no obligation to disburse any funds until advised by the bank that the check or draft deposited has been honored. In the event any check given by Purchaser is subsequently dishonored, Seller agrees to refund any remittance made to Seller by Escrow Agent.
14. At anytime and in its sole discretion, Escrow Agent can resign as Escrow Agent by sending written notice to all parties to the escrow. All money and documents held by Escrow Agent will be returned to the party who delivered them into escrow.
15. The title insurance provided for unless otherwise specified herein, shall be evidenced by the standard form of Title Insurance Policy of Transamerica Title Insurance Company on file with the Insurance Director of the State of Arizona.
16. The money deposited with Transamerica Title Insurance Company in connection with this escrow will be deposited into a non-interest bearing account with a financial institution (the "funds depository") whose deposits are covered by FDIC or FSLIC insurance. The parties further acknowledge that, in calculating the amount of available insurance, the FDIC or FSLIC will consolidate money deposited under this escrow with all other funds of the undersigned, which are on deposit with the funds depository. Therefore, the parties hereby release Transamerica Title Insurance Company from any liability and assume all responsibility for any loss which may result from a lack of FDIC or FSLIC insurance in excess of \$100,000. It is understood that Transamerica Title Insurance Company may make beneficial use of the funds deposited in this escrow for services rendered by the funds depository.
17. There are some matters for which Transamerica Title Insurance Company assumes no liability, including but not limited to: unrecorded liens; proposed improvement district liens or assessments; assessments of council of co-owners or homeowners associations; personal property taxes; transfer of personal property; utility charges; boundary lines; locations of improvements; possession of property; compliance with zoning, building ordinances or building restrictions; transfers or filings with the Arizona State Department of Water Resources; reservations and exceptions in patents unless provided for in the Title Insurance Policy and/or the Escrow Instructions.
18. In the event of any dispute between the Escrow Agent and any party to the Escrow Instructions (said other party or parties hereinafter referred to as the "adverse party") either party may demand arbitration pursuant to the rules of the American Arbitration Association. Arbitrable matters include, but are not limited to, any controversy or claim between the Escrow Agent and adverse party arising out of or relating to the Escrow Instructions. All arbitrable matters, when the amount in dispute is \$50,000.00 or less, shall be arbitrated at the option of either Escrow Agent or adverse party. All arbitrable matters, when the amount in dispute is in excess of \$50,000.00, shall be arbitrated only when agreed to by both the Escrow Agent and the adverse party. Arbitration pursuant to this Agreement is made under the rules in effect at the date the demand for arbitration is made and shall be binding upon the parties to the arbitration. The award may include attorney's fees. Judgment upon the award rendered by the Arbitrator may be entered in any court having jurisdiction thereof. The law of Arizona shall apply to an arbitration pursuant to this paragraph.
19. *If so instructed by Seller or Buyer, Escrow Agent will invest any deposited funds in an interest bearing account established in the name of Transamerica Title as Escrow Agent. The depositing party has a right to earn interest on any escrowed funds which are deposited in the interest bearing account. A good faith estimate for interest earned on a typical investment account with a federally insured institution is as follows: deposit of \$1,000.00 at 5% per annum would pay approximately \$4.17 per month, or at 6% per annum would pay approximately \$5.00 per month. The account may be established by contacting the Escrow Agent at the telephone number or address listed on the reverse side hereof and executing the Company's customary investment instruction.*
20. Pursuant to A.R.S. §44-317 Escrow Agent will charge a \$25.00 service fee for the processing and administration coincidental with any unclaimed funds. This one time \$25.00 charge will be earned by the Company after the Company has made a diligent effort to locate the party which includes written notice.

019405

No. \_\_\_\_\_

Form 17 (89)

### REDEMPTION CERTIFICATE

TREASURER'S OFFICE

County of Yavapai }  
STATE OF ARIZONA } ss.

I hereby certify that the real estate hereinafter described situated in the County of Yavapai and the State of Arizona, which was sold for delinquent taxes for the year or years 1990 thru 1993 on the 25th day of February, 1992, has this day been redeemed by Zonia Company by the payment to me of the following sum of money \$1,312.04, being the amount due thereon as provided by law.

#### DESCRIPTION OF PROPERTY REDEEMED

Description	Amount Paid on Certificate
Parcel #205-24-008 0	1,268.14
Cert. Fee	10.00
Accrued interest on certificate	33.90
<b>TOTAL AMOUNT PAID</b>	<b>1,312.04</b>

IN WITNESS WHEREOF, I hereunto set my hand and seal this 30 day of December, 19 94  
Name Zonia Company  
Sale 1992  
Tax Sale Certificate No. 839

*Richard A. Jacob*  
County Treasurer

RICHARD A JACOBS  
YAVAPAI COUNTY TREASURER  
255 EAST GURLEY STREET  
PRESCOTT, AZ 86301

OCT 31 1994

\*\*\*\*\* TAX RECEIPT \*\*\*\*\*

TS11 S017 00014 11/10/1994 08:25

TAX ID.: 205-24-008- -0

TAX YEAR: 1992

BATCH ID.....: 11/10/94 01

RESOLUTION...: AT  
METHOD OF PAY: CHCK

PAYOR: ANDERSON/CP

TAX AMOUNT...: 240.46  
INTEREST.....: 67.40  
PENALTY.....:  
FEE.....:

TOTAL PAYMENT: 307.86

RECEIVED ON...: 10/31/1994

RICHARD A JACOBS  
YAVAPAI COUNTY TREASURER  
255 EAST GURLEY STREET  
PRESCOTT, AZ 86301

OCT 31

\*\*\*\*\* TAX RECEIPT \*\*\*\*\*

TS11 S017 00014 11/10/1994 08:25

TAX ID.: 205-24-008- -0

TAX YEAR: 1993

BATCH ID.....: 11/10/94 01

RESOLUTION...: AT  
METHOD OF PAY: CHCK

PAYOR: ANDERSON/CP

TAX AMOUNT...: 263.72  
INTEREST.....: 31.74  
PENALTY.....:  
FEE.....:

TOTAL PAYMENT: 295.46

RECEIVED ON...: 10/31/1994

**REDEMPTION CERTIFICATE**

TREASURER'S OFFICE

County of Yavapai }  
STATE OF ARIZONA } ss.

I hereby certify that the real estate hereinafter described situated in the County of Yavapai and the State of Arizona, which was sold for delinquent taxes for the year or years 1990 thru 1993 on the 25th day of February, 1992. has this day been redeemed by Zonia Company by the payment to me of the following sum of money \$ 5,112.37, being the amount due thereon as provided by law.

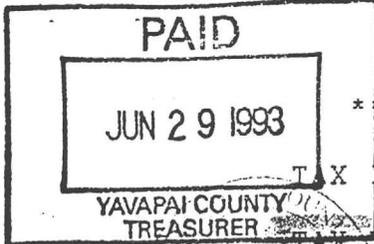
DESCRIPTION OF PROPERTY REDEEMED

Description	Amount Paid on Certificate
Parcel #205-24-009 3	4,071.94
Cert. Fee	10.00
Accrued interest on certificate	1,030.43
TOTAL AMOUNT PAID	5,112.37

IN WITNESS WHEREOF, I hereunto set my hand and seal this 30 day of December, 1994.  
Name Zonia Company  
Sale 1992  
Tax Sale Certificate No. 840

*Richard A. Jacobs*  
County Treasurer

RICHARD A JACOBS  
YAVAPAI COUNTY TREASURER  
255 EAST GURLEY STREET  
PRESCOTT, AZ 86301



\*\*\*\*\* TAX RECEIPT \*\*\*\*\*

TS11 S017 00105 07/08/1993 16:11

TAX ID...: 205-24-009- -3

YAVAPAI COUNTY  
TREASURER  
TAX YEAR: 1992

BATCH ID.....: 07/09/93 01

PAYOR: BERRY, JR. P.C./CP

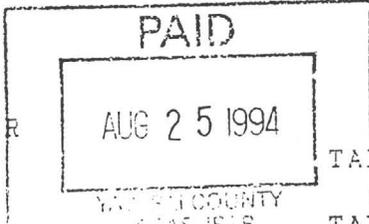
RESOLUTION...: AT  
METHOD OF PAY: CHCK

TAX AMOUNT...: 865.38  
INTEREST.....: 57.45  
PENALTY.....:  
FEE.....: 1.00

TOTAL PAYMENT: 923.83

RECEIVED ON...: 06/29/1993

RICHARD A JACOBS  
YAVAPAI COUNTY TREASURER  
255 EAST GURLEY STREET  
PRESCOTT, AZ 86301



\*\*\*\*\* TAX RECEIPT \*\*\*\*\*

TS11 S017 00014 08/25/1994 14:40

TAX ID...: 205-24-009- -3

YAVAPAI COUNTY  
TREASURER  
TAX YEAR: 1993

BATCH ID.....: 08/25/94 01

PAYOR: BERRY/CP

RESOLUTION...: AT  
METHOD OF PAY: CHCK

TAX AMOUNT...: 882.96  
INTEREST.....: 82.62  
PENALTY.....:  
FEE.....: 1.00

TOTAL PAYMENT: 966.58

RECEIVED ON...: 08/25/1994

**REDEMPTION CERTIFICATE**

**TREASURER'S OFFICE**

County of Yavapai }  
 STATE OF ARIZONA } ss.

I hereby certify that the real estate hereinafter described situated in the County of Yavapai and the State of Arizona, which was sold for delinquent taxes for the year or years 1990 thru 1993 on the 25th day of February, 1992, has this day been redeemed by Zonia Company by the payment to me of the following sum of money \$9,854.19, being the amount due thereon as provided by law.

**DESCRIPTION OF PROPERTY REDEEMED**

Description	Amount Paid on Certificate
Parcel #205-24-030 3	7,728.04
Cert. Fee	10.00
Accrued interest on certificate	2,116.15
<b>TOTAL AMOUNT PAID</b>	<b>9,854.19</b>

IN WITNESS WHEREOF, I hereunto set my hand and seal this 30 day of December, 1994  
 Name Zonia Company  
 Sale 1992  
 Tax Sale Certificate No. 842

*Richard G. Jacobs*

County Treasurer

PAID

JUN 4 1993

RICHARD A JACOBS  
YAVAPAI COUNTY TREASURER  
255 EAST GURLEY STREET  
PRESCOTT, AZ 86301

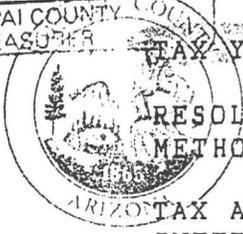
\*\*\*\*\* TAX RECEIPT \*\*\*\*\*

TAX ID...: 205-24-030- -3

YAVAPAI COUNTY  
TREASURER

TAX YEAR: 1992

TS11 S017 00014 06/09/1993 09:12



RESOLUTION...: AT  
METHOD OF PAY: CHCK

BATCH ID.....: 06/09/93 04

PAYOR: DAWSON/CP

TAX AMOUNT...: 1,672.28  
INTEREST.....: 111.05  
PENALTY.....:  
FEE.....: 1.00

TOTAL PAYMENT: 1,784.33

RECEIVED ON...: 06/04/1993

PAID

JUN 13 1994

RICHARD A JACOBS  
YAVAPAI COUNTY TREASURER  
255 EAST GURLEY STREET  
PRESCOTT, AZ 86301

\*\*\*\*\* TAX RECEIPT \*\*\*\*\*

TAX ID...: 205-24-030- -3

YAVAPAI COUNTY  
TREASURER

TAX YEAR: 1993

TS11 S017 00014 06/13/1994 13:40



RESOLUTION...: AT  
METHOD OF PAY: CHCK

BATCH ID.....: 06/13/94 03

PAYOR: DAWSON/CP

TAX AMOUNT...: 1,706.26  
INTEREST.....: 113.29  
PENALTY.....:  
FEE.....: 1.00

TOTAL PAYMENT: 1,820.55

RECEIVED ON...: 06/13/1994

019573

No. \_\_\_\_\_

Form 17 (89)

### REDEMPTION CERTIFICATE

TREASURER'S OFFICE

County of Yavapai }  
STATE OF ARIZONA } ss.

I hereby certify that the real estate hereinafter described situated in the County of Yavapai and the State of Arizona, which was sold for delinquent taxes for the year or years ~~1990 thru~~ 1993 on the 25th day of February, 1992, has this day been redeemed by Zonia Company by the payment to me of the following sum of money \$ 11,173.10, being the amount due thereon as provided by law.

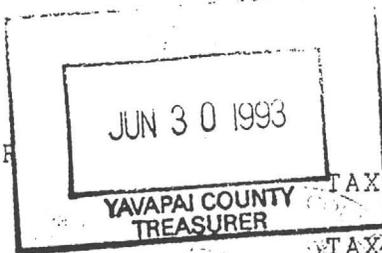
#### DESCRIPTION OF PROPERTY REDEEMED

Description	Amount Paid on Certificate
Parcel #205-24-007 7	8,486.85
Cert. Fee	10.00
Accrued interest on certificate	2,676.25
<b>TOTAL AMOUNT PAID</b>	<b>11,173.10</b>

IN WITNESS WHEREOF, I hereunto set my hand and seal this 24 day of February, 19 95  
Name Zonia Company  
Sale 1992  
Tax Sale Certificate No. 838

*Richard J. [Signature]*  
County Treasurer

RICHARD A JACOBS  
YAVAPAI COUNTY TREASURER  
255 EAST GURLEY STREET  
PRESCOTT, AZ 86301



\*\*\*\*\* TAX RECEIPT \*\*\*\*\*

TS11 5017 00014 07/13/1993 14:28

TAX ID...: 205-24-007- -7

TAX YEAR: 1992

BATCH ID.....: 07/13/93 02

RESOLUTION...: AT  
METHOD OF PAY: CHCK

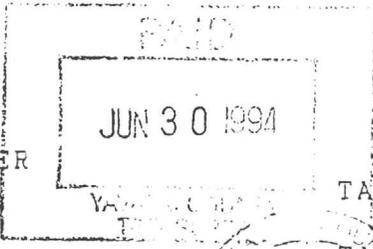
PAYOR: SMITH/CP

TAX AMOUNT...: 1,931.38  
INTEREST.....: 128.26  
PENALTY.....:  
FEE.....: 1.00

TOTAL PAYMENT: 2,060.64

RECEIVED ON...: 06/30/1993

RICHARD A JACOBS  
YAVAPAI COUNTY TREASURER  
255 EAST GURLEY STREET  
PRESCOTT, AZ 86301



\*\*\*\*\* TAX RECEIPT \*\*\*\*\*

TS11 5017 00014 07/06/1994 09:13

TAX ID...: 205-24-007- -7

TAX YEAR: 1993

BATCH ID.....: 07/06/94 01

RESOLUTION...: AT  
METHOD OF PAY: CHCK

PAYOR: SMITH/CP

TAX AMOUNT...: 2,157.58  
INTEREST.....: 143.26  
PENALTY.....:  
FEE.....: 1.00

TOTAL PAYMENT: 2,301.84

RECEIVED ON...: 06/30/1994

019572

Form 17 (39)

No. \_\_\_\_\_

### REDEMPTION CERTIFICATE

TREASURER'S OFFICE

County of Yavapai }  
STATE OF ARIZONA } ss.

I hereby certify that the real estate hereinafter described situated in the County of Yavapai and the State of Arizona, which was sold for delinquent taxes for the year or years ...1990 thru... 1993-----on the.....25th.....day of.....February....., 19 92 has this day been redeemed by.....Zonia Company.....by the payment to me of the following sum of money \$ 8,412.52....., being the amount due thereon as provided by law.

#### DESCRIPTION OF PROPERTY REDEEMED

Description	Amount Paid on Certificate
Parcel #205-24-006 4	6,638.36
	Cert. Fee 10.00
	Accrued interest on certificate 1,764.16
	TOTAL AMOUNT PAID 8,412.52

IN WITNESS WHEREOF, I hereunto set my hand and seal this 24 day of February, 19 95  
Name Zonia Company  
Sale 1992  
Tax Sale Certificate No. 837

*Richard A. Jacobs*  
County Treasurer

RICHARD A JACOBS  
YAVAPAI COUNTY TREASURER  
255 EAST GURLEY STREET  
PRESCOTT, AZ 86301

PAID  
SEP 28 1993  
YAVAPAI COUNTY  
TREASURER

\*\*\*\*\* TAX RECEIPT \*\*\*\*\*

TS11 S017 00014 09/28/1993 10:35

TAX ID...: 205-24-006- -4

TAX YEAR: 1992

BATCH ID.....: 09/28/93 01

RESOLUTION...: AT  
METHOD OF PAY: CHCK

PAYOR: BERRY/CP

TAX AMOUNT....: 1,395.24  
INTEREST.....: 148.93  
PENALTY.....:  
FEE.....: 1.00

TOTAL PAYMENT: 1,545.17

RECEIVED ON...: 09/28/1993

RICHARD A JACOBS  
YAVAPAI COUNTY TREASURER  
255 EAST GURLEY STREET  
PRESCOTT, AZ 86301

PAID  
SEP 30 1994  
YAVAPAI COUNTY  
TREASURER

\*\*\*\*\* TAX RECEIPT \*\*\*\*\*

TS11 S017 00014 10/03/1994 11:19

TAX ID...: 205-24-006- -4

TAX YEAR: 1993

BATCH ID.....: 10/03/94 03

RESOLUTION...: AT  
METHOD OF PAY: CHCK

PAYOR: BERRY/CP

TAX AMOUNT....: 1,423.58  
INTEREST.....: 151.95  
PENALTY.....:  
FEE.....: 1.00

TOTAL PAYMENT: 1,576.53

RECEIVED ON...: 09/30/1994

40009135

-EXHIBIT "A"-  
LEGAL DESCRIPTION

**PARCEL 1:**

Georgia, Georgia No. 2, Georgia No. 3, Yankee Girl, Sunrise, Sunrise No. 2, Sunrise No. 3 and Sunrise No. 4 Lode Mining Claims in Walnut Grove Mining District, being shown on Mineral Survey No. 3866 on file in the Bureau of Land Management, as granted by Patent recorded in Book 134 of Deeds, page 557, records of Yavapai County, Arizona.

**PARCEL 2:**

Richmond and Virginia Lode Mining Claims in Walnut Grove Mining District being shown on Mineral Survey No. 3867 on file in the Bureau of Land Management, as granted by Patent recorded in Book 134 of Deeds, page 369, records of Yavapai County, Arizona.

**PARCEL 3:**

Polar Star, Tourmaline, Copper Gance, Sunset, Manilla, Copperopolis, Defiance and Fairplay Lode Mining Claims in Walnut Grove Mining District, being shown on Mineral Survey No. 1324 on file in the Bureau of Land Management, as granted by Patent recorded in Book 49 of Deeds, page 485, records of Yavapai County, Arizona;

EXCEPT all that portion within the boundaries of Quartette Lode Mining Claim, according to Mineral Survey No. 1321, all veins, lodes and ledges, throughout their entire depth, the tops or apexes of which may be inside of said excluded portion, as set forth in said Patent.

**PARCEL 4:**

Quartette Lode Mining Claim in Walnut Grove Mining District, being shown on Mineral Survey No. 1321 on file in the Bureau of Land Management, as granted by Patent recorded in Book 77 of Deeds, page 114, records of Yavapai County, Arizona.

**PARCEL 5:**

Sunflower, Lone Pine, Fraction and Iron Hat Lode Mining Claims in Walnut Grove Mining District, being shown on Mineral Survey No. 1323A on file in the Bureau of Land Management, as granted by Patent recorded in Book 49 of Deeds, page 478, records of Yavapai County, Arizona.

EXCEPT all that portion within the boundaries of Fountain Lode Mining Claim and Arrastra Lode Mining Claim, according to Mineral Survey Nos. 762 and 767 respectively, and all veins, lodes and ledges, throughout their entire depth, the tops of apexes of which may be inside of said excluded portion, as set forth in Patent.

-CONTINUED-

40009135

## -EXHIBIT "A" (continued)-

## PARCEL 6:

Fountain Lode Mining Claim in Walnut Grove Mining District, being shown on Mineral Survey No. 762 on file in the Bureau of Land Management, as granted by Patent recorded in Book 27 of Deeds, page 633, records of Yavapai County, Arizona.

## PARCEL 7:

Arrastra Lode Mining Claim in Walnut Grove Mining District, being shown on Mineral Survey No. 767 on file in the Bureau of Land Management, as granted by Patent recorded in Book 27 of Deeds, page 636, records of Yavapai County, Arizona.

EXCEPT all that portion within the boundaries of Fountain Lode Mining Claim, according to Mineral Survey No. 762, and all veins, lodes and ledges, throughout their entire depth, the tops of apexes of which may be inside of said excluded portion, as set forth in Patent.

## PARCEL 8:

Cuprite, Black Prince, Shamrock, Zonia, Fraction, Victor Copper, Victory Copper No. 1, One Lode Mining Claim, and Zonia Millsite Nos. 2 to 6, inclusive, 12 to 16, inclusive, 21 to 32, inclusive, 37 to 39, inclusive, 43, 46 to 56, inclusive, 59 to 61, inclusive, and 63 in Walnut Grove Mining District, being shown on Mineral Survey Nos. 4659 A and B Amended on file in the Bureau of Land Management, as granted by Patent recorded in Book 1294 of Official Records, page 686, records of Yavapai County, Arizona; and

EXCEPT all that portion within the boundaries of Quartette Lode Mining Claim, according to Mineral Survey No. 1321; Copperopolis, Defiance and Fairplay Lode Mining Claims, according to Mineral Survey No. 1234; Contact No. 1, Navy No. 1, Navy No. 2 and Navy No. 3 Lode Mining Claims, according to Mineral Survey No. 1495; Sunrise No. 3 and Sunrise No. 4 Lode Mining Claims, according to Mineral Survey No. 3866; Zonia Millsite Nos. 70 to 73, inclusive, Lode Mining Claims in Walnut Grove Mining District, according to Mineral Survey No. 4681 A and B; and the West half of Section 14, Township 11 North, Range 4 West of the Gila and Salt River Base and Meridian, Yavapai County, Arizona, as set forth in Patent.

## -EXHIBIT "A" (continued)-

## PARCEL 9:

Zonia NO. 26 Lode Mining Claim and Zonia Millsite Nos. 70 to 73, inclusive, Lode Mining Claims in Walnut Grove Mining District, being shown on Mineral Survey Nos. 4681 A and B Amended on file in the Bureau of Land Management, as granted by Patent recorded in Book 1294 of Official Records, page 686, records of Yavapai County, Arizona;

EXCEPT all that portion within the boundaries of Quartette Lode Mining Claim, according to Mineral Survey No. 1321; Copperopolis, Defiance and Fairplay Lode Mining Claims, according to Mineral Survey No. 1324; Contact No. 1, Navy No. 1, Navy No. 2, and Navy No. 3 Lode Mining Claims, according to Mineral Survey No. 1495; Sunrise No. 3 and Sunrise No. 4 Lode Mining Claims, according to Mineral Survey No. 3866; and the West half of Section 14, Township 11 North, Range 4 West of the Gila and Salt River Base and Meridian, Yavapai County, Arizona, as set forth in Patent.

Property Taxes Due Zonia  
\* (Sept 1, 1992 - Dec. 31, 1993).

Parcel #

205-24-030-3 : \$2414.73

205-24-009-3 : \$1274.22

205-24-008-0 \$397.98

205-24-006-4 \$2091.54

205-24-007-7 \$2988.03

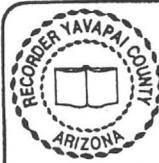
TOTAL \$9,166.50

1/3 of year (1992)  
all of 1993.

WHEN RECORDED, MAIL TO:

ARIMETCO, INC.  
335 N. WILMOT RD., STE 400  
TUCSON, AZ 85711

INDEXED &  
MICROFILMED



INSTRUMENT # 9547377  
OFFICIAL RECORDS OF  
YAVAPAI COUNTY  
MARGO W. CARSON  
REQUEST OF:  
TRANSAMERICA TITLE INS CO  
DATE: 09/14/95 TIME: 16:30  
FEE: 7.00 SC: 4.00 PT: 1.00  
BOOK 3077 PAGE 147 PAGES: 004

?
MAP \$4
PCL \$5
\$1
\$ 12

12

Escrow No. 40009135

WARRANTY DEED

For the consideration of Ten Dollars, and other valuable considerations,  
THE ZONIA COMPANY, AN ARIZONA CORPORATION AND ZONIA LANDFILL, INC., AN ARIZONA CORPORATION  
hereafter called the Grantor(s), hereby conveys to  
ARIMETCO, INC., A NEVADA CORPORATION

the following real property situated in Yavapai  
privileges appurtenant thereto:

County, Arizona, together with all rights and

VARIOUS MINING CLAIMS AS DESCRIBED ON EXHIBIT 'A' ATTACHED HERETO AND MADE  
A PART HEREOF, LOCATED IN YAVAPAI COUNTY, ARIZONA.

Subject to current taxes and other assessments, reservations in patents and all easements, rights-of-way, encumbrances, liens, covenants, conditions, restrictions, obligations and liabilities as may appear of record, the Grantor warrants the title against all persons whomsoever.

Dated this 12th day of September, 19 95.

\_\_\_\_\_

THE ZONIA COMPANY & ZONIA LANDFILL, INC. BY:  
*W. Ray Hill*  
W. RAY HILL, PRESIDENT

STATE OF AZ }  
County of Yavapai } ss.

This instrument was acknowledged before me this 14 day of  
September, 19 95, by  
W. RAY HILL, PRES. THE ZONIA COMPANY & ZONIA  
LANDFILL, INC.

My commission will expire: 3-2-99

*Mena Murphy*  
Notary Public

SEAL

STATE OF \_\_\_\_\_ }  
County of \_\_\_\_\_ } ss.

This instrument was acknowledged before me this \_\_\_\_\_ day of  
\_\_\_\_\_, 19\_\_\_\_, by \_\_\_\_\_

My commission will expire:

\_\_\_\_\_  
Notary Public

FURNISHED THROUGH THE COURTESY OF TRANSAMERICA TITLE INSURANCE COMPANY

40009135

-EXHIBIT "A"-  
LEGAL DESCRIPTION

## PARCEL 1:

Georgia, Georgia No. 2, Georgia No. 3, Yankee Girl, Sunrise, Sunrise No. 2, Sunrise No. 3 and Sunrise No. 4 Lode Mining Claims in Walnut Grove Mining District, being shown on Mineral Survey No. 3866 on file in the Bureau of Land Management, as granted by Patent recorded in Book 134 of Deeds, page 557, records of Yavapai County, Arizona.

## PARCEL 2:

Richmond and Virginia Lode Mining Claims in Walnut Grove Mining District being shown on Mineral Survey No. 3867 on file in the Bureau of Land Management, as granted by Patent recorded in Book 134 of Deeds, page 369, records of Yavapai County, Arizona.

## PARCEL 3:

Polar Star, Tourmaline, Copper Glance, Sunset, Manilla, Copperopolis, Defiance and Fairplay Lode Mining Claims in Walnut Grove Mining District, being shown on Mineral Survey No. 1324 on file in the Bureau of Land Management, as granted by Patent recorded in Book 49 of Deeds, page 485, records of Yavapai County, Arizona;

EXCEPT all that portion within the boundaries of Quartette Lode Mining Claim, according to Mineral Survey No. 1321, all veins, lodes and ledges, throughout their entire depth, the tops or apexes of which may be inside of said excluded portion, as set forth in said Patent.

## PARCEL 4:

Quartette Lode Mining Claim in Walnut Grove Mining District, being shown on Mineral Survey No. 1321 on file in the Bureau of Land Management, as granted by Patent recorded in Book 77 of Deeds, page 114, records of Yavapai County, Arizona.

## PARCEL 5:

Sunflower, Lone Pine, Fraction and Iron Hat Lode Mining Claims in Walnut Grove Mining District, being shown on Mineral Survey No. 1323A on file in the Bureau of Land Management, as granted by Patent recorded in Book 49 of Deeds, page 478, records of Yavapai County, Arizona.

EXCEPT all that portion within the boundaries of Fountain Lode Mining Claim and Arrastra Lode Mining Claim, according to Mineral Survey Nos. 762 and 767 respectively, and all veins, lodes and ledges, throughout their entire depth, the tops of apexes of which may be inside of said excluded portion, as set forth in Patent.

-CONTINUED-

40009135

## -EXHIBIT "A" (continued)-

## PARCEL 6:

Fountain Lode Mining Claim in Walnut Grove Mining District, being shown on Mineral Survey No. 762 on file in the Bureau of Land Management, as granted by Patent recorded in Book 27 of Deeds, page 633, records of Yavapai County, Arizona.

## PARCEL 7:

Arrastra Lode Mining Claim in Walnut Grove Mining District, being shown on Mineral Survey No. 767 on file in the Bureau of Land Management, as granted by Patent recorded in Book 27 of Deeds, page 636, records of Yavapai County, Arizona.

EXCEPT all that portion within the boundaries of Fountain Lode Mining Claim, according to Mineral Survey No. 762, and all veins, lodes and ledges, throughout their entire depth, the tops of apexes of which may be inside of said excluded portion, as set forth in Patent.

## PARCEL 8:

Cuprite, Black Prince, Shamrock, Zonia, Fraction, Victor Copper, Victory Copper No. 1, One Lode Mining Claim, and Zonia Millsite Nos. 2 to 6, inclusive, 12 to 16, inclusive, 21 to 32, inclusive, 37 to 39, inclusive, 43, 46 to 56, inclusive, 59 to 61, inclusive, and 63 in Walnut Grove Mining District, being shown on Mineral Survey Nos. 4659 A and B Amended on file in the Bureau of Land Management, as granted by Patent recorded in Book 1294 of Official Records, page 686, records of Yavapai County, Arizona; and

EXCEPT all that portion within the boundaries of Quartette Lode Mining Claim, according to Mineral Survey No. 1321; Copperopolis, Defiance and Fairplay Lode Mining Claims, according to Mineral Survey No. 1234; Contact No. 1, Navy No. 1, Navy No. 2 and Navy No. 3 Lode Mining Claims, according to Mineral Survey No. 1495; Sunrise No. 3 and Sunrise No. 4 Lode Mining Claims, according to Mineral Survey No. 3866; Zonia Millsite Nos. 70 to 73, inclusive, Lode Mining Claims in Walnut Grove Mining District, according to Mineral Survey No. 4681 A and B; and the West half of Section 14, Township 11 North, Range 4 West of the Gila and Salt River Base and Meridian, Yavapai County, Arizona, as set forth in Patent.

-CONTINUED-

## -EXHIBIT "A" (continued)-

## PARCEL 9:

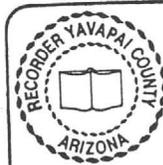
Zonia NO. 26 Lode Mining Claim and Zonia Millsite Nos. 70 to 73, inclusive, Lode Mining Claims in Walnut Grove Mining District, being shown on Mineral Survey Nos. 4681 A and B Amended on file in the Bureau of Land Management, as granted by Patent recorded in Book 1294 of Official Records, page 686, records of Yavapai County, Arizona;

EXCEPT all that portion within the boundaries of Quartette Lode Mining Claim, according to Mineral Survey No. 1321; Copperopolis, Defiance and Fairplay Lode Mining Claims, according to Mineral Survey No. 1324; Contact No. 1, Navy No. 1, Navy No. 2, and Navy No. 3 Lode Mining Claims, according to Mineral Survey No. 1495; Sunrise No. 3 and Sunrise No. 4 Lode Mining Claims, according to Mineral Survey No. 3866; and the West half of Section 14, Township 11 North, Range 4 West of the Gila and Salt River Base and Meridian, Yavapai County, Arizona, as set forth in Patent.

When Recorded Mail to:

ARIMETCO, INC.  
335 N. WILMOT RD. STE. 400  
TUCSON, AZ 85711

INDEXED &  
MICROFILMED



INSTRUMENT # 9547373  
OFFICIAL RECORDS OF  
YAVAPAI COUNTY  
MARGO W. CARSON  
REQUEST OF:  
TRANSAMERICA TITLE INS CO  
DATE: 09/14/95 TIME: 16:30  
FEE: 5.00 SC: 4.00 PT: 1.00  
BOOK 3077 PAGE 130 PAGES: 005

BK	FEE
	\$
MAP	\$4
PCL	\$5
	\$1
\$10	

QUIT CLAIM DEED

For the consideration of Ten Dollars, and other valuable considerations,

THE ZONIA COMPANY, AN ARIZONA CORPORATION AND ZONIA LANDFILL, INC., AN ARIZONA CORPORATION

hereby quit-claim to

ARIMETCO, INC., A NEVADA CORPORATION

all right, title, or interest in the following real property situated in Yavapai County, Arizona:

VARIOUS UNPATENTED MINING CLAIMS AS DESCRIBED ON EXHIBIT 'A' AND EXHIBIT 'B' ATTACHED HERETO AND MADE A PART HEREOF, LOCATED IN YAVAPAI COUNTY, ARIZONA.

EXEMPT PER ARS 42-1614 A6

Dated this 12th day of September, 1995

W. RAY HILL, PRESIDENT OF THE ZONIA COMPANY AND ZONIA LANDFILL, INC.

State of Arizona )  
County of Yavapai ) ss.

This instrument was acknowledged before me this 12 day of September 1995 by W. RAY HILL

3-2-99

My commission expires

Notary Public

SEAL

EXHIBIT 'A'

UNPATENTED LODGE MINING AND MILL SITE CLAIMS SITUATED IN THE WALNUT GROVE MINING DISTRICT, COUNTY OF YAVAPAI, STATE OF ARIZONA; THE LOCATION NOTICES OF WHICH ARE OF RECORD IN THE OFFICE OF THE YAVAPAI COUNTY RECORDER, PRESCOTT, ARIZONA AND FILED IN THE STATE OFFICE OF THE BUREAU OF LAND MANAGEMENT, PHOENIX, ARIZONA AS FOLLOWS:

NAME OF CLAIM	BOOK OF OFFICIAL RECORDS	PAGE NO.	AMC NUMBER
ZONIA NO. 2	1358	591-592	124258
ZONIA NO. 3			
ZONIA NO. 5	1358	593-594	124259
ZONIA NO. 6	1358	595-596	124260
ZONIA NO. 7	1358	597-598	124261
ZONIA NO. 8	1358	599-600	124262
ZONIA NO. 9	1358	601-602	124263
ZONIA NO. 10	1358	603-604	124264
ZONIA NO. 11	1358	605-606	124265
ZONIA NO. 14	1358	607-608	124266
ZONIA NO. 15	1358	609-610	124267
ZONIA NO. 16	1358	611-612	124268
ZONIA NO. 17	1358	613-614	124269
ZONIA NO. 18	1358	615-616	124270
ZONIA NO. 19	1358	617-618	124271
ZONIA NO. 20	1358	619-620	124272
ZONIA NO. 21	1358	621-622	124273
ZONIA NO. 22	1358	623-624	124274
ZONIA NO. 23	1358	625-626	124275
ZONIA NO. 24	1358	627-628	124276
COPPER BAR NO. 2	1358	645-646	124285
COPPER KING NO. 1	1358	635-636	124280
COPPER KING NO. 3	1358	637-638	124281
COPPER KING NO. 4	1358	639-640	124282
SCOTT NO. 1	1358	641-642	124283
SCOTT NO. 2	1358	643-644	124284
MISTAKE FRACTION NO. 1	761	114	75989
MISTAKE FRACTION NO. 2	761	115	75990
MISTAKE NO. 1	761	116	75991
MISTAKE NO. 2	761	117	75992
MISTAKE NO. 3	761	118	75993
MISTAKE NO. 4	761	119	75994
MISTAKE NO. 5	761	120	75995
MISTAKE NO. 6	761	121	75996
MISTAKE NO. 7	761	122	75997
MISTAKE NO. 8	761	123	75998
MISTAKE NO. 9	761	124	75999
MISTAKE NO. 10	761	125	76000
MISTAKE NO. 11	761	126	76001
MISTAKE NO. 12	761	127	76002

EXHIBIT 'A' CONTINUED

NAME OF CLAIM	BOOK OF OFFICIAL RECORDS	PAGE NO.	AMC NUMBER
MISTAKE NO. 13	761	128	76003
MISTAKE NO. 14	761	129	76004
MISTAKE NO. 15	761	130	76005
MISTAKE NO. 16	761	131	76006
MISTAKE NO. 17	761	132	76007
MISTAKE NO. 18	761	133	76008
LAST MISTAKE	761	134	76009
LOIS NO. 1	464	551	75979
LOIS NO. 2	464	552	75980
LOIS NO. 3	464	553	75981
LOIS NO. 4	464	554	75982
LOIS NO. 5	464	555	75983
LOIS NO. 6	464	556	75984
LOIS NO. 17	464	557	75985
LOIS NO. 18	464	558	75986
LOIS NO. 19	464	559	75987
LOIS NO. 20	464	560	75988

CLAIM NAME	BOOK OF OFFICIAL RECORDS	PAGE NO.	B.L.M. SERIAL #
ZONIA MS NO. 1 AMENDED	1294	748	A MC 76098
ZONIA MS NO. 7 AMENDED	1294	756	A MC 76104
ZONIA MS NO. 8 AMENDED	1294	757	A MC 76105
ZONIA MS NO. 9 AMENDED	1294	758	A MC 76106
ZONIA MS NO. 10 AMENDED	1294	759	A MC 76107
ZONIA MS NO. 11 AMENDED	1294	759	A MC 76108
ZONIA MS NO. 17 AMENDED	1294	767	A MC 76114
ZONIA MS NO. 18 AMENDED	1294	767	A MC 76115
ZONIA MS NO. 19 AMENDED	1294	768	A MC 76116
ZONIA MS NO. 20 AMENDED	1294	769	A MC 76117
ZONIA MS NO. 33 AMENDED	1294	783	A MC 76130
ZONIA MS NO. 34 AMENDED	1294	784	A MC 76131
ZONIA MS NO. 35 AMENDED	1294	785	A MC 76132
ZONIA MS NO. 36 AMENDED	1294	786	A MC 76133
ZONIA MS NO. 40	1294	790	A MC 76137
ZONIA MS NO. 41	1294	791	A MC 76138
ZONIA MS NO. 42	1294	792	A MC 76139
ZONIA MS NO. 44	1294	794	A MC 76141
ZONIA MS NO. 45	1294	795	A MC 76142
ZONIA MS NO. 57	1294	840	A MC 76154
ZONIA MS NO. 58	1294	808	A MC 76155

EXHIBIT 'B'

UNPATENTED LODE MINING AND MILL SITE CLAIMS SITUATED IN THE WALNUT GROVE MINING DISTRICT, COUNTY OF YAVAPAI, STATE OF ARIZONA; THE LOCATION NOTICES OF WHICH ARE OF RECORD IN THE OFFICE OF THE YAVAPAI COUNTY RECORDER, PRESCOTT, ARIZONA  
AND FILED IN THE STATE OFFICE OF THE BUREAU OF LAND MANAGEMENT, PHOENIX, ARIZONA AS FOLLOWS:

CLAIM NAME	BOOK	PAGE	A MC NO.
GOLD CROWN	159	400	76046
COPPER CROWN NO. 1	147	155	76047
COPPER CROWN NO. 2	147	156	76048
COPPER CROWN NO. 3	147	157	76049
COPPER CROWN NO. 4	151	331	76050
COPPER CROWN NO. 5	151	332	76051
COPPER CROWN NO. 6	151	333	76052
COPPER CROWN NO. 7	151	334	76053
COPPER CROWN NO. 8	151	335	76054
COPPER CROWN NO. 9	55	111	76055
COPPER CROWN NO. 10	7	186	76056
COPPER CROWN NO. 12	55	112	76057
COPPER CROWN NO. 13	560	929	76058
COPPER CROWN NO. 14	63	204	76059
COPPER CROWN NO. 15	64	179	76060
COPPER CROWN NO. 16	64	180	76061
COPPER CROWN NO. 17	64	181	76062
COPPER CROWN NO. 18	68	385	76063
COPPER CROWN NO. 19	68	386	76064
COPPER CROWN NO. 20	68	387	76065
COPPER CROWN NO. 21	68	388	76066
COPPER CROWN NO. 22	68	389	76067
COPPER CROWN NO. 23	68	390	76068
COPPER CROWN NO. 24	68	391	76069
COPPER CROWN NO. 25	68	392	76070
COPPER CROWN NO. 26	68	393	76071
COPPER CROWN NO. 27	83	74	76072
COPPER CROWN NO. 28	73	402	76073
COPPER CROWN NO. 29	73	403	76074
COPPER CROWN NO. 30	73	404	76075
COPPER CROWN NO. 31	73	405	76076
COPPER CROWN NO. 32	83	75	76077
COPPER CROWN NO. 33	112	374	76078
COPPER CROWN NO. 34	112	375	76079
COPPER CROWN NO. 35	112	376	76080
COPPER CROWN NO. 36	560	930	76081
COPPER CROWN NO. 37	560	931	76082
COPPER CROWN NO. 38	560	932	76083
COPPER CROWN NO. 39	560	933	76084
COPPER CROWN NO. 40	560	934	76085

EXHIBIT 'B' CONTINUED

CLAIM NAME	BOOK	PAGE	A MC NO.
COPPER CROWN NO. 41	560	935	76086
COPPER CROWN NO. 42	560	936	76087
COPPER CROWN NO. 43	560	937	76088
COPPER CROWN NO. 44	560	938	76089
COPPER CROWN NO. 45	560	939	76090
COPPER CROWN NO. 46	560	940	76091
COPPER CROWN NO. 47	560	941	76092
COPPER CROWN NO. 48	560	942	76093
COPPER CROWN NO. 49	560	943	76094
COPPER CROWN NO. 50	560	944	76095
COPPER CROWN NO. 51	560	945	76096
AMENDED	706	403	76096
COPPER CROWN NO. 52	560	946	76097
COPPER CROWN NO. 53	1484	185-186	188442

ARIMETCO, Inc.  
ZONIA PAYMENTS

	<u>Payment</u>	<u>Balance</u>
		\$800,000
Nov-93	\$40,000	760,000
Dec-93	40,000	720,000
Jan-94		720,000
Feb-94	10,000	710,000
Mar-94	10,000	700,000
Apr-94	10,000	690,000
May-94	20,000	670,000
Jun-94	15,000	655,000
Jul-94	15,000	640,000
Aug-94	15,000	625,000
Sep-94	25,000	600,000
Oct-94	25,000	575,000
Nov-94	25,000	550,000
Dec-94	25,000	525,000
Jan-95	0	525,000
Feb-95	30,000	495,000
Mar-95	10,000	485,000
Mar-95	25,000	460,000
Apr-95	25,000	435,000
May-95	25,000	410,000
Jun-95	25,000	385,000
Jul-95	25,000	360,000
Aug-95	50,000	310,000
Sep-95	50,000	260,000
Oct-95	50,000	210,000
Nov-95	50,000	160,000
Dec-95	50,000	110,000
Jan-96	50,000	60,000
Feb-96	50,000	10,000
Mar-96	10,000	0
	<u>\$800,000</u>	

ZONIA PAYMENTS DUE

	<u>AMOUNT</u>	<u>PAYMENT</u>	<u>BALANCE</u>
Nov-93	\$40,000	\$40,000	\$0
Dec-93	40,000	40,000	0
Jan-94	40,000		40,000
Feb-94	40,000	10,000	30,000
Mar-94	40,000	10,000	30,000
Apr-94	40,000	10,000	30,000
May-94	40,000	20,000	20,000
Jun-94	40,000	15,000	25,000
Jul-94	40,000	15,000	25,000
Aug-94	40,000	15,000	25,000
Sep-94	40,000	25,000	15,000
Oct-94	40,000	25,000	15,000
Nov-94	40,000	25,000	15,000
Dec-94	40,000	25,000	15,000
	560,000	275,000	285,000
Jan-95	25,000	0	25,000
Feb-95	25,000	30,000	(5,000)
Mar-95	25,000	10,000	15,000
	635,000	315,000	320,000
Mar-95		25,000	(25,000)
Apr-95	25,000	25,000	0
May-95	25,000	25,000	0
Jun-95	25,000	25,000	0
Jul-95	90,000	25,000	65,000
	800,000	440,000	360,000
Aug-95		25,000	(25,000)
Sep-95		50,000	(50,000)
Oct-95		50,000	(50,000)
Nov-95		50,000	(50,000)
Dec-95		50,000	(50,000)
Jan-96		50,000	(50,000)
Feb-96		50,000	(50,000)
Mar-96		35,000	(35,000)
Balance	0		0
	<u>\$800,000</u>	<u>\$800,000</u>	<u>\$360,000</u>

Handwritten calculations:

$$\begin{array}{r} 800 \\ - 315 \\ \hline 485 \\ - 125 \\ \hline 360 \end{array}$$

? s/ 1850,000

$$\begin{array}{r} 800 \\ - 50 \\ \hline 750 \\ - 440 \\ \hline 310 \text{ Bal} \end{array}$$

# THE ZONIA COMPANY

Zonia Mine  
Route 1  
Kirkland, Arizona

General Office  
212 S. Marina Street  
Prescott, Arizona 86303  
(602)778-2101

Arimetco, Inc.  
950 Finance Center Drive, Suite 180  
Tucson, AZ. 85710

Attn: Harrison Matson  
FAX: 602-290-4576

RE: Extention of Option Term

Dear Harrison:

Per the Option To Purchase Agreement dated August 24, 1993 we hereby consent to modifying the term of the option period from April 15, 1994 to October 15, 1994.

Sincerely,



W. R. Hill

WRH/mc

OPTION TO PURCHASE AGREEMENT

THIS AGREEMENT is made effective as of the 24th day of August, 1993 by and between THE ZONIA COMPANY, an Arizona corporation, and ZONIA LANDFILL, INC., an Arizona corporation (collectively as "OWNER"), and ARIMETCO, INC., a Nevada corporation authorized to do business in Arizona (hereinafter "ARIMETCO"):

Recitals:

(i) Pursuant to Mining Lease Agreement dated August 21, 1992, as amended by Supplement Amendment to Mining Lease Agreement dated December 21, 1992 (collectively, the "Mining Lease"), OWNER leased to ARIMETCO the patented lode mining and millsite claims described in Exhibit A attached hereto and made a part hereof, the unpatented lode mining claims described in Exhibit B attached hereto and made a part hereof and an undivided one-half interest in the unpatented lode mining claims described in Exhibit C attached hereto and made a part hereof and OWNER has assigned to ARIMETCO State of Arizona Commercial Lease No. 03-1150 described in Exhibit D attached hereto and made a part hereof (the "State Lease") all of which properties are situated in the Walnut Grove Mining District, Yavapai County, Arizona, and are hereinafter collectively referred to as the "Optioned Properties";

(ii) OWNER and ARIMETCO desire to enter into an Agreement pursuant to which OWNER shall grant to ARIMETCO an option to purchase all of the OWNER'S right, title and interest in the Optioned Properties together with the equipment thereon as described in Exhibit E attached hereto and made a part hereof (the "Equipment"), and pursuant to which ARIMETCO shall continue to exercise the rights granted to ARIMETCO under the Mining Lease, as such rights are modified by the provisions of Section 3 below.

NOW THEREFORE, In consideration of the agreements and covenants set forth herein, OWNER hereby grants to ARIMETCO the sole and exclusive right and option to purchase all of OWNER'S right, title and interest in the Optioned Properties and Equipment pursuant to the terms and conditions hereof:

1. Grant of Option to Purchase

OWNER hereby grants to ARIMETCO the sole and exclusive option to purchase all of OWNER'S right, title and interest in the Optioned Properties and the Equipment for a total purchase price of Eight Hundred Thousand Dollars (\$800,000) payable at the times and in the manner described in Section 5 below if ARIMETCO exercises its option to purchase the Optioned Properties.

2. Option Term; Payment

The term of the option granted under this Agreement shall be for a period expiring April 15, 1994 unless sooner terminated as provided in Section 6 below or unless Arimetco sooner exercises its option to purchase the Optioned Properties. Arimetco shall pay to OWNER on or before November 30, 1993 the sum of \$40,000 and a like sum on the corresponding day of each month thereafter prior to the exercise by Arimetco of its option to purchase and while this Agreement is in effect, all of which sums shall be a credit against the total purchase price if Arimetco exercise its option to purchase.

3. Modifications to Lease Terms

While this Agreement is in effect, OWNER and ARIMETCO agree that: (i) ARIMETCO shall have no obligation to make any of the minimum advance royalty payments described in Section 3 of the Mining Lease nor to comply with and report the work expenditure obligations described in Section 5 (c) of the Mining Lease; and (ii) OWNER shall abandon all operations of with respect to the Landfill Project Area described in the Mining Lease and OWNER hereby grants to ARIMETCO all of the rights with respect to the Landfill Project Area as OWNER has previously granted to ARIMETCO with respect to the Subject Premises described in the Mining Lease as if the same were included within said Subject Premises. If ARIMETCO terminates this Agreement or fails to exercise the option to purchase prior to the expiration of this Agreement, the Mining Lease shall remain in full force and effect unless and until terminated pursuant to the provisions thereof and upon the expiration or termination of this Agreement (other than by exercise by ARIMETCO of its option to purchase), the above described payment and work expenditure obligations shall return to full force and effect.

4. Exercise of Option To Purchase

If ARIMETCO exercises its option to purchase hereunder it shall do so by giving written notice thereof to OWNER on or before April 15, 1994, which notice shall designate a closing date no later than the date thirty (30) days following exercise of the option to purchase and shall designate a title insurance company within the State of Arizona to act as escrow agent for purposes of closing the purchase by ARIMETCO of the Optioned Properties and the Equipment.

5. Escrow

Promptly following exercise by Arimetco of the option to purchase, the parties shall execute escrow agent's standard escrow instructions. OWNER and ARIMETCO shall each pay one-half

of the escrow fee and the premium for the hereinafter described Owner's Title Insurance Policy premium. Upon establishment of the escrow, the escrow agent shall deliver to the parties a preliminary title report as to the patented mining claims described in Exhibit A and upon approval thereof by ARIMETCO, OWNER shall execute and deliver into Escrow a good and sufficient Warranty Deed conveying to ARIMETCO the patented mining claims described in Exhibit A and a Quitclaim Deed quitclaiming to ARIMETCO all of OWNER's right, title and interest to the unpatented mining claims described in Exhibit B and C and a good and sufficient Bill of Sale conveying the Equipment to ARIMETCO, free and clear of liens and encumbrances. OWNER's obligation to deliver good and sufficient title to the patented claims shall be fulfilled by issuance to ARIMETCO at closing of escrow agent's standard form Owner Title Policy in the amount of the purchase price, subject only to: (i) taxes which may constitute a lien but which are not yet due and payable; (ii) roads, rights-of-way and easements of record in the office of the Recorder of Yavapai County, Arizona; (iii) reservations and exceptions contained in the United States Patents thereto; (iv) the standard exceptions and exclusions contained in the policy. Closing shall be at the office of the escrow agent at a time mutually convenient to the parties. At closing, ARIMETCO shall execute and deliver to OWNER through escrow (i) a promissory note in the amount of \$800,000 less all payments theretofore made to Owner pursuant to Section 2, such amount to be payable in installments and without interest at the rate of \$40,000 per month until paid in full, and (ii) a deed of trust to the Optioned Properties creating a first lien thereon as security for the promissory note. Upon delivery to ARIMETCO of the Deeds, the title policy and the bill of sale and to OWNER of the promissory note and deed of trust, the escrow shall close and this Agreement and the Mining Lease shall terminate and OWNER shall have no further interest (other than its security interest under the deed of trust) in and to the Optioned Properties and the Equipment.

Upon payment in full of the promissory note, OWNER shall mark the same as paid in full and deliver it to ARIMETCO together with a deed of release and full reconveyance fully executed by OWNER in a recordable form releasing the lien of the deed of trust.

6. Termination

ARIMETCO shall have the right, at any time prior to exercise of its option to purchase, to terminate this Agreement upon twenty (20) days prior written notice to OWNER and upon such termination, the further right and obligations of the parties shall be governed by the provisions of the Mining Lease.

7. Notices

Any notice or communication required or permitted hereunder shall be effective when personally delivered or shall be effective when addressed:

If to OWNER:

The Zonia Company  
Zonia Landfill, Inc.  
Attn: Ray Hill  
212 S. Marina Street  
Prescott, AZ 86303

If to ARIMETCO:

Arimetco, Inc.  
Attn: President  
950 FINANCE CENTER DR SUITE 180  
Tucson, AZ 85710

and deposited, postage prepaid, certified or registered, in the United States mail. Either party may, by notice to the other given, as aforesaid, change its mailing addresses for future notices hereunder.

8. Binding Effect; Assignment

The rights of either party hereunder may be assigned in whole or in part and the provisions hereof shall inure to the benefit of and be binding upon their respective successors and assigns, but no change or divisions of ownership of the Subject Premises or payments hereunder, however accomplished, shall operate to enlarge the obligations or diminish the rights of either party hereunder. No such change or divisions in the ownership of the Subject Premises shall be binding upon the non-assigning party for any purpose until the first day of the month next succeeding the month in which such person or entity assigning or acquiring an interest shall furnish the non-assigning party notice thereon, together with a recorded or verified copy of the instrument evidencing such assignment, transfer or division of ownership or interest.

9. Memorandum

The parties to this Agreement agree to execute and record a Memorandum or short form of this Agreement in a form sufficient to constitute record notice to third parties of the rights granted hereunder, which may be recorded with the Recorder of Yavapai County, Arizona.

10. General

It is expressly agreed that no implied covenant or condition shall be read into this Agreement relating to any of the operations of ARIMETCO hereunder or as to the measure of diligence thereof, it being expressly agreed and understood that subject only to the express obligations of this Agreement, the operations conducted by ARIMETCO shall be conducted at such time and in such manner as ARIMETCO, in its sole discretion deems advisable. This Agreement shall be construed in accordance with the laws of the State of Arizona. The headings and subheadings used herein are for convenience only and shall not be deemed to be a part of the Agreement for purposes of construction hereof.

IN WITNESS WHEREOF, the parties have executed this OPTION TO PURCHASE AGREEMENT effective as of the date first above set forth.

OWNER

THE ZONIA COMPANY, an Arizona corporation

By  \_\_\_\_\_  
Ray Hill  
Its: President

ZONIA LANDFILL, INC., an Arizona corporation

By  \_\_\_\_\_  
Ray Hill  
Its: President

ARIMETCO

ARIMETCO, INC., a Nevada corporation

By  \_\_\_\_\_  
Desmond P. Kearns  
Its: President

STATE OF ARIZONA )  
COUNTY OF Havapai ) SS.

The foregoing instrument was acknowledged before me this 26 day of November, 1993 by Ray Hill, the President of The Zonia Company, an Arizona corporation, on behalf of the corporation.

Suzanne D. Montwee Suzanne D. Licher  
Notary Public

My Commission Expires:

My Commission Expires Jan. 19, 1996

STATE OF ARIZONA )  
COUNTY OF Maricopa ) SS.

The foregoing instrument was acknowledged before me this 24 day of November, 1993 by Ray Hill, the President of Zonia Landfill, Inc., an Arizona corporation, on behalf of the corporation.

Sharon L. Gilmore  
Notary Public

My Commission Expires:



STATE OF ARIZONA )  
COUNTY OF Pima ) SS.

The foregoing instrument was acknowledged before me this 30 day of Nov., 1993 by Desmond P. Kearns, the President of Arimetco, Inc., a Nevada corporation, on behalf of the corporation.

Lynette Reed  
Notary Public

My Commission Expires:

My Commission Expires April 4, 1995

EXHIBIT "A"  
DESCRIPTION

PARCEL NO. 1:

Georgia, Georgia No. 2, Georgia No. 3, Yankee Girl, Sunrise, Sunrise No. 2, Sunrise No. 3 and Sunrise No. 4 Lode Mining Claims in Walnut Grove Mining District, being shown on Mineral Survey No. 3866 on file in the Bureau of Land Management, as granted by Patent recorded in Book 134 of Deeds, page 557, records of Yavapai County, Arizona.

PARCEL NO. 2:

Richmond and Virginia Lode Mining Claims in Walnut Grove Mining District being shown on Mineral Survey no. 3867 on file in the Bureau of Land Management, as granted by Patent recorded in Book 134 of Deeds, page 369, records of Yavapai County, Arizona.

PARCEL NO. 3:

Polar Star, Tourmaline, Copper Glance, Sunset, Manilla, Copperopolis, Defiance and Fairplay Lode Mining Claims in Walnut Grove Mining District, being shown on Mineral Survey No. 1324 on file in the Bureau of Land Management, as granted by Patent recorded in Book 49 of Deeds, page 485, records of Yavapai County, Arizona;

EXCEPT all that portion within the boundaries of Quartette Lode Mining Claim, according to Mineral Survey No. 1321, all veins, lodes and ledges, throughout their entire depth, the tops or apexes of which may be inside of said excluded portion, as set forth in said Patent.

PARCEL NO. 4:

Quartette Lode Mining Claim in Walnut Grove Mining District, being shown on Mineral Survey No. 1321 on file in the Bureau of Land Management, as granted by Patent recorded in Book 77 of Deeds, page 114, records of Yavapai County, Arizona.

PARCEL NO. 5:

Sunflower, Lone Pine, Fraction and Iron Hat Lode Mining Claims in Walnut Grove Mining District, being shown on Mineral Survey No. 1323A on file in the Bureau of Land Management, as granted by Patent recorded in Book 49 of Deeds, page 478, records of Yavapai County, Arizona;

EXCEPT all that portion within the boundaries of Fountain Lode Mining Claim and Arrastra Lode Mining Claim, according to Mineral Survey Nos. 762 and 767 respectively, and all veins lodes and ledges, throughout their entire depth, the tops of apexes of which may be inside of said excluded portion, as set forth in said Patent.

(continued)

PARCEL NO. 6:

Fountain Lode Mining Claim in Walnut Grove Mining District, being shown on Mineral Survey No. 762 on file in the Bureau of Land Management, as granted by Patent recorded in Book 27 of Deeds, page 633, records of Yavapai County, Arizona.

PARCEL NO. 7:

Arrastra Lode Mining Claim in Walnut Grove Mining District, being shown on Mineral Survey No. 767 on file in the Bureau of Land Management, as granted by Patent recorded in Book 27 of Deeds, page 636, records of Yavapai County, Arizona;

EXCEPT all that portion within the boundaries of Fountain Lode Mining Claim, according to Mineral Survey No. 762, and all veins, lodes and ledges, throughout their entire depth, the tops or apexes of which may be inside of said excluded portion, as set forth in said Patent.

PARCEL NO. 8:

Cuprite, Black Prince, Shamrock, Zonia, Fraction, Victor Copper, Victory Copper No. 1 and One Lode Mining Claims, and Zonia Millsite Nos. 2 to 6, inclusive, 12 to 16, inclusive, 21 to 32, inclusive, 37 to 39, inclusive, 43, 46 to 56, inclusive, 59 to 61, inclusive and 63 in Walnut Grove Mining District, being shown on Mineral Survey Nos. 4659 A and B Amended on file in the Bureau of Land Management, as granted by Patent recorded in Book 1294 of Official Records, page 686, records of Yavapai County, Arizona; and

EXCEPT all that portion within the boundaries of Quartette Lode Mining Claim, according to Mineral Survey No. 1321; Copperopolis, Defiance and Fairplay Lode Mining Claims, according to Mineral Survey No. 1234; Contact No. 1, Navy No. 1, Navy No. 2 and Navy No. 3 Lode Mining Claims, according to Mineral Survey No. 1495; Sunrise No. 3 and Sunrise No. 4 Lode Mining Claims, according to Mineral Survey No. 3866; Zonia Millsite Nos. 70 to 73, inclusive, Lode Mining Claims in Walnut Grove Mining District, according to Mineral Survey no. 4681 A and B; and the West half of Section 14, Township 11 North, Range 4 West of the Gila and Salt River Base and Meridian, Yavapai County, Arizona, as set forth in said Patent.

(continued)

PARCEL NO. 9:

Zonia No. 26 Lode Mining Claim and Zonia Millsite Nos. 70 to 73, inclusive, Lode Mining Claims in Walnut Grove Mining District, being shown on Mineral Survey Nos. 4681 A and B Amended on file in the Bureau of Land Management, as granted by Patent recorded in Book 1294 of Official Records, page 686, records of Yavapai County, Arizona;

EXCEPT all that portion within the boundaries of Quartette Lode Mining Claim, according to Mineral Survey No. 1321; Copperopolis, Defiance and Fairplay Lode Mining Claims, according to Mineral Survey No. 1324; Contact No. 1, Navy No. 1, Navy No. 2 and Navy No. 3 Lode Mining Claims, according to Mineral Survey No. 1495; Sunrise No. 3 and Sunrise No. 4 Lode Mining Claims, according to Mineral Survey No. 3866; and the West half of Section 14, Township 11 North, Range 4 West of the Gila and Salt River Base and Meridian, Yavapai County, Arizona, as set forth in said Patent.

ALL OF WHICH patented lode mining claims and millsite claims are SUBJECT TO:

1. Exceptions and reservations contained in the United States Patents thereto;
2. All existing roads, rights of way and easements and those of record in the office of the recorder of Yavapai County;
3. Taxes, if any, which may constitute a lien but which are not yet due and payable.

## EXHIBIT "B"

The unpatented lode mining claims situated in the Walnut Grove Mining District, County of Yavapai, State of Arizona; the location notices of which are of record in the Office of the County Recorder, Prescott, Arizona and filed in the State Office of the Bureau of Land Management, Phoenix, Arizona are as follows:

<u>Name of Claim</u>	<u>Book of Official Record</u>	<u>Page Number</u>	<u>AMC Number</u>
Zonia No. 2	1358	591-592	124258
Zonia No. 3			
Zonia No. 5	1358	593-594	124259
Zonia No. 6	1358	595-596	124260
Zonia No. 7	1358	597-598	124261
Zonia No. 8	1358	599-600	124262
Zonia No. 9	1358	601-602	124263
Zonia No. 10	1358	603-604	124264
Zonia No. 11	1358	605-606	124265
Zonia No. 14	1358	607-608	124266
Zonia No. 15	1358	609-610	124267
Zonia No. 16	1358	611-612	124268
Zonia No. 17	1358	613-614	124269
Zonia No. 18	1358	617-616	124270
Zonia No. 19	1358	617-618	124271
Zonia No. 20	1358	619-620	124272
Zonia No. 21	1358	621-622	124273
Zonia No. 22	1358	623-624	124274
Zonia No. 23	1358	625-626	124275
Zonia No. 24	1358	627-628	124276
Copper Bar No. 2	1358	645-646	124285
Copper King No. 1	1358	635-636	124280
Copper King No. 3	1358	637-638	124281
Copper King No. 4	1358	639-640	124282
Scott No. 1	1358	641-642	124283
Scott No. 2	1358	643-644	124284
Mistake Fraction No. 1	761	114	75989
Mistake Fraction No. 2	761	115	75990
Mistake No. 1	761	116	75991
Mistake No. 2	761	117	75992
Mistake No. 3	761	117	75993
Mistake No. 4	761	119	75994
Mistake No. 5	761	120	75995
Mistake No. 6	761	121	75996
Mistake No. 7	761	122	75997
Mistake No. 8	761	123	75998
Mistake No. 9	761	124	75999

<u>Name of Claim</u>	<u>Book of Official Record</u>	<u>Page Number</u>	<u>AMC Number</u>
Mistake No. 10	761	125	76000
Mistake No. 11	761	126	76001
Mistake No. 12	761	127	76002
Mistake No. 13	761	128	76003
Mistake No. 14	761	129	76004
Mistake No. 15	761	130	76005
Mistake No. 16	761	131	76006
Mistake No. 17	761	132	76007
Mistake No. 17	761	132	76007
Mistake No. 18	761	133	76008
Last Mistake	761	134	76009
Lois No. 1	464	551	75979
Lois No. 2	464	554	75980
Lois No. 3	464	555	75981
Lois No. 4	464	556	75982
Lois No. 5	464	555	75983
Lois No. 6	464	556	75984
Lois No. 17	464	557	75985
Lois No. 18	464	558	75986
Lois No. 19	464	559	75987
Lois No. 20	464	560	75988

The unpatented lode mining claims situated in the Walnut Grove Mining District, County of Yavapai, State of Arizona; the location notices of which are of record in the Office of the County Recorder, Prescott, Arizona and filed in the State Office of the Bureau of Land Management, Phoenix, Arizona are as follows:

<u>Claim Name</u>	<u>County Book</u>	<u>Records Page</u>	<u>B.L.M. Serial #</u>
Zonia MS No. 1 Amended	1294	748	A MC 76098
Zonia MS No. 7 Amended	1294	756	A MC 76104
Zonia MS No. 8 Amended	1294	757	A MC 76105
Zonia MS No. 9 Amended	1294	758	A MC 76106
Zonia MS No. 10 Amended	1294	759	A MC 76107
Zonia MS No. 11 Amended	1294	759	A MC 76108
Zonia MS No. 17 Amended	1294	767	A MC 76114
Zonia MS No. 18 Amended	1294	767	A MC 76115
Zonia MS No. 19 Amended	1294	768	A MC 76116
Zonia MS No. 20 Amended	1294	769	A MC 76117
Zonia MS No. 33 Amended	1294	783	A MC 76130
Zonia MS No. 34 Amended	1294	784	A MC 76131
Zonia MS No. 35 Amended	1294	785	A MC 76132
Zonia MS No. 36 Amended	1294	786	A MC 76133
Zonia MS No. 40	1294	790	A MC 76137
Zonia MS No. 41	1294	791	A MC 76138
Zonia MS No. 42	1294	792	A MC 76139
Zonia MS No. 44	1294	794	A MC 76141
Zonia MS No. 45	1294	795	A MC 76142
Zonia MS No. 57	1294	840	A MC 76154
Zonia MS No. 58	1294	808	A MC 76155

ALL OF WHICH unpatented lode mining claims are SUBJECT TO:

1. Paramount title of the United States;
2. All existing roads, rights of way and easements and those of record in the office of the recorder of Yavapai County and those of record in the Arizona State office of the Bureau of Land Management;
3. All leases, permits, approvals and other rights and privileges heretofore or hereafter granted by or obtained from the United States in its administration of its paramount title; and
4. Exceptions and reservations contained in surface patents (if any) issued by the United States or the State of Arizona.

EXHIBIT C

The unpatented lode mining claims situated in the Walnut Grove Mining District, County of Yavapai, State of Arizona; the location notices of which are of record in the Office of the County Recorder, Prescott, Arizona and filed in the State Office of the Bureau of Land Management, Phoenix, Arizona are as follows.

<u>Claim Name</u>	<u>Book</u>	<u>Page</u>	<u>A. M. C. No.</u>	<u>Section</u>	<u>Township</u>	<u>Range</u>
Gold Crown	159	400	76046	6	11 N	3 W
Copper Crown No. 1	147	155	76047	1	11 N	4 W
Copper Crown No. 2	147	156	76048	1	11 N	4 W
Copper Crown No. 3	147	157	76049	1	11 N	3 W
Copper Crown No. 4	151	331	76050	1	11 N	4 W
Copper Crown No. 5	151	332	76051	31	12 N	3 W
Copper Crown No. 6	151	333	76052	1	11 N	4 W
Copper Crown No. 7	151	334	76053	1	11 N	4 W
Copper Crown No. 8	151	335	76054	6	11 N	3 W
Copper Crown No. 9	55	111	76055	6	11 N	3 W
Copper Crown No. 10	7	136	76056	31	11 N	3 W
Copper Crown No. 12	55	112	76057	1	11 N	4 W
Copper Crown No. 13	560	929	76058	6	11 N	3 W
Copper Crown No. 14	63	204	76059	6	11 N	3 W
Copper Crown No. 15	64	179	76060	31	12 N	3 W
Copper Crown No. 16	64	180	76061	31	12 N	3 W
Copper Crown No. 17	64	181	76062	6	11 N	3 W
Copper Crown No. 18	68	385	76063	6	11 N	3 W
Copper Crown No. 19	68	386	76064	5	11 N	3 W
Copper Crown No. 20	68	387	76065	1	11 N	4 W
Copper Crown No. 21	68	388	76066	6	11 N	3 W
Copper Crown No. 22	68	389	76067	6	11 N	3 W
Copper Crown No. 23	68	390	76068	31	12 N	3 W
Copper Crown No. 24	68	391	76069	31	12 N	3 W
Copper Crown No. 25	68	392	76070	32	12 N	3 W
Copper Crown No. 26	68	393	76071	1	11 N	4 W
Copper Crown No. 27	83	74	76072	6	11 N	3 W
Copper Crown No. 28	73	402	76073	6	11 N	3 W
Copper Crown No. 29	73	403	76074	6	11 N	3 W
Copper Crown No. 30	73	404	76075	6	11 N	3 W
Copper Crown No. 31	73	405	76076	31	12 N	3 W
Copper Crown No. 32	33	75	76077	32	12 N	3 W
Copper Crown No. 33	112	374	76078	6	11 N	3 W
Copper Crown No. 34	112	375	76079	6	11 N	3 W
Copper Crown No. 35	112	376	76080	32	12 N	3 W
Copper Crown No. 36	560	930	76081	32	12 N	3 W
Copper Crown No. 37	560	931	76082	6	11 N	3 W
Copper Crown No. 38	560	932	76083	6	11 N	3 W
Copper Crown No. 39	560	933	76084	6	11 N	3 W
Copper Crown No. 40	560	934	76085	6	11 N	3 W
Copper Crown No. 41	560	935	76086	32	12 N	3 W
Copper Crown No. 42	560	936	76087	32	12 N	3 W
Copper Crown No. 43	560	937	76088	6	11 N	3 W
Copper Crown No. 44	560	938	76089	6	11 N	3 W
Copper Crown No. 45	560	939	76090	6	11 N	3 W
Copper Crown No. 46	560	940	76091	6	11 N	3 W
Copper Crown No. 47	560	941	76092	5	11 N	3 W
Copper Crown No. 48	560	942	76093	32	12 N	3 W
Copper Crown No. 49	560	943	76094	31	12 N	3 W
Copper Crown No. 50	560	944	76095	31	12 N	3 W
Copper Crown No. 51	560	945	76096	6	11 N	3 W
Amerded	706	103	76096	6	11 N	3 W
Copper Crown No. 52	560	946	76097	31	12 N	3 W
Copper Crown No. 53	1484	135, 135	138442	1	11 N	4 W

EXHIBIT D

State of Arizona Commercial Lease No. 03-1150 dated June 25, 1991 and issued to The Zonia Company and encompassing the following described lands in Section 14, T. 11 N., R. 14 W., G.& S.R.M., Yavapai County, Arizona:

The Southeast Quarter of the Northwest Quarter (SE 1/4 NW 1/4) and the Northeast Quarter of the Southwest Quarter (NE 1/4 SW 1/4) of said Section 14 and containing 80 acres more or less.



AMENDMENT OF OPTION TO PURCHASE AGREEMENT

This Agreement and Amendment made and entered into this \_\_\_\_\_ day of March, 1995, by and between The Zonia Company, an Arizona corporation, and Zonia Landfill, Inc., an Arizona corporation (collectively as "OWNER"), and Arimetco, Inc., a Nevada corporation authorized to do business in Arizona ("ARIMETCO"):

WITNESSETH:

WHEREAS, the parties hereto have heretofore entered into an Option to Purchase Agreement dated the 24th day of August, 1993 wherein OWNER agreed to grant ARIMETCO an option to purchase property together with the equipment thereon, as described in Exhibit A attached hereto and made a part hereof, upon the terms and conditions as said Agreement expressly sets forth; and

WHEREAS, OWNER and ARIMETCO now desire to amend certain provisions of the said Agreement of August 24, 1993, it being the specific intent of the parties, however, that except, as the same shall be expressly amended by this Agreement, the terms and provisions of the said Option To Purchase Agreement of August 24, 1993 shall remain in full force and effect; and

WHEREAS, OWNER AND ARIMETCO agree at the Extension of Option Period Letter Agreement dated October 15, 1994 shall be null and void as of the date of this Amendment of Option to Purchase Agreement; and

NOW, THEREFORE, in consideration of the premises and other good and valuable considerations, the receipt, adequacy and sufficiency of which are hereby acknowledged, and for the purpose of amending the said Agreement of August 24, 1993 it is now and hereby agreed, notwithstanding anything to the contrary in said Option to Purchase Agreement of August 24, 1993 as originally executed, that the said Option to Purchase Agreement of August 24, 1993 is amended in the following particulars:

1. The term of the option shall expire on August 1, 1995 unless sooner terminated as set forth in the August 24, 1993 Agreement.
2. ARIMETCO shall pay to OWNER \$25,000 on or before March 30, 1995 and a like sum on the corresponding day of each month thereafter prior to the exercise by ARIMETCO of its option to purchase.
3. If ARIMETCO exercises its option to purchase it shall do so by giving written notice thereof to OWNER on or before August 1, 1995, which notice shall designate a closing date no later than the date thirty (30) days following exercise of the option to purchase.

4. The Closing Date for the purchase shall be no later than September 1, 1995 and at closing ARIMETCO shall pay OWNER \$50,000 and execute and deliver to OWNER a Promissory Note in the amount of \$800,000 less the \$50,000 closing payment and all option payments theretofore made to OWNER (said balance prior to the March 30, 1995 \$25,000 payment is \$485,000). Purchase balance payable to OWNER at closing shall be payable by ARIMETCO at the rate of \$50,000 per month beginning thirty (30) days after the Closing Date and every thirty (30) days thereafter until paid in full.
5. ARIMETCO agrees to reimburse OWNER at closing for property taxes, penalties and interest thereon, paid by OWNER for the period beginning August 21, 1992 (date of Mining Lease Agreement) and ending on the closing date.
6. ARIMETCO and OWNER hereto expressly ratify and confirm the said Option to Purchase Agreement of August 24, 1993, as amended hereby, and as herein amended, the parties agree and acknowledge that the said Agreement of August 24, 1993 shall remain in full force and effect according to its terms. This Amendment of Option to Purchase Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective heirs, legal representative, successors and assigns.

Executed the day and year first above set forth.

\_\_\_\_\_  
The Zonia Company

\_\_\_\_\_  
Arimetco, Inc.

\_\_\_\_\_  
Zonia Landfill, Inc.

[Draft 1/6/95]

January 6, 1995

Arizona Department of Revenue  
1600 West Monroe  
Phoenix, AZ 85007-2650

Attn: Mr. Joseph D. Langlois  
Financial Compliance Group  
Centrally Valued Properties Unit  
Division of Property Valuation and Equalization

Re: Zonia Property

Dear Mr. Langlois;

Arimetco owns a 100% leasehold interest in the Zonia copper property with an option to purchase the property free and clear of any future royalties. The optioned purchase price is \$800,000 and the option period has currently been extended to March 30, 1995. Through December 31, 1994 payments toward the option price totalled \$275,000. Arimetco is obligated to make option payments of \$40,000 per month in January, February and March 1995. In the absence of any further extensions, Arimetco will bring the balance of the option payments up-to-date on March 30, 1995.

An extension of the option period may become necessary, since the Arizona Department of Environmental Quality has yet to issue permits which had been expected before year-end 1994. Furthermore, any decision to construct a producing copper mine on the Zonia property is dependent on obtaining satisfactory financing, which is uncertain at this time.

Answers to the specific questions posed in your January 3 letter follow:

The amount of minimum advance royalties: none  
Any maximum cap on future royalty payments: none  
Payments to date for acquisition of the property: \$275,000  
Amount entered on the books and records of Arimetco for acquisition cost of Zonia: \$1.3 million for acquisition and initial development. *costs thru 12/31/94*  
Date of acquisition of title to the property: 3/30/95 or later

Should you require any additional information, please don't hesitate to contact me,

Sincerely,

Martin V. Martinez, Controller



[Draft 1/5/95]

January 6, 1995

Arizona Department of Revenue  
1600 West Monroe  
Phoenix, AZ 85007-2650

Attn: Mr. Joseph D. Langlois  
Financial Compliance Group  
Centrally Valued Properties Unit  
Division of Property Valuation and Equalization

Re: Zonia Property

Dear Mr. Langlois;

Arimetco owns a 100% leasehold interest in the Zonia copper property with an option to purchase the property free and clear of any future royalties. The optioned purchase price is \$800,000 and the option period has currently been extended to March 30, 1995. Through December 31, 1994 payments toward the option price totalled \$305,000. Arimetco is obligated to make option payments of \$40,000 per month in January, February and March 1995. In the absence of any further extensions, Arimetco will ~~owe~~ <sup>bring</sup> the balance of the option price on March 30, 1995.

<sup>payments up-to-date</sup> An extension of the option period may become necessary, since the Arizona Department of Environmental Quality has yet to issue permits which had been expected before year-end 1994. Furthermore, any decision to construct a producing copper mine on the Zonia property is dependent on obtaining satisfactory financing, which has not been finalized. <sup>is uncertain uncertain at this time.</sup>

Answers to the specific questions posed in your January 3 letter follow:

The amount of minimum advance royalties: none

Any maximum cap on future royalty payments: none

Payments to date for acquisition of the property: <sup>275</sup> \$305,000

Amount entered on the books and records of Arimetco for acquisition, ~~and development~~ <sup>acquisition and development.</sup> (1) cost of Zonia: \$1.3 million <sup>for</sup>

Date of acquisition of title to the property: 3/30/95 or later

~~(1) Parenthetical added to avoid redundancy to prior question.~~

Should you require any additional information, please contact me,

Sincerely,

Marty Martinez, Controller

*in v.*

*Hearni - \$30,000 / 1992  
adv royalty -  
now option pay?  
lease pay -  
can't repay*

*275*

*payments up-to-date*

*bring*

*275*

*for*

ZONIA PAYMENT DUE PRIOR TO 3-30-95

	<u>AMOUNT</u>	<u>PAYMENT</u>	<u>BALANCE</u>
Aug-92	<del>\$30,000</del>	<del>\$30,000</del>	<del>\$0</del>
Nov-93	40,000	40,000	0
Dec-93	40,000	40,000	0
Jan-94	40,000		40,000
Feb-94	40,000	10,000	30,000
Mar-94	40,000	10,000	30,000
Apr-94	40,000	10,000	30,000
May-94	40,000	20,000	20,000
Jun-94	40,000	15,000	25,000
Jul-94	40,000	15,000	25,000
Aug-94	40,000	15,000	25,000
Sep-94	40,000	25,000	15,000
Oct-94	40,000	25,000	15,000
Nov-94	40,000	25,000	15,000
Dec-94	40,000	25,000	15,000
	<u>590,000</u>	<u>305,000</u>	<u>285,000</u>
Jan-95	40,000	40,000	0
Feb-95	40,000	40,000	0
Mar-95	40,000	40,000	0
	<u>710,000</u>	<u>425,000</u>	<u>285,000</u>

275

D:\DATA\ARX\DEC94\ZONIADUE.WK3  
01/05/95 03:48 PM

Trial Balance as at December 31, 1994

Print Trial Balance from account [ 1] to [199999]  
for department [ 65] to [ 65]  
for the YTD fiscal period ending [12]  
with the report sorted by (Account ).  
(Include) accounts with no activity.

Acct.	Dept.	Description	Trial Balance	
			Debits	Credits
153000	65	Machinery & Equipment	0.00	
153100	65	Machinery/Equipment	56,398.86	
156004	65	Capitalized Development	1,187,012.05	
163100	65	Accum Depreciation M & E		30,293.02
194000	65	Advance Royalty Payments	30,000.00	
			<u>1,273,410.91</u>	<u>30,293.02</u>
			=====	=====

5 accounts printed.

2/22/95 8/11/92  
1243118 9-35  
~~1243118~~

Dec

47481.99

1243118  
47482  
1290600

Select check transactions.  
 Vendor number [zoniac] to [zoniac]  
 Control account [ ] to [zzzzzz]  
 Report group [ ] to [zzzzzz]  
 Include transactions from Jan 01 80 to Dec 31 99.  
 Include fully paid transactions.

Vendor No.	Vendor Name/Doc. Number	Doc. Date	Due Date	Disc Date	Ty	Disc. Rate	Reference	Original Amount	Net Payable	Max Payable (if changed)	Disc. Base (if changed)
zoniac The Zonia Co./Zonia Landfill											
	20277	Nov 30 93			MC		20277	40,000.00-	0.00		
	20662	Dec 30 93			MC		20662	40,000.00-	0.00		
	21498	Feb 28 94			MC		21498	10,000.00-	0.00		
	21930	Mar 30 94			MC		21930	10,000.00-	0.00		
	22341	Apr 29 94			MC		22341	10,000.00-	0.00		
	22658	May 19 94			MC		22658	5,000.00-	0.00		
	22852	May 27 94			MC		22852	15,000.00-	0.00		
	23230	Jun 29 94			MC		23230	15,000.00-	0.00		
	23713	Jul 28 94			MC		acquisition	15,000.00-	0.00		
	24152	Aug 29 94			MC		24152	15,000.00-	0.00		
	24648	Sep 30 94			MC		24648	20,000.00-	0.00		
	24654	Oct 04 94			MC		24654	5,000.00-	0.00		
	25268	Oct 28 94			PA		25268	25,000.00-	0.00		
	25689	Nov 29 94			MC		Acquisiton	25,000.00-	0.00		
	26021	Dec 29 94			MC		26021	25,000.00-	0.00		
									0.00		
									0.00		

121 80  
480

1 vendor(s) printed.

ZONIA  
 195,000.00 94  
 80,000.00 93  
 30,000 92  
 -----  
 305  
 120 / 425 due 95

[Draft 1/5/95]

January 6, 1995

Arizona Department of Revenue  
1600 West Monroe  
Phoenix, AZ 85007-2650

Attn: Mr. Joseph D. Langlois  
Financial Compliance Group  
Centrally Valued Properties Unit  
Division of Property Valuation and Equalization

Re: Zonia Property

Dear Mr. Langlois;

Arimetco owns a 100% leasehold interest in the Zonia copper property with an option to purchase the property free and clear of any future royalties. The optioned purchase price is \$800,000 and the option period has currently been extended to March 30, 1995. Through December 31, 1994 payments toward the option price totalled \$305,000. Arimetco is obligated to make option payments of \$40,000 per month in January, February and March 1995. In the absence of any further extensions, Arimetco will owe the balance of the option price on March 30, 1995. *revise*

An extension of the option period may become necessary, since the Arizona Department of Environmental Quality has yet to issue permits which had been expected before year-end 1994. Furthermore, any decision to construct a producing copper mine on the Zonia property is dependent on obtaining satisfactory financing, which has not been finalized. *revise*

Answers to the specific questions posed in your January 3 letter follow:

The amount of minimum advance royalties: none  
Any maximum cap on future royalty payments: none  
Payments to date for acquisition of the property: \$305,000  
Amount entered on the books and records of Arimetco for acquisition [and development](1) cost of Zonia: \$1.1 million  
Date of acquisition of title to the property: 3/30/95 or later *1.3*

(1) Parenthetical added to avoid redundancy to prior question.

Should you require any additional information, please contact me,  
Sincerely,

Marty Martinez, Controller

Hal

**ARIZONA DEPARTMENT OF REVENUE**

1600 WEST MONROE - PHOENIX, ARIZONA 85007-2650

**FIFE SYMINGTON**  
GOVERNOR



**HAROLD SCOTT**  
DIRECTOR

Telephone: (602) 542-3529  
Facsimile: (602) 542-5667

January 3, 1995

Mr. Marty Martinez, Controller  
Arimetco International, Inc.  
335 N. Wilmot Road  
Suite 410  
Tucson, AZ 85711

Dear Mr. Martinez:

In August of 1992, Arimetco International announced the acquisition of the Zonia copper property located near Prescott, Arizona. The terms disclosed in the press release of August 27, 1992 stated that a 3-1/2% NSR royalty and minimum advance royalties would be payable. In the 1992 Annual Report, Arimetco stated that the property would be acquired either by a 3.5% NSR royalty or outright purchase by 1994.

Because the Department of Revenue is responsible for the valuation of producing mines in Arizona, our office is requesting that Arimetco provide the details for this property acquisition. In particular, we are interested in determining the amount of minimum advance royalties, any maximum cap on future royalty payments, the payments to date for acquisition of the property, the amount entered on the books and records of Arimetco for acquisition cost of Zonia and the date of acquisition of title to the property.

The Department request that Arimetco supply the information by January 20, 1995. Should you have any questions, please feel free to call our office at the number listed above.

Sincerely,

A handwritten signature in cursive script that reads "Joseph D. Langlois".

Joseph D. Langlois  
Financial Compliance Group  
Centrally Valued Properties Unit

**DIVISION OF PROPERTY VALUATION AND EQUALIZATION**  
JDL:sc

**OTHER LOCATIONS: Tucson Government Mall - 400 W. CONGRESS - TUCSON**  
East Valley - 1440/1460 E. SOUTHERN - TEMPE

**PRESS RELEASE**

August 27, 1992

**Arimetco International Inc.** is pleased to announce that it has entered into a Mining Lease Agreement with the Zonia Company of Prescott, Arizona. Under the terms of the lease, the Zonia Company has granted Arimetco the right to conduct exploration and mining operations on the property in return for which Arimetco will pay the Zonia Company a 3 1/2% NSR on all copper cathode produced. Arimetco will also pay the Zonia Company a minimum advance royalty and has agreed to an annual work commitment.

The Zonia property consists of a mixture of patented and unpatented mining claims covering approximately 1200 acres situated 6 miles east of Kirkland Junction, Yavapai County, Arizona. The McAlester Fuel Company, former owners of the property, ran a full scale open pit mining and heap leach operation for the recovery of copper cement between 1966 and 1975. Records indicate McAlester placed 7,130,000 tons of oxide ore grading 0.6% copper on heaps and recovered 30 million pounds of copper. The mine closed due to depressed copper prices and has not been operated since. Arimetco's initial assessment of the property indicates that some 14 million tons of ore grading 0.4% copper remain in the pit and that around 55 million pounds of copper remain in the heaps.

The Company intends to conduct a feasibility study to examine the viability of placing a 35,000 pound per day SX-EW plant, similar to that it built at its Johnson Mine, on the property to recover copper from the partially leached heaps and from the remaining pit ore.

Metallurgical test work on bulk samples taken from the heaps will be conducted at the Company's Johnson Camp Mine where Arimetco's experience of extracting copper from partially leached heaps will enable the Company to make a timely production decision.

For more information contact:

H.R. Shipes  
President, CEO, Chairman  
(602) 745-8882  
(602) 745-0315 FAX

Russell D. Alley  
President, Arimetco Inc.

Alan F. Matthews  
General Manager, Corporate Development

## *Zonia Mine*

Arimetco entered into a Mining Lease/Option Agreement with the Zonia Company to conduct exploration and mining operations on the property, known as the Zonia mine, in return for which Arimetco will either pay the Zonia Company a 3.5% Net Smelter Royalty (NSR), or purchase the property outright by 1994.

The Zonia property consists of a mixture of patented and unpatented mining claims covering approximately 1,200 acres and is situated 6 miles east of Kirkland Junction, Yavapai County, Arizona. The McAlester Fuel Company, former owners of the property, ran a full scale open pit mining and heap leach operation for the recovery of copper cement between 1966 and 1975. Records indicate McAlester placed 7.1-million tons of oxide ore grading 0.6% copper on heaps and recovered 30 million pounds of copper. The mine closed due to depressed copper prices and has not been operated since.

A pre-mine planning drill program at the property was completed in March of 1993, and prior drilling by other companies has been confirmed and reserves recalculated to determine minable reserves and grade. Column testing of the various ore types has been conducted and is on-going to determine expected recovery of copper from the various ore types. A minable ore reserve of approximately 30 million tons has been defined at an ore grade of 0.38% copper. Leach testing of run-of-mine ore indicates a recovery of approximately 70% during a 60 day leach cycle. In addition, the project has a total of seven million tons of ore currently on leach heaps grading approximately 0.24% copper from prior mining and leaching activities.

Permitting and initial development required as part of the permitting process has begun. The company expects this initial development and permitting phase to proceed without delay, since the mine has previously operated as a copper leaching operation. An SX-EW plant of approximately 35,000 pounds per day of cathode copper production will be built on the property. Construction of this plant will require approximately eight months and development costs will be approximately \$5.5 million, exclusive of mining equipment.

## *Ann Mason*

In accordance with the company's objective of identifying near surface ore grade mineralization, a series of five reverse circulation drill holes were completed on the property in 1992. Each hole was placed in an area where information was required to complete a mine model. The core of the deposit, in an area of some 700 ft. by 700 ft., has now been drilled on approximate 200 ft. centers. This area may possibly be designated as a starter pit when the company proceeds with a computer generated mine model.

The most significant results noted from the 1992 drill campaign were recorded from hole 92-4B where sulphide copper values of 0.38% copper were recorded for over 375 ft., from 150 ft. below surface to 525 ft. below surface. Other notable intersections were recorded in hole 92-3, 110 ft. of 0.43% copper from 435 ft. to 545 ft. below collar. Hole 92-3 averaged 0.27% copper from 100 ft. below surface to 545 ft. below surface. Results from hole 92-2 intersected the tail of a higher grade zone noted in previously drilled diamond drill holes D313 and D324, a zone measuring 10 ft. in width was intersected 125 feet below surface with a grade of 0.47% copper. Hole 92-1 did not return any significant values apart from an intersection of 0.34% copper which was noted between 345 ft. and 400 ft. below surface.

During 1993, the company's in-house mine planning team will digitize all the information available on the property with the goal of producing a preliminary mine plan. Further drilling is also expected to take place in 1993 to expand the near surface portion of this exceptionally large sulphide copper deposit.

# THE ZONIA COMPANY

Zonia Mine  
Route 1  
Kirkland, Arizona

General Office  
212 S. Marina Street  
Prescott, Arizona 86303  
(602)778-2101

October 15, 1994

Mr. Desmond Kearns, President  
Mr. Harrison Matson  
Arimetco, Inc.  
950 N. Finance Center Drive, suite 180  
Tucson, Arizona 85710

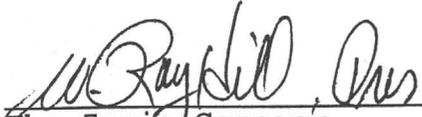
RE: Option to Purchase Agreement  
(Extension of Option Period)

Dear Harrison:

Per our phone conversation Zonia agrees to extend the option period and accept reduced monthly payments per our Option to Purchase Agreement, dated August 24, 1993 (as well as the prior extension granted May 6, 1994) until March 10, 1995 under the following conditions:

1. Arimetco agrees to make monthly payments of \$25,000 to Zonia on or before September 30, October 30, November 30 and December 30, 1994 and increasing to \$40,000 per month payable January 30, February 28, and March 30, 1995.
2. Arimetco agrees to bring current all option money not previously paid to Zonia prior to the March 30, 1995 closing.
3. Arimetco shall reimburse Zonia for property taxes paid by Zonia for period from August 21, 1992 (date of Mining Lease Agreement) until closing.

Signed and accepted this 15<sup>th</sup> day of October, 1994.

  
\_\_\_\_\_  
The Zonia Company

  
\_\_\_\_\_  
Arimetco, Inc.

  
\_\_\_\_\_  
Zonia Landfill, Inc.

OPTION TO PURCHASE AGREEMENT

THIS AGREEMENT is made effective as of the 24th day of August, 1993 by and between THE ZONIA COMPANY, an Arizona corporation, and ZONIA LANDFILL, INC., an Arizona corporation (collectively as "OWNER"), and ARIMETCO, INC., a Nevada corporation authorized to do business in Arizona (hereinafter "ARIMETCO"):

Recitals:

(i) Pursuant to Mining Lease Agreement dated August 21, 1992, as amended by Supplement Amendment to Mining Lease Agreement dated December 21, 1992 (collectively, the "Mining Lease"), OWNER leased to ARIMETCO the patented lode mining and millsite claims described in Exhibit A attached hereto and made a part hereof, the unpatented lode mining claims described in Exhibit B attached hereto and made a part hereof and an undivided one-half interest in the unpatented lode mining claims described in Exhibit C attached hereto and made a part hereof and OWNER has assigned to ARIMETCO State of Arizona Commercial Lease No. 03-1150 described in Exhibit D attached hereto and made a part hereof (the "State Lease") all of which properties are situated in the Walnut Grove Mining District, Yavapai County, Arizona, and are hereinafter collectively referred to as the "Optioned Properties";

(ii) OWNER and ARIMETCO desire to enter into an Agreement pursuant to which OWNER shall grant to ARIMETCO an option to purchase all of the OWNER'S right, title and interest in the Optioned Properties together with the equipment thereon as described in Exhibit E attached hereto and made a part hereof (the "Equipment"), and pursuant to which ARIMETCO shall continue to exercise the rights granted to ARIMETCO under the Mining Lease, as such rights are modified by the provisions of Section 3 below.

NOW THEREFORE, In consideration of the agreements and covenants set forth herein, OWNER hereby grants to ARIMETCO the sole and exclusive right and option to purchase all of OWNER'S right, title and interest in the Optioned Properties and Equipment pursuant to the terms and conditions hereof:

1. Grant of Option to Purchase

OWNER hereby grants to ARIMETCO the sole and exclusive option to purchase all of OWNER'S right, title and interest in the Optioned Properties and the Equipment for a total purchase price of Eight Hundred Thousand Dollars (\$800,000) payable at the times and in the manner described in Section 5 below if ARIMETCO exercises its option to purchase the Optioned Properties.

2. Option Term; Payment

The term of the option granted under this Agreement shall be for a period expiring April 15, 1994 unless sooner terminated as provided in Section 6 below or unless Arimetco sooner exercises its option to purchase the Optioned Properties. Arimetco shall pay to OWNER on or before November 30, 1993 the sum of \$40,000 and a like sum on the corresponding day of each month thereafter prior to the exercise by Arimetco of its option to purchase and while this Agreement is in effect, all of which sums shall be a credit against the total purchase price if Arimetco exercise its option to purchase.

3. Modifications to Lease Terms

While this Agreement is in effect, OWNER and ARIMETCO agree that: (i) ARIMETCO shall have no obligation to make any of the minimum advance royalty payments described in Section 3 of the Mining Lease nor to comply with and report the work expenditure obligations described in Section 5 (c) of the Mining Lease; and (ii) OWNER shall abandon all operations of with respect to the Landfill Project Area described in the Mining Lease and OWNER hereby grants to ARIMETCO all of the rights with respect to the Landfill Project Area as OWNER has previously granted to ARIMETCO with respect to the Subject Premises described in the Mining Lease as if the same were included within said Subject Premises. If ARIMETCO terminates this Agreement or fails to exercise the option to purchase prior to the expiration of this Agreement, the Mining Lease shall remain in full force and effect unless and until terminated pursuant to the provisions thereof and upon the expiration or termination of this Agreement (other than by exercise by ARIMETCO of its option to purchase), the above described payment and work expenditure obligations shall return to full force and effect.

4. Exercise of Option To Purchase

If ARIMETCO exercises its option to purchase hereunder it shall do so by giving written notice thereof to OWNER on or before April 15, 1994, which notice shall designate a closing date no later than the date thirty (30) days following exercise of the option to purchase and shall designate a title insurance company within the State of Arizona to act as escrow agent for purposes of closing the purchase by ARIMETCO of the Optioned Properties and the Equipment.

5. Escrow

Promptly following exercise by Arimetco of the option to purchase, the parties shall execute escrow agent's standard escrow instructions. OWNER and ARIMETCO shall each pay one-half

of the escrow fee and the premium for the hereinafter described Owner's Title Insurance Policy premium. Upon establishment of the escrow, the escrow agent shall deliver to the parties a preliminary title report as to the patented mining claims described in Exhibit A and upon approval thereof by ARIMETCO, OWNER shall execute and deliver into Escrow a good and sufficient Warranty Deed conveying to ARIMETCO the patented mining claims described in Exhibit A and a Quitclaim Deed quitclaiming to ARIMETCO all of OWNER's right, title and interest to the unpatented mining claims described in Exhibit B and C and a good and sufficient Bill of Sale conveying the Equipment to ARIMETCO, free and clear of liens and encumbrances. OWNER's obligation to deliver good and sufficient title to the patented claims shall be fulfilled by issuance to ARIMETCO at closing of escrow agent's standard form Owner Title Policy in the amount of the purchase price, subject only to: (i) taxes which may constitute a lien but which are not yet due and payable; (ii) roads, rights-of-way and easements of record in the office of the Recorder of Yavapai County, Arizona; (iii) reservations and exceptions contained in the United States Patents thereto; (iv) the standard exceptions and exclusions contained in the policy. Closing shall be at the office of the escrow agent at a time mutually convenient to the parties. At closing, ARIMETCO shall execute and deliver to OWNER through escrow (i) a promissory note in the amount of \$800,000 less all payments theretofore made to Owner pursuant to Section 2, such amount to be payable in installments and without interest at the rate of \$40,000 per month until paid in full, and (ii) a deed of trust to the Optioned Properties creating a first lien thereon as security for the promissory note. Upon delivery to ARIMETCO of the Deeds, the title policy and the bill of sale and to OWNER of the promissory note and deed of trust, the escrow shall close and this Agreement and the Mining Lease shall terminate and OWNER shall have no further interest (other than its security interest under the deed of trust) in and to the Optioned Properties and the Equipment.

Upon payment in full of the promissory note, OWNER shall mark the same as paid in full and deliver it to ARIMETCO together with a deed of release and full reconveyance fully executed by OWNER in a recordable form releasing the lien of the deed of trust.

6. Termination

ARIMETCO shall have the right, at any time prior to exercise of its option to purchase, to terminate this Agreement upon twenty (20) days prior written notice to OWNER and upon such termination, the further right and obligations of the parties shall be governed by the provisions of the Mining Lease.

7. Notices

Any notice or communication required or permitted hereunder shall be effective when personally delivered or shall be effective when addressed:

If to OWNER:

The Zonia Company  
Zonia Landfill, Inc.  
Attn: Ray Hill  
212 S. Marina Street  
Prescott, AZ 86303

If to ARIMETCO:

Arimetco, Inc.  
Attn: President  
950 FINANCE CENTER DR SUITE 180  
Tucson, AZ 85710

and deposited, postage prepaid, certified or registered, in the United States mail. Either party may, by notice to the other given as aforesaid, change its mailing addresses for future notices hereunder.

8. Binding Effect; Assignment

The rights of either party hereunder may be assigned in whole or in part and the provisions hereof shall inure to the benefit of and be binding upon their respective successors and assigns, but no change or divisions of ownership of the Subject Premises or payments hereunder, however accomplished, shall operate to enlarge the obligations or diminish the rights of either party hereunder. No such change or divisions in the ownership of the Subject Premises shall be binding upon the non-assigning party for any purpose until the first day of the month next succeeding the month in which such person or entity assigning or acquiring an interest shall furnish the non-assigning party notice thereon, together with a recorded or verified copy of the instrument evidencing such assignment, transfer or division of ownership or interest.

9. Memorandum

The parties to this Agreement agree to execute and record a Memorandum or short form of this Agreement in a form sufficient to constitute record notice to third parties of the rights granted hereunder, which may be recorded with the Recorder of Yavapai County, Arizona.

10. General

It is expressly agreed that no implied covenant or condition shall be read into this Agreement relating to any of the operations of ARIMETCO hereunder or as to the measure of diligence thereof, it being expressly agreed and understood that subject only to the express obligations of this Agreement, the operations conducted by ARIMETCO shall be conducted at such time and in such manner as ARIMETCO, in its sole discretion deems advisable. This Agreement shall be construed in accordance with the laws of the State of Arizona. The headings and subheadings used herein are for convenience only and shall not be deemed to be a part of the Agreement for purposes of construction hereof.

IN WITNESS WHEREOF, the parties have executed this OPTION TO PURCHASE AGREEMENT effective as of the date first above set forth.

OWNER

THE ZONIA COMPANY, an Arizona corporation

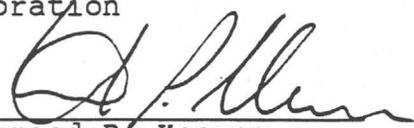
By   
Ray Hill  
Its: President

ZONIA LANDFILL, INC., an Arizona corporation

By   
Ray Hill  
Its: President

ARIMETCO

ARIMETCO, INC., a Nevada corporation

By   
Desmond P. Kearns  
Its: President

STATE OF ARIZONA )  
COUNTY OF Yavapai ) SS.

The foregoing instrument was acknowledged before me this 26 day of November, 1993 by Ray Hill, the President of The Zonia Company, an Arizona corporation, on behalf of the corporation.

Susan D. Montree  
Notary Public

My Commission Expires:

My Commission Expires Jan. 19, 1996

STATE OF ARIZONA )  
COUNTY OF Maricopa ) SS.

The foregoing instrument was acknowledged before me this 24 day of November, 1993 by Ray Hill, the President of Zonia Landfill, Inc., an Arizona corporation, on behalf of the corporation.

Sharon L. Gilmore  
Notary Public

My Commission Expires:



STATE OF ARIZONA )  
COUNTY OF Pima ) SS.

The foregoing instrument was acknowledged before me this 30 day of Nov., 1993 by Desmond P. Kearns, the President of Arimetco, Inc., a Nevada corporation, on behalf of the corporation.

Lynette Reed  
Notary Public

My Commission Expires:

My Commission Expires April 4, 1995

EXHIBIT "A"  
DESCRIPTION

PARCEL NO. 1:

Georgia, Georgia No. 2, Georgia No. 3, Yankee Girl, Sunrise, Sunrise No. 2, Sunrise No. 3 and Sunrise No. 4 Lode Mining Claims in Walnut Grove Mining District, being shown on Mineral Survey No. 3866 on file in the Bureau of Land Management, as granted by Patent recorded in Book 134 of Deeds, page 557, records of Yavapai County, Arizona.

PARCEL NO. 2:

Richmond and Virginia Lode Mining Claims in Walnut Grove Mining District being shown on Mineral Survey no. 3867 on file in the Bureau of Land Management, as granted by Patent recorded in Book 134 of Deeds, page 369, records of Yavapai County, Arizona.

PARCEL NO. 3:

Polar Star, Tourmaline, Copper Gance, Sunset, Manilla, Copperopolis, Defiance and Fairplay Lode Mining Claims in Walnut Grove Mining District, being shown on Mineral Survey No. 1324 on file in the Bureau of Land Management, as granted by Patent recorded in Book 49 of Deeds, page 485, records of Yavapai County, Arizona;

EXCEPT all that portion within the boundaries of Quartette Lode Mining Claim, according to Mineral Survey No. 1321, all veins, lodes and ledges, throughout their entire depth, the tops or apexes of which may be inside of said excluded portion, as set forth in said Patent.

PARCEL NO. 4:

Quartette Lode Mining Claim in Walnut Grove Mining District, being shown on Mineral Survey No. 1321 on file in the Bureau of Land Management, as granted by Patent recorded in Book 77 of Deeds, page 114, records of Yavapai County, Arizona.

PARCEL NO. 5:

Sunflower, Lone Pine, Fraction and Iron Hat Lode Mining Claims in Walnut Grove Mining District, being shown on Mineral Survey No. 1323A on file in the Bureau of Land Management, as granted by Patent recorded in Book 49 of Deeds, page 478, records of Yavapai County, Arizona;

EXCEPT all that portion within the boundaries of Fountain Lode Mining Claim and Arrastra Lode Mining Claim, according to Mineral Survey Nos. 762 and 767 respectively, and all veins lodes and ledges, throughout their entire depth, the tops of apexes of which may be inside of said excluded portion, as set forth in said Patent.

(continued)

PARCEL NO. 6:

Fountain Lode Mining Claim in Walnut Grove Mining District, being shown on Mineral Survey No. 762 on file in the Bureau of Land Management, as granted by Patent recorded in Book 27 of Deeds, page 633, records of Yavapai County, Arizona.

PARCEL NO. 7:

Arrastra Lode Mining Claim in Walnut Grove Mining District, being shown on Mineral Survey No. 767 on file in the Bureau of Land Management, as granted by Patent recorded in Book 27 of Deeds, page 636, records of Yavapai County, Arizona;

EXCEPT all that portion within the boundaries of Fountain Lode Mining Claim, according to Mineral Survey No. 762, and all veins, lodes and ledges, throughout their entire depth, the tops or apexes of which may be inside of said excluded portion, as set forth in said Patent.

PARCEL NO. 8:

Cuprite, Black Prince, Shamrock, Zonia, Fraction, Victor Copper, Victory Copper No. 1 and One Lode Mining Claims, and Zonia Millsite Nos. 2 to 6, inclusive, 12 to 16, inclusive, 21 to 32, inclusive, 37 to 39, inclusive, 43, 46 to 56, inclusive, 59 to 61, inclusive and 63 in Walnut Grove Mining District, being shown on Mineral Survey Nos. 4659 A and B Amended on file in the Bureau of Land Management, as granted by Patent recorded in Book 1294 of Official Records, page 686, records of Yavapai County, Arizona; and

EXCEPT all that portion within the boundaries of Quartette Lode Mining Claim, according to Mineral Survey No. 1321; Copperopolis, Defiance and Fairplay Lode Mining Claims, according to Mineral Survey No. 1234; Contact No. 1, Navy No. 1, Navy No. 2 and Navy No. 3 Lode Mining Claims, according to Mineral Survey No. 1495; Sunrise No. 3 and Sunrise No. 4 Lode Mining Claims, according to Mineral Survey No. 3866; Zonia Millsite Nos. 70 to 73, inclusive, Lode Mining Claims in Walnut Grove Mining District, according to Mineral Survey no. 4681 A and B; and the West half of Section 14, Township 11 North, Range 4 West of the Gila and Salt River Base and Meridian, Yavapai County, Arizona, as set forth in said Patent.

(continued)

PARCEL NO. 9:

Zonia No. 26 Lode Mining Claim and Zonia Millsite Nos. 70 to 73, inclusive, Lode Mining Claims in Walnut Grove Mining District, being shown on Mineral Survey Nos. 4681 A and B Amended on file in the Bureau of Land Management, as granted by Patent recorded in Book 1294 of Official Records, page 686, records of Yavapai County, Arizona;

EXCEPT all that portion within the boundaries of Quartette Lode Mining Claim, according to Mineral Survey No. 1321; Copperopolis, Defiance and Fairplay Lode Mining Claims, according to Mineral Survey No. 1324; Contact No. 1, Navy No. 1, Navy No. 2 and Navy No. 3 Lode Mining Claims, according to Mineral Survey No. 1495; Sunrise No. 3 and Sunrise No. 4 Lode Mining Claims, according to Mineral Survey No. 3866; and the West half of Section 14, Township 11 North, Range 4 West of the Gila and Salt River Base and Meridian, Yavapai County, Arizona, as set forth in said Patent.

ALL OF WHICH patented lode mining claims and millsite claims are SUBJECT TO:

1. Exceptions and reservations contained in the United States Patents thereto;
2. All existing roads, rights of way and easements and those of record in the office of the recorder of Yavapai County;
3. Taxes, if any, which may constitute a lien but which are not yet due and payable.

## EXHIBIT "B"

The unpatented lode mining claims situated in the Walnut Grove Mining District, County of Yavapai, State of Arizona; the location notices of which are of record in the Office of the County Recorder, Prescott, Arizona and filed in the State Office of the Bureau of Land Management, Phoenix, Arizona are as follows:

<u>Name of Claim</u>	<u>Book of Official Record</u>	<u>Page Number</u>	<u>AMC Number</u>
Zonia No. 2	1358	591-592	124258
Zonia No. 3			
Zonia No. 5	1358	593-594	124259
Zonia No. 6	1358	595-596	124260
Zonia No. 7	1358	597-598	124261
Zonia No. 8	1358	599-600	124262
Zonia No. 9	1358	601-602	124263
Zonia No. 10	1358	603-604	124264
Zonia No. 11	1358	605-606	124265
Zonia No. 14	1358	607-608	124266
Zonia No. 15	1358	609-610	124267
Zonia No. 16	1358	611-612	124268
Zonia No. 17	1358	613-614	124269
Zonia No. 18	1358	617-616	124270
Zonia No. 19	1358	617-618	124271
Zonia No. 20	1358	619-620	124272
Zonia No. 21	1358	621-622	124273
Zonia No. 22	1358	623-624	124274
Zonia No. 23	1358	625-626	124275
Zonia No. 24	1358	627-628	124276
Copper Bar No. 2	1358	645-646	124285
Copper King No. 1	1358	635-636	124280
Copper King No. 3	1358	637-638	124281
Copper King No. 4	1358	639-640	124282
Scott No. 1	1358	641-642	124283
Scott No. 2	1358	643-644	124284
Mistake Fraction No. 1	761	114	75989
Mistake Fraction No. 2	761	115	75990
Mistake No. 1	761	116	75991
Mistake No. 2	761	117	75992
Mistake No. 3	761	117	75993
Mistake No. 4	761	119	75994
Mistake No. 5	761	120	75995
Mistake No. 6	761	121	75996
Mistake No. 7	761	122	75997
Mistake No. 8	761	123	75998
Mistake No. 9	761	124	75999

<u>Name of Claim</u>	<u>Book of Official Record</u>	<u>Page Number</u>	<u>AMC Number</u>
Mistake No. 10	761	125	76000
Mistake No. 11	761	126	76001
Mistake No. 12	761	127	76002
Mistake No. 13	761	128	76003
Mistake No. 14	761	129	76004
Mistake No. 15	761	130	76005
Mistake No. 16	761	131	76006
Mistake No. 17	761	132	76007
Mistake No. 17	761	132	76007
Mistake No. 18	761	133	76008
Last Mistake	761	134	76009
Lois No. 1	464	551	75979
Lois No. 2	464	554	75980
Lois No. 3	464	555	75981
Lois No. 4	464	556	75982
Lois No. 5	464	555	75983
Lois No. 6	464	556	75984
Lois No. 17	464	557	75985
Lois No. 18	464	558	75986
Lois No. 19	464	559	75987
Lois No. 20	464	560	75988

The unpatented lode mining claims situated in the Walnut Grove Mining District, County of Yavapai, State of Arizona; the location notices of which are of record in the Office of the County Recorder, Prescott, Arizona and filed in the State Office of the Bureau of Land Management, Phoenix, Arizona are as follows:

<u>Claim Name</u>	<u>County Book</u>	<u>Records Page</u>	<u>B.L.M. Serial #</u>
Zonia MS No. 1 Amended	1294	748	A MC 76098
Zonia MS No. 7 Amended	1294	756	A MC 76104
Zonia MS No. 8 Amended	1294	757	A MC 76105
Zonia MS No. 9 Amended	1294	758	A MC 76106
Zonia MS No. 10 Amended	1294	759	A MC 76107
Zonia MS No. 11 Amended	1294	759	A MC 76108
Zonia MS No. 17 Amended	1294	767	A MC 76114
Zonia MS No. 18 Amended	1294	767	A MC 76115
Zonia MS No. 19 Amended	1294	768	A MC 76116
Zonia MS No. 20 Amended	1294	769	A MC 76117
Zonia MS No. 33 Amended	1294	783	A MC 76130
Zonia MS No. 34 Amended	1294	784	A MC 76131
Zonia MS No. 35 Amended	1294	785	A MC 76132
Zonia MS No. 36 Amended	1294	786	A MC 76133
Zonia MS No. 46	1294	790	A MC 76137
Zonia MS No. 41	1294	791	A MC 76138
Zonia MS No. 42	1294	792	A MC 76139
Zonia MS No. 44	1294	794	A MC 76141
Zonia MS No. 45	1294	795	A MC 76142
Zonia MS No. 57	1294	840	A MC 76154
Zonia MS No. 58	1294	808	A MC 76155

ALL OF WHICH unpatented lode mining claims are SUBJECT TO:

1. Paramount title of the United States;
2. All existing roads, rights of way and easements and those of record in the office of the recorder of Yavapai County and those of record in the Arizona State office of the Bureau of Land Management;
3. All leases, permits, approvals and other rights and privileges heretofore or hereafter granted by or obtained from the United States in its administration of its paramount title; and
4. Exceptions and reservations contained in surface patents (if any) issued by the United States or the State of Arizona.

EXHIBIT C

The unpatented lode mining claims situated in the Walnut Grove Mining District, County of Yavapai, State of Arizona; the location notices of which are of record in the Office of the County Recorder, Prescott, Arizona and filed in the State Office of the Bureau of Land Management, Phoenix, Arizona are as follows.

<u>Claim Name</u>	<u>Book</u>	<u>Page</u>	<u>A. M. C. No.</u>	<u>Section</u>	<u>Township</u>	<u>Range</u>
Gold Crown	159	400	76046	6	11 N	3 W
Copper Crown No. 1	147	155	76047	1	11 N	4 W
Copper Crown No. 2	147	156	76048	1	11 N	4 W
Copper Crown No. 3	147	157	76049	1	11 N	3 W
Copper Crown No. 4	151	331	76050	1	11 N	4 W
Copper Crown No. 5	151	332	76051	31	12 N	3 W
Copper Crown No. 6	151	333	76052	1	11 N	4 W
Copper Crown No. 7	151	334	76053	1	11 N	4 W
Copper Crown No. 8	151	335	76054	6	11 N	3 W
Copper Crown No. 9	55	111	76055	6	11 N	3 W
Copper Crown No. 10	7	136	76056	31	11 N	3 W
Copper Crown No. 12	55	112	76057	1	11 N	4 W
Copper Crown No. 13	560	929	76058	6	11 N	3 W
Copper Crown No. 14	63	204	76059	6	11 N	3 W
Copper Crown No. 15	64	179	76060	31	12 N	3 W
Copper Crown No. 16	64	180	76061	31	12 N	3 W
Copper Crown No. 17	64	181	76062	6	11 N	3 W
Copper Crown No. 18	68	385	76063	6	11 N	3 W
Copper Crown No. 19	68	386	76064	6	11 N	3 W
Copper Crown No. 20	68	387	76065	1	11 N	4 W
Copper Crown No. 21	68	388	76066	6	11 N	3 W
Copper Crown No. 22	68	389	76067	6	11 N	3 W
Copper Crown No. 23	68	390	76068	31	12 N	3 W
Copper Crown No. 24	68	391	76069	31	12 N	3 W
Copper Crown No. 25	68	392	76070	32	12 N	3 W
Copper Crown No. 26	68	393	76071	1	11 N	4 W
Copper Crown No. 27	83	74	76072	6	11 N	3 W
Copper Crown No. 28	73	402	76073	6	11 N	3 W
Copper Crown No. 29	73	403	76074	6	11 N	3 W
Copper Crown No. 30	73	404	76075	6	11 N	3 W
Copper Crown No. 31	73	405	76076	31	12 N	3 W
Copper Crown No. 32	83	75	76077	32	12 N	3 W
Copper Crown No. 33	112	374	76078	6	11 N	3 W
Copper Crown No. 34	112	375	76079	6	11 N	3 W
Copper Crown No. 35	112	376	76080	32	12 N	3 W
Copper Crown No. 36	560	930	76081	32	12 N	3 W
Copper Crown No. 37	560	931	76082	6	11 N	3 W
Copper Crown No. 38	560	932	76083	6	11 N	3 W
Copper Crown No. 39	560	933	76084	6	11 N	3 W
Copper Crown No. 40	560	934	76085	6	11 N	3 W
Copper Crown No. 41	560	935	76086	32	12 N	3 W
Copper Crown No. 42	560	936	76087	32	12 N	3 W
Copper Crown No. 43	560	937	76088	6	11 N	3 W
Copper Crown No. 44	560	938	76089	6	11 N	3 W
Copper Crown No. 45	560	939	76090	6	11 N	3 W
Copper Crown No. 46	560	940	76091	6	11 N	3 W
Copper Crown No. 47	560	941	76092	5	11 N	3 W
Copper Crown No. 48	560	942	76093	32	12 N	3 W
Copper Crown No. 49	560	943	76094	31	12 N	3 W
Copper Crown No. 50	560	944	76095	31	12 N	3 W
Copper Crown No. 51	560	945	76096	6	11 N	3 W
Amerded	706	103	76096	6	11 N	3 W
Copper Crown No. 52	560	946	76097	31	12 N	3 W
Copper Crown No. 53	1484	135, 135	138442	1	11 N	4 W

EXHIBIT D

State of Arizona Commercial Lease No. 03-1150 dated June 25, 1991 and issued to The Zonia Company and encompassing the following described lands in Section 14, T. 11 N., R. 14 W., G.& S.R.M., Yavapai County, Arizona:

The Southeast Quarter of the Northwest Quarter (SE 1/4 NW 1/4) and the Northeast Quarter of the Southwest Quarter (NE 1/4 SW 1/4) of said Section 14 and containing 80 acres more or less.

EXHIBIT E

The following equipment and material presently located at the Zonia Mine property in Yavapai County, Arizona:

Item \_\_\_\_\_ Description, Model, Serial No., etc.

ITEM 1. 1978 Chevy 4 x 4 3/4 Ton  
VIN# CKL248Z183886

ITEM 2. Hough Payloader  
#16AH1053

ITEM 3. Bucyrus Erie Cable Crane  
11-B # 120619

 ARIMETCO  
INTERNATIONAL INC.

January 9, 1995

Arizona Department of Revenue  
1600 West Monroe  
Phoenix, AZ 85007-2650

Attn: Mr. Joseph D. Langlois  
Financial Compliance Group  
Centrally Valued Properties Unit  
Division of Property Valuation and Equalization

Re: Zonia Property

Dear Mr. Langlois;

Arimetco owns a 100% leasehold interest in the Zonia copper property with an option to purchase the property free and clear of any future royalties. The optioned purchase price is \$800,000 and the option period has currently been extended to March 30, 1995. Through December 31, 1994 payments toward the option price totalled \$275,000. Arimetco is obligated to make option payments of \$40,000 per month in January, February and March 1995. In the absence of any further extensions, Arimetco will bring the balance of the option payments up-to-date on March 30, 1995.

An extension of the option period may become necessary, since the Arizona Department of Environmental Quality has yet to issue permits which had been expected before year-end 1994. Furthermore, any decision to construct a producing copper mine on the Zonia property is dependent on obtaining satisfactory financing, which is uncertain at this time.

Answers to the specific questions posed in your January 3 letter follow:

The amount of minimum advance royalties: none  
Any maximum cap on future royalty payments: none  
Payments to date for acquisition of the property: \$275,000  
Amount entered on the books and records of Arimetco for acquisition cost of Zonia: \$1.3 million for acquisition and initial development.  
Date of acquisition of title to the property: 3/30/95 or later

Should you require any additional information, please don't hesitate to contact me,

Sincerely,



Martin V. Martinez, Controller

# ARIZONA DEPARTMENT OF REVENUE

1600 WEST MONROE - PHOENIX, ARIZONA 85007-2650

FIFE SYMINGTON  
GOVERNOR



HAROLD SCOTT  
DIRECTOR

Telephone: (602) 542-3529  
Facsimile: (602) 542-5667

January 3, 1995

Mr. Marty Martinez, Controller  
Arimetco International, Inc.  
335 N. Wilmot Road  
Suite 410  
Tucson, AZ 85711

Dear Mr. Martinez:

In August of 1992, Arimetco International announced the acquisition of the Zonia copper property located near Prescott, Arizona. The terms disclosed in the press release of August 27, 1992 stated that a 3-1/2% NSR royalty and minimum advance royalties would be payable. In the 1992 Annual Report, Arimetco stated that the property would be acquired either by a 3.5% NSR royalty or outright purchase by 1994.

Because the Department of Revenue is responsible for the valuation of producing mines in Arizona, our office is requesting that Arimetco provide the details for this property acquisition. In particular, we are interested in determining the amount of minimum advance royalties, any maximum cap on future royalty payments, the payments to date for acquisition of the property, the amount entered on the books and records of Arimetco for acquisition cost of Zonia and the date of acquisition of title to the property.

The Department request that Arimetco supply the information by January 20, 1995. Should you have any questions, please feel free to call our office at the number listed above.

Sincerely,

A handwritten signature in cursive script that reads "Joseph D. Langlois".

Joseph D. Langlois  
Financial Compliance Group  
Centrally Valued Properties Unit

DIVISION OF PROPERTY VALUATION AND EQUALIZATION  
JDL:sc

OTHER LOCATIONS: Tucson Government Mall - 400 W. CONGRESS - TUCSON  
East Valley - 1440/1460 E. SOUTHERN - TEMPE

**PRESS RELEASE****August 27, 1992**

**Arimetco International Inc.** is pleased to announce that it has entered into a Mining Lease Agreement with the Zonia Company of Prescott, Arizona. Under the terms of the lease, the Zonia Company has granted Arimetco the right to conduct exploration and mining operations on the property in return for which Arimetco will pay the Zonia Company a 3 1/2% NSR on all copper cathode produced. Arimetco will also pay the Zonia Company a minimum advance royalty and has agreed to an annual work commitment.

The Zonia property consists of a mixture of patented and unpatented mining claims covering approximately 1200 acres situated 6 miles east of Kirkland Junction, Yavapai County, Arizona. The McAlester Fuel Company, former owners of the property, ran a full scale open pit mining and heap leach operation for the recovery of copper cement between 1966 and 1975. Records indicate McAlester placed 7,130,000 tons of oxide ore grading 0.6% copper on heaps and recovered 30 million pounds of copper. The mine closed due to depressed copper prices and has not been operated since. Arimetco's initial assessment of the property indicates that some 14 million tons of ore grading 0.4% copper remain in the pit and that around 55 million pounds of copper remain in the heaps.

The Company intends to conduct a feasibility study to examine the viability of placing a 35,000 pound per day SX-EW plant, similar to that it built at its Johnson Mine, on the property to recover copper from the partially leached heaps and from the remaining pit ore.

Metallurgical test work on bulk samples taken from the heaps will be conducted at the Company's Johnson Camp Mine where Arimetco's experience of extracting copper from partially leached heaps will enable the Company to make a timely production decision.

For more information contact:

H.R. Shipes  
President, CEO, Chairman  
(602) 745-8882  
(602) 745-0315 FAX

Russell D. Alley  
President, Arimetco Inc.

Alan F. Matthews  
General Manager, Corporate Development

## *Zonia Mine*

Arimetco entered into a Mining Lease/Option Agreement with the Zonia Company to conduct exploration and mining operations on the property, known as the Zonia mine, in return for which Arimetco will either pay the Zonia Company a 3.5% Net Smelter Royalty (NSR), or purchase the property outright by 1994.

The Zonia property consists of a mixture of patented and unpatented mining claims covering approximately 1,200 acres and is situated 6 miles east of Kirkland Junction, Yavapai County, Arizona. The McAlester Fuel Company, former owners of the property, ran a full scale open pit mining and heap leach operation for the recovery of copper cement between 1966 and 1975. Records indicate McAlester placed 7.1 million tons of oxide ore grading 0.6% copper on heaps and recovered 30 million pounds of copper. The mine closed due to depressed copper prices and has not been operated since.

A pre-mine planning drill program at the property was completed in March of 1993, and prior drilling by other companies has been confirmed and reserves recalculated to determine minable reserves and grade. Column testing of the various ore types has been conducted and is on-going to determine expected recovery of copper from the various ore types. A minable ore reserve of approximately 30 million tons has been defined at an ore grade of 0.38% copper. Leach testing of run-of-mine ore indicates a recovery of approximately 70% during a 60 day leach cycle. In addition, the project has a total of seven million tons of ore currently on leach heaps grading approximately 0.24% copper from prior mining and leaching activities.

Permitting and initial development required as part of the permitting process has begun. The company expects this initial development and permitting phase to proceed without delay, since the mine has previously operated as a copper leaching operation. An SX-EW plant of approximately 35,000 pounds per day of cathode copper production will be built on the property. Construction of this plant will require approximately eight months and development costs will be approximately \$5.5 million, exclusive of mining equipment.

## *Ann Mason*

In accordance with the company's objective of identifying near surface ore grade mineralization, a series of five reverse circulation drill holes were completed on the property in 1992. Each hole was placed in an area where information was required to complete a mine model. The core of the deposit, in an area of some 700 ft. by 700 ft., has now been drilled on approximate 200 ft. centers. This area may possibly be designated as a starter pit when the company proceeds with a computer generated mine model.

The most significant results noted from the 1992 drill campaign were recorded from hole 92-4B where sulphide copper values of 0.38% copper were recorded for over 375 ft., from 150 ft. below surface to 525 ft. below surface. Other notable intersections were recorded in hole 92-3, 110 ft. of 0.43% copper from 435 ft. to 545 ft. below collar. Hole 92-3 averaged 0.27% copper from 100 ft. below surface to 545 ft. below surface. Results from hole 92-2 intersected the tail of a higher grade zone noted in previously drilled diamond drill holes D313 and D324, a zone measuring 10 ft. in width was intersected 125 feet below surface with a grade of 0.47% copper. Hole 92-1 did not return any significant values apart from an intersection of 0.34% copper which was noted between 345 ft. and 400 ft. below surface.

During 1993, the company's in-house mine planning team will digitize all the information available on the property with the goal of producing a preliminary mine plan. Further drilling is also expected to take place in 1993 to expand the near surface portion of this exceptionally large sulphide copper deposit.

Select all transactions.  
 Vendor number [zoniac] to [zoniac]  
 Control account [ ] to [zzzzzz]  
 Report group [ ] to [zzzzzz]  
 Include transactions from Jan 01 80 to Dec 31 99.  
 Include fully paid transactions.

Vendor No.	Vendor Name/Doc. Number	Doc. Date	Due Date	Disc Date	Ty	Disc. Rate	Reference	Original Amount	Net Payable	Max Payable (if changed)	Disc. Base (if changed)
zoniac	The Zonia Co./Zonia Landfill										
	20277	Nov 30 93	Nov 30 93		IN		20277	40,000.00	0.00		
	20277	Nov 30 93			MC		20277	40,000.00-	0.00		
	20662	Dec 30 93	Dec 30 93		IN		20662	40,000.00	0.00		
	20662	Dec 30 93			MC		20662	40,000.00-	0.00		
	21498	Feb 28 94	Feb 28 94		IN		21498	10,000.00	0.00		
	21498	Feb 28 94			MC		21498	10,000.00-	0.00		
	21930	Mar 30 94	Mar 30 94		IN		21930	10,000.00	0.00		
	21930	Mar 30 94			MC		21930	10,000.00-	0.00		
	22341	Apr 29 94	Apr 29 94		IN		22341	10,000.00	0.00		
	22341	Apr 29 94			MC		22341	10,000.00-	0.00		
	22658	May 19 94	May 19 94		IN		22658	5,000.00	0.00		
	22658	May 19 94			MC		22658	5,000.00-	0.00		
	22852	May 27 94	May 27 94		IN		22852	15,000.00	0.00		
	22852	May 27 94			MC		22852	15,000.00-	0.00		
	23230	Jun 29 94	Jun 29 94		IN		23230	15,000.00	0.00		
	23230	Jun 29 94			MC		23230	15,000.00-	0.00		
	72794	Jul 28 94	Jul 28 94		IN		acquisition	15,000.00	0.00		
	23713	Jul 28 94			MC		acquisition	15,000.00-	0.00		
	24152	Aug 29 94	Aug 29 94		IN		24152	15,000.00	0.00		
	24152	Aug 29 94			MC		24152	15,000.00-	0.00		
									0.00		
									0.00		

1 vendor(s) printed.

80  
 30  
 20  
 45  
 -----  
 175

General Ledger Listing as of August 31, 1994

G/L listing for account [679799] to [679799],  
 for department [ 65] to [ 65],  
 for fiscal period [ 1] to [ 8],  
 sorted by (Account ).  
 (Include) accounts with no activity.  
 Printed in (Standard) format.

Last posting sequence number: 83

Acct.	Dept.	Pd	Srcce	Date	Description	Reference	Debits	Credits	Net Change	Balance
679799	65				other expenses					0.00
		2	AP-MC	Feb 28 94	17- 18-	3 The Zonia Co. 21498	10,000.00		10,000.00	10,000.00
		3	AP-MC	Mar 30 94	24- 25-	4 The Zonia Co. 21930	10,000.00		10,000.00	20,000.00
		4	AP-MC	Apr 29 94	35- 36-	6 The Zonia Co. 22341	10,000.00		10,000.00	30,000.00
		5	AP-MC	May 19 94	40- 41-	4 The Zonia Co. 22658	5,000.00			
		5	AP-MC	May 27 94	43- 44-	4 The Zonia Co. 22852	15,000.00		20,000.00	50,000.00
		6	AP-MC	Jun 29 94	52- 55-	4 The Zonia Co. 23230	15,000.00		15,000.00	65,000.00
		7	AP-MC	Jul 28 94	60- 63-	7 The Zonia Co. acquisition	15,000.00		15,000.00	80,000.00
		8	AP-MC	Aug 29 94	72- 75-	2 The Zonia Co. 24152	15,000.00		15,000.00	95,000.00
							95,000.00	0.00		

8 transactions printed.  
 1 account printed.

General Ledger Listing as of December 31, 1993

G/L listing for account [679799] to [679799],  
 for department [ 65] to [ 65],  
 for fiscal period [ 1] to [12],  
 sorted by (Account ).  
 (Include) accounts with no activity.  
 Printed in (Standard) format.

Last posting sequence number: 164

Acct.	Dept.	Pd	Src	Date	Description	Reference	Debits	Credits	Net Change	Balance
679799	65				other expenses					0.00
		3	AP-IN	Jan 22 93	30- 43- 30 Empire Machin	zon00327	502.25		502.25	502.25
		4	AP-MC	Apr 15 93	15- 16- 2 Alfred Bustam		7.27			
		4	AP-MC	Apr 15 93	15- 16- 2 Alfred Bustam		6.42			
		4	AP-MC	Apr 15 93	15- 16- 6 A.J. Smith		11.45		25.14	527.39
		5	AP-MC	May 27 93	23- 25- 1 A.J. Smith		31.18		31.18	558.57
		11	AP-MC	Nov 30 93	108- 112- 7 The Zonia Com	20277	40,000.00		40,000.00	40,558.57
		12	AP-MC	Dec 30 93	117- 121- 2 The Zonia Co.	20662	40,000.00		40,000.00	80,558.57
							<u>80,558.57</u>	<u>0.00</u>		
=====										

7 transactions printed.  
 1 account printed.

# THE ZONIA COMPANY

Zonia Mine  
Route 1  
Kirkland, Arizona

General Office  
212 S. Marina Street  
Prescott, Arizona 86303  
(602)778-2101

September 9, 1994

Mr. Harrison Matson  
Arimetco, Inc.  
950 Finance Center Drive  
Suite 180  
Tucson, Arizona 85710

RE: Option to Purchase Agreement

Dear Harrison:

I am contacting you as a reminder that our extension of the Option to Purchase Agreement expires October 15, 1994. As we previously agreed to extend the option period from April 15 to October 15, 1994 and reduce the monthly payments from \$40,000 we do need to workout a closing date and bring option monies current.

Please contact me at your earliest convenience so we can work something out.

Very truly yours,

THE ZONIA COMPANY



W. Ray Hill

WRH/spd

# THE ZONIA COMPANY

Zonia Mine  
Route 1  
Kirkland, Arizona

General Office  
212 S. Marina Street  
Prescott, Arizona 86303  
(602)778-2101

March 3, 1994

Mr. Harrison Matson  
Arimetco, Inc.  
950 N. Finance Center Drive, Suite 180  
Tucson, Arizona 85710

Dear Harrison:

In accordance with our Option To Purchase Agreement and our recent telephone conversation regarding the temporary reduction of monthly payments, please be advised that we agree that the option agreement shall remain in full force and effect during this temporary period of reduced payments of \$10,000.

As discussed and stated in your letter of February 28, 1994 we will anticipate a \$10,000 payment March 30, 1994. In your letter you mention a scheduled closing date for the purchase in May and this is certainly acceptable to us provided all option money not paid during the option period is current at time of purchase.

Also, I would like to request that Arimetco contact Arizona Public Service at 776-3636, here in Prescott. It was my understanding that the two Zonia A.P.S. accounts had been transferred over to Arimetco but apparently this transfer has not occurred. Would you please follow-up and contact A.P.S. to effect the account transfer. Thank you.

Please keep us informed and we sincerely hope your current financial condition turns around shortly.

Sincerely,

THE ZONIA COMPANY



W. Ray Hill

WRH/spd



ARIMETCO INC.

February 28, 1994

Mr. Ray Hill  
The Zonia Company  
212 S. Marina Street  
Prescott, AZ 86303

Dear Ray:

In accordance with our recent phone discussions on the temporary reduction of the monthly option payments for the Zonia Mine, I am enclosing a check for the January 30, 1994 payment in the amount of \$10,000. This payment is mutually agreed to keep the option agreement in full force and effect even though the original terms called for \$40,000 per month.

Unfortunately the same adverse financial circumstances that caused us to seek a payment reduction for January will still impair us for the next several months. The next payment for February is stated for March 30 and will also be for the sum of \$10,000. We expect to be able to resume the larger payments about the time of the scheduled closing date for the purchase in May.

We greatly appreciate your patience and understanding in this matter.

Sincerely,

Harrison Matson  
Chief Geologist

HM/mam

### MINING LEASE AGREEMENT

THIS AGREEMENT is made effective as of the 21<sup>st</sup> day of AUGUST, 1992, by and between THE ZONIA COMPANY, an Arizona corporation, and ZONIA LANDFILL, INC., an Arizona corporation (hereinafter collectively referred to as "OWNER"), and ARIMETCO, INC., a Nevada Corporation authorized to do business in Arizona (as "ARIMETCO");

#### Recitals:

(i) OWNER owns the patented lode mining and millsite claims described in Exhibit A attached hereto and made a part hereof and the unpatented lode mining claims described in Exhibit B attached hereto and made a part hereof, all of which mining and millsite claims are situated in the Walnut Grove Mining District, Yavapai County, Arizona; and

(ii) OWNER is willing to grant to ARIMETCO and ARIMETCO desires to obtain from OWNER a mining lease of the mining claims described in Exhibits A and B EXCEPTING AND EXCLUDING therefrom and from this Agreement that portion of the mining claims identified as the "Landfill Project Area" on the plat attached hereto as Exhibit C and made a part hereof (which mining and millsite claims, together with the rights now owned or which may hereafter be acquired by OWNER in and to any easements, rights-of-way, water rights or other appurtenances thereto, but excluding the Landfill Project Area, are hereinafter

referred to as the "Subject Premises), all on the terms and conditions as hereinafter set forth;

NOW, THEREFORE, in consideration of the agreements and covenants set forth herein, OWNER and ARIMETCO covenant and agree as follows:

1. Term

The term of this Agreement shall be for a period of ten (10) years commencing on the effective date hereof and for a continuing term as long thereafter as any mining, development and processing or any of such activities are being conducted on the Subject Premises on a continuous basis. For purposes of this Section 1, such operations beyond the initial term shall be deemed as being conducted on a continuous basis unless and until a period of one hundred eighty (180) consecutive days elapses during which no mining or development or processing is conducted, excluding, however, periods of force majeure and suspensions of operations due to economic causes, as defined in Section 12 below. Unless otherwise specified, all references to the "term" of this Agreement shall mean and include both the initial term and the continuing term.

2. Grant

OWNER hereby grants, leases and demises the Subject Premises unto ARIMETCO, its successors and assigns, together with all ores, minerals and materials thereon and thereunder (hereinafter "Leased Substances") with the right to explore for, develop, mine (by open pit, strip, underground, solution mining or any other method, including any method hereafter developed), extract, stockpile, mill, process, store, remove and sell the Leased Substances and to place thereon, construct, maintain, use and, at its election, to remove such structures, facilities, equipment, roadways, haulage ways and such other improvements as ARIMETCO may deem necessary, useful or convenient in conducting

its operations thereon and to use and consume so much of the surface thereof as may be necessary, useful or convenient for the full enjoyment of all of the rights herein granted, all subject to the provisions of Section 14 below pertaining to the Landfill Project Area and access thereto. ARIMETCO is further granted the right to use roadways, haulage ways and all other appurtenances installed on the Subject Premises for the additional purpose of producing, removing, treating and transporting metals, ores, minerals or materials from adjoining or nearby property owned or controlled by ARIMETCO and the right to mine and remove Leased Substances from the Subject Premises through or by means of shafts, openings or pits which may be made in or upon such adjoining or nearby property. After Leased Substances have been sampled and weighed by the employment of sound engineering and metallurgical practices so as to enable ARIMETCO to accurately compute the production royalty payable hereunder, ARIMETCO may mix the same with ores, materials or products from lands other than the Subject Premises. Subject to the foregoing, ARIMETCO's operations hereunder and its mining of adjoining or nearby lands may be conducted as a single mining operation. Material deemed by ARIMETCO to be waste, overburden or tailings may be deposited on or off the Subject Premises, whether derived from the Subject Premises or from adjoining or nearby properties owned or controlled by ARIMETCO, so long as the deposit thereof does not interfere with the future development or mining of known ore deposits on the Subject Premises.

3. Payments to OWNER

(a) Initial Minimum Advance Royalty Payment - Upon execution of this Agreement by OWNER and ARIMETCO, ARIMETCO shall pay to OWNER as minimum advance royalty the sum of \$30,000.00.

(b) Additional Minimum Advance Royalty Payments - ARIMETCO shall pay to OWNER as minimum advance royalty those of the following annual payments, the due dates for the payment of which occur prior to termination of this Agreement:

Minimum Advance  
Royalty Payment

Payment Due Dates

\$ 30,000.00

On the date one year from the effective date of this Agreement and a like sum on the corresponding date of each year thereafter through the date four (4) years from the effective date hereof, provided that if ARIMETCO commences commercial production prior to any of the annual payment dates so described, the minimum advance royalty payment shall increase to \$40,000.00 per year commencing on such next annual payment date and continuing through the date four (4) years from the effective date hereof;

\$ 40,000.00

On the date five (5) years from the effective date of this Agreement and a like sum on the corresponding date of each year thereafter while this Agreement remains in effect.

All sums of minimum advance royalty paid by Arimetco shall be a credit against and deducted from production royalty payments thereafter payable pursuant to subparagraph (c) of this Section 3.

(c) Production Royalty Payments - ARIMETCO shall pay to OWNER as production royalty payments on all cathode copper mined, produced and sold from the Subject Premises three and one-half percent (3.5%) of "Gross Cathode Returns" received by ARIMETCO from such sales. The term "Gross Cathode Returns" as used herein shall mean the total proceeds from the sale of cathode copper less the following:

(i) The costs of shipping the equivalent amount of cathode copper from the Subject Premises to the consumer or appropriate market; and

(ii) The costs of marketing the equivalent amount of cathode copper;

provided that the deductions so taken shall in no event exceed five percent (5%) of the production royalty so computed.

ARIMETCO shall pay to OWNER as production royalty payments on all mineral products other than cathode copper mined produced and sold by ARIMETCO from the Subject Premises three percent (3%) of the "Net Returns" by ARIMETCO from such sales. The term "Net Returns" as used herein shall mean the total proceeds from the sale of mineral products other than cathode copper less following direct costs incurred by Arimetco:

- (i) Smelting, refining and other treatment, handling and marketing charges and penalties; and
- (ii) Costs of transporting mineral products from the Subject Premises to the smelter, refinery or other place of sale; and
- (iii) Production taxes, severance taxes or other taxes (other than income taxes) measured by production or the value of production.

ARIMETCO shall receive as a credit against Gross Cathode Returns payments and Net Returns payments all minimum advance royalty payments theretofore paid to OWNER under the provisions of subparagraphs (a) and (b) of this Section 3 and not theretofore credited against production royalties payable hereunder. Net Returns and Gross Cathode Returns shall be calculated for each calendar quarter in which either Net Returns or Gross Cathode Returns or both are realized and such productions royalty payments as are due OWNER hereunder shall be made within forty-five (45) days following the end of the calendar quarter in which the Net Returns and/or Gross Cathode Returns are realized. Such payments shall be accompanied by a statement setting forth the computation of Net Returns and Gross Cathode Returns and the deductions, as described above, to which ARIMETCO is entitled. No production royalty shall be payable with respect to any portion of the Subject Premises, title to which is finally determined to be vested in any party other than Owner.

(d) Method of Making Payments - All payments to OWNER shall be in U.S. funds and shall be mailed or delivered payable to The Zonia Company at the address specified in Section 9; provided, however, that OWNER may instruct ARIMETCO to make payments

jointly to or divide the payments between the two entities constituting the OWNER or to make payments to any other single depository by furnishing ARIMETCO with a letter of instruction signed by both the entities constituting OWNER and specifying the division to be made or the name and address of the single depository. Upon making tender or payment in the manner described above, ARIMETCO shall be relieved of any responsibility for the further distribution thereof. The tender or the deposit in the mail of any payment hereunder on or before the due date thereof shall be deemed timely payment hereunder.

(e) Adverse Claims; Disputes - In case of any adverse claim, dispute or question as to the right to receive the advance or production royalties payable under this Agreement, ARIMETCO shall not be deemed to be in default in payment thereof until the final disposition of such claim, dispute or question and ARIMETCO may withhold payments due OWNER hereunder with respect to the portion of the Subject Premises involved in such dispute and deposit the same in a separate interest bearing account until ARIMETCO is furnished with the original or certified copies of an instrument disposing of such claim or dispute or until delivery to ARIMETCO of proof sufficient in the opinion of ARIMETCO's counsel to settle the same, in which event ARIMETCO shall make payment of the amounts so deposited and the interest earned thereon in accordance with the instrument or proof so furnished.

4. Inspection by OWNER; Confidentiality

OWNER or OWNER's agent designated in writing may, at OWNER's risk and expense, enter upon the Subject Premises to inspect the same and the operations conducted thereon by ARIMETCO at such times and upon such notice as shall not unreasonably hinder the operations of ARIMETCO. OWNER or OWNER's authorized agent shall have the right upon prior written notice to ARIMETCO to inspect the accounts and records used in calculating production royalty payable to OWNER hereunder at such times during normal business hours as shall not unduly interfere

with ARIMETCO's operations, any such inspection to be made within a period of one (1) year from and after the date on which the quarterly payment of production royalty was paid by ARIMETCO. Except as otherwise required by law, OWNER agrees to treat information received under this Agreement as confidential and not to disclose the same during the term hereof, provided that OWNER shall not be prohibited from disclosing information received hereunder in conjunction with the sale, assignment, mortgage or other hypothecation of OWNER's interest in the Subject Premises. ARIMETCO shall not make any press statements or releases regarding the Subject Premises other than those required by law or relevant stock exchange regulations by which ARIMETCO is governed.

5. Additional Obligations of ARIMETCO

(a) Conduct of Operations; Protection From Liens - ARIMETCO shall comply with all valid and applicable local, state and federal laws and regulations governing its operations hereunder and shall conduct its operations in such a manner as to not interfere with any operations conducted by OWNER, its lessee operator or contractors, within the Landfill Project Area as contemplated by Section 14 below. ARIMETCO shall pay expenses incurred by it in its operations on the Subject Premises and allow no liens arising from any act of ARIMETCO to remain upon the interest of OWNER in and to the Subject Premises; provided, that if ARIMETCO, in good faith, disputes the validity or amount of any claim, lien or liability asserted against it with respect to the Subject Premises, it shall not be required to pay or discharge the same until the amount and validity thereof have been finally determined. If OWNER posts a notice of non-liability, ARIMETCO agrees to keep such notice posted during the term of this Agreement. ARIMETCO shall obtain and keep in force during the term of this Agreement workmen's compensation insurance on ARIMETCO's employees as required by the State of Arizona.

(b) Indemnification - ARIMETCO shall indemnify and save OWNER free and harmless from all claims that may rise out of its occupation of the Subject Premises and operations by it, its employees, agents or contractors, and shall indemnify and defend OWNER against any suit, claim, judgment or demand whatsoever arising out of the exercise of any of its rights pursuant to this Agreement.

(c) Work Obligations - In order to continue this Agreement in force, Arimetco shall make work expenditures on the Subject Premises in an amount of no less than Thirty Thousand Dollars (\$30,000.00) in each lease year (12 month period) commencing with the effective date hereof. All expenditures made by ARIMETCO pursuant to this subparagraph (c) shall be cumulative, and expenditures made in excess of the \$30,000.00 minimum for each lease year may be carried forward and applied to satisfy work expenditures required for subsequent years. As used in this subparagraph (c), work expenditures shall mean all costs or other expenditures paid or incurred by ARIMETCO in the evaluation, exploration, development, plant construction, mining and processing on the Subject Premises including, without limitation, the cost of or expenditures incurred for engineering, mapping, geological, geophysical and geochemical evaluation, assaying, drilling, construction, labor and materials, mining and processing operations conducted by or for ARIMETCO. If for any lease year the work expenditures, together with excess expenditure credits available from any preceding years, are less than \$30,000.00 for the current lease year, this Agreement and ARIMETCO's right hereunder shall terminate on the date thirty (30) following the end of the lease year unless within 30 days after the end of the then current lease year ARIMETCO pays OWNER the amount of any deficiency, in which event this Agreement shall continue in full force and effect. Within 60 days following the end of each lease year, ARIMETCO will provide OWNER with a written report of work expenditure activities conducted by ARIMETCO on the Subject Premises during the preceding lease year.

(d) Taxes - ARIMETCO shall pay all taxes, assessments and other governmental charges imposed upon the Subject Premises while this Agreement is in effect. If this Agreement is in effect for only a portion of any such tax period, ARIMETCO shall only be liable for the applicable pro rata share of such taxes, assessments and charges. OWNER agrees to promptly transmit to ARIMETCO all notices pertaining to such taxes, assessments and charges which OWNER may receive. ARIMETCO shall pay all property taxes levied or assessed upon equipment it places upon the Subject Premises and upon improvements it installs thereon until the same are removed or become the property of OWNER as provided in Section 8 below. ARIMETCO shall have the right to contest in the courts or otherwise the validity or amount of any taxes or assessments if it deems the same unlawful, unjust, unequal or excessive and to take such other steps or proceedings as it may deem necessary to secure a cancellation, reduction, readjustment or equalization thereof before it shall be required to pay the same, but in no event shall ARIMETCO permit or allow title to the Subject Premises to be lost as the result of nonpayment of such taxes, assessment or other such charges.

(e) Assessment Work - ARIMETCO agrees to perform assessment work (unless excused, suspended or deferred) for the benefit of the unpatented mining claims included within the Subject Premises for each assessment year during which this Agreement continues in force beyond June 1 of the applicable assessment year and to record and file affidavits evidencing such work on or before the 15th of December in the offices designated for recording and filing by the applicable state and federal statutes and regulations in effect at the time of such recording and filing. If this Agreement is terminated prior to June 1 of any assessment year, ARIMETCO shall furnish OWNER a written report of assessment type work done by ARIMETCO upon or for the benefit of the Subject Premises up to the date of termination. The work performed shall be of a kind generally accepted as assessment work and may be performed pursuant to a common plan for the exploration and

development of the Subject Premises and other unpatented mining claims owned or controlled by ARIMETCO in the vicinity of the Subject Premises, whether performed on or off the Subject Premises. ARIMETCO shall expend the total amount sufficient to meet the minimum requirements with respect to all of the unpatented mining claims constituting the Subject Premises. ARIMETCO shall not be liable on account of holdings by any court or governmental agency that the effects of work so elected and performed by ARIMETCO do not constitute the required annual assessment work for purposes of preserving title to such claims, provided that the work so done is of the kind generally accepted as assessment work and that ARIMETCO has expended a total amount on or for the benefit of the Subject Premises sufficient to meet the minimum requirements with respect to all of the unpatented claims constituting the same.

(f) Obligations of ARIMETCO Upon Expiration or Termination

- Upon expiration or termination of this Agreement, ARIMETCO shall promptly execute and deliver to OWNER a release in a recordable form relinquishing to OWNER the interest of ARIMETCO in and to the Subject Premises and shall furnish OWNER within forty-five (45) days following such expiration or termination, copies of all available geological, survey, assay, metallurgical and engineering data pertaining to the Subject Premises prepared by or for ARIMETCO, all without any representations as to the accuracy of interpretations or the completeness thereof, it being agreed that ARIMETCO shall have no liability or responsibility whatsoever to OWNER or to any third party for the subsequent use or interpretation thereof. ARIMETCO shall permit OWNER, at OWNER's risk and expense, to pick up any available drill core obtained by ARIMETCO from the Subject Premises; provided, however that ARIMETCO shall in no event be liable to OWNER for the loss of any drill core from the Subject Premises. Upon expiration or termination and upon removal by ARIMETCO of its property as provided in Section 8 below, ARIMETCO shall cap all wells and close all shafts that it has drilled or constructed upon the

Subject Premises in a safe manner and shall complete all applicable reclamation, restoration, waste disposal and other closing requirements arising out of its operations on the Subject Premises, all in accordance with applicable local, state and federal statutes, regulations and operating permits concerning the same.

6. Title Matters

(a) Warranties and Representations - OWNER represents and warrants that: (i) OWNER owns the entire undivided title to the Subject Premises free and clear of all liens and encumbrances other than specifically set forth in Exhibits A and B; (ii) each of the unpatented claims described in Exhibit B has been validly located, filed and recorded in the office of the Recorder of Yavapai County, Arizona and with the Bureau of Land Management, in compliance with the laws of the United States and the State of Arizona as they relate to location, recordation and filing of such claims except that no representation nor warranty is made as the existence or lack thereof of a discovery of valuable minerals on any of the claims; (iii) OWNER has performed assessment work upon the unpatented claims described in Exhibit B through the assessment year ending September 1, 1992 and has recorded and filed proof thereof, all of which work, recordings and filings have been completed in accordance with applicable state and federal statutes pertaining to assessment work; and (iv) OWNER, and each of them, has the full right, power and capacity to enter into this Agreement on the terms and conditions contained herein.

(b) Title Documents and Data - Upon written request of and at the expense of ARIMETCO, OWNER shall furnish to ARIMETCO copies of abstracts and title documents affecting the Subject Premises and copies of any plats or surveys of the Subject Premises which OWNER has in its possession.

(c) Title Defects, Defense and Protection - If -- (i) OWNER's title to any of the Subject Premises is less than as

represented in subparagraph (a) of this Section 6, as evidenced by a written opinion of counsel retained by ARIMETCO to examine title, or (ii) title to any of the Subject Premises is contested or questioned by any person or entity for any act or omission of OWNER prior to the effective date hereof -- and if OWNER is unable or unwilling to promptly correct the defects or alleged defects in title, ARIMETCO may attempt, with all reasonable dispatch, to perfect, defend or initiate litigation to protect such title. In that event, OWNER shall execute all documents and shall take such other actions as are reasonably necessary to assist ARIMETCO in its efforts to perfect, defend or protect such title.

(d) Amendment, Relocation and Patent - ARIMETCO shall have the right to amend or relocate in the name of OWNER any of the unpatented mining claims included in the Subject Premises which ARIMETCO, in its sole discretion, deems advisable to so amend or relocate and to locate in the same manner any interior fractions within the perimeter boundary of the Subject Premises. OWNER and each of them hereby appoints ARIMETCO as their agent for such purposes. Upon request by ARIMETCO, OWNER shall join in an application for a patent to any of the unpatented mining claims designated by ARIMETCO and shall cooperate fully with ARIMETCO in securing such patents. All expenses incurred or authorized by ARIMETCO in connection with such patent proceedings shall be borne by ARIMETCO. The rights of ARIMETCO under this Agreement shall extend to any of the amended, relocated, fractional or patented mining claims.

(e) Lesser Interest Provisions - If the title to the Subject Premises granted hereunder is less than the entire undivided title thereto, ARIMETCO shall have the right to reduce all payments otherwise payable under Section 3 to the same proportion thereof as the undivided title actually owned by OWNER bears to the entire undivided title to the Subject Premises; PROVIDED THAT the area in question is directly material to a mining operation and provided further that should OWNER's title

to any of the Subject Premises be substantially less in a manner that would be material to a mining operation than as represented in subparagraph (a) of this Section 6, or should title to any of the Subject Premises be contested or questioned by any person or entity for any act or omission of OWNER, OWNER shall be given a reasonable opportunity to correct the defects or alleged defects in title, and may attempt to perfect, defend or initiate litigation to protect such title. In that event ARIMETCO shall execute all documents and shall take such other actions as are reasonably necessary to assist OWNER in its efforts to perfect, defend or protect such title.

(f) Boundary Protection - Excepting and excluding the Landfill Project Area, all mining claims or other surface or mineral interests, fractional or otherwise, now owned or hereafter acquired by Owner while this Agreement is in effect, any portions of which are within the exterior boundary of the Subject Premises, shall constitute a part of the Subject Premises at no additional consideration.

## 7. Termination

(a) Termination by OWNER - In the event OWNER deems ARIMETCO to be in default in the performance of its obligations hereunder, OWNER shall give to ARIMETCO written notice specifying with particularity the alleged default. If the default is not cured within thirty (30) days after such notice, or if ARIMETCO has not within that time begun action to cure the default and does not thereafter diligently prosecute such action to completion, OWNER may terminate this Agreement by giving written notice to ARIMETCO of such termination, provided that if ARIMETCO disputes the existence of such default and within such 30-day period commences legal proceedings to determine the validity of the alleged default, ARIMETCO shall not be deemed in default unless it fails to cure the same within the 30-day period following a final determination that such default did, in fact,

occur. Upon such termination, all of the rights, interests and further obligations of ARIMETCO under this Agreement shall terminate subject only to the applicable provisions of subparagraphs (e) and (f) of Section 5 and of Sections 8 and 11.

(b) Termination by ARIMETCO - ARIMETCO shall have the right to terminate this Agreement at any time upon sixty (60) days prior written notice to OWNER. Upon the date 60 days after the giving of notice in the manner hereinafter provided, all of the rights, interests and further obligations of ARIMETCO under this Agreement shall terminate subject only to the applicable provisions of subparagraphs (e) and (f) Section 5 and of Sections 8 and 11.

8. Removal of ARIMETCO's Property

Upon any termination or expiration of this and upon payment and performance of all outstanding obligations to OWNER, ARIMETCO shall have a period of one (1) year from effective date of termination to complete the removal therefrom of all of its personal property, machinery, buildings, structures, facilities and other equipment, the removal of which shall not result in any damage to existing shafts or tunnels on the Subject Premises. Any property of ARIMETCO not so removed at the end of said one year shall, at the option of OWNER, become the property of OWNER and if OWNER elects not to become the owner thereof, it shall have the right to have same removed and disposed of at ARIMETCO's expense, if so removed within six (6) months following expiration of ARIMETCO's removal period. Until ARIMETCO has completed such removal and its obligations under Section 5(f), it shall remain obligated to OWNER for the matters described in subparagraphs (a) and (b) of Section 5 and for the taxes on ARIMETCO's equipment and improvements as provided in Section 5(d). ARIMETCO shall be permitted access to the Subject Premises for such removal operations and for purposes of completing any reclamation, restoration and environmental requirements as described in

Section 5(f) at its sole risk, cost and expense, the removal and closing operations to be conducted in such a manner as shall result in a minimum of interference with and inconvenience to OWNER or its subsequent lessee.

9. Notices

Any notice or communication required or permitted hereunder shall be effective when personally delivered or shall be effective when addressed:

If to OWNER:

The Zonia Company  
Zonia Landfill, Inc.  
Attn: Ray Hill  
212 S. Marina Street  
Prescott, AZ 86303

If to ARIMETCO:

Arimetco, Inc.  
Attn: President  
6245 E. Broadway  
Suite 350  
Tucson, AZ 85711

and deposited, postage prepaid, certified or registered, in the United States mail. Either party may, by notice to the other given as aforesaid, change its mailing addresses for future notices hereunder.

10. Binding Effect; Assignment

The rights of either party hereunder may be assigned in whole or in part and the provisions hereof shall inure to the benefit of and be binding upon their respective successors and assigns, but no change or divisions of ownership of the Subject Premises or payments hereunder, however accomplished, shall operate to enlarge the obligations or diminish the rights of either party hereunder. No such change or divisions in the

ownership of the Subject Premises shall be binding upon the non-assigning party for any purpose until the first day of the month next succeeding the month in which such person or entity assigning or acquiring an interest shall furnish the non-assigning party notice thereon, together with a recorded or verified copy of the instrument evidencing such assignment, transfer or division of ownership or interest.

11. Survival

The obligations and indemnities of ARIMETCO under subparagraphs (a), (b) and (f) of Section 5 and under Section 8, and the obligations and indemnities of OWNER under Section 14 and relating to or arising from the representations and warranties under subparagraph (a) of Section 6 shall survive the expiration or termination of this Agreement.

12. Suspensions of Operations

(a) Force Majeure - ARIMETCO shall not be liable for failure to perform any of its obligations hereunder during periods in which performance is prevented by any cause reasonably beyond ARIMETCO's control, which causes hereinafter are called "force majeure". For purposes of this Agreement, the term "force majeure" shall mean Acts of God, fire, flood, earthquake, strikes, insurrection, mob violence, unavailability of labor or equipment or supplies, periods of war or national emergency, governmental suspension of mining operations or other causes of a similar nature which are beyond the control of ARIMETCO. ARIMETCO shall notify OWNER of the date of commencement and cause of each period of force majeure and shall also notify OWNER of the time of removal of such cause.

(b) Suspensions Due to Economic Causes - If, at any time after expiration of the initial ten-year portion of the term hereof, mining, processing or marketing operations are determined by ARIMETCO to be uneconomic due to (i) unavailability of a

suitable market for Leased Substances, or (ii) prevailing costs of mining or processing with respect to prices available for Leased Substances making it impractical to carry out such operations, ARIMETCO shall have the right, from time to time, to temporarily discontinue operations hereunder for a cumulative period not to exceed five (5) years. In each such event, ARIMETCO shall notify OWNER of the cause thereof and shall, within thirty (30) days of expiration of each lease year in which such temporary discontinuance occurs, notify OWNER of the total period of discontinuance during such year and the cumulative period of all such discontinuances to such date.

(c) Obligations During Suspensions of Operations - During any suspension of operations under either subparagraph (a) or (b) of this Section 12, ARIMETCO shall: (i) continue to pay all taxes, assessments and charges described in Section 5(d) as and when they become payable; (ii) comply with all requirements of this Agreement relative to maintaining the status and title of the Subject Premises in good standing; and (iii) pay advance royalty payments to OWNER pursuant to subparagraph (b) of Section 3.

### 13. Disputes Not to Interrupt Operations

Subject to the right of OWNER to terminate this Agreement for default as provided in subparagraph (a) of Section 7, disputes or differences between the parties hereto shall not interrupt performance of this Agreement or the continuation of operations hereunder. In the event of any dispute or difference, operations may be continued in the same manner as prior to such dispute or difference until the matters in dispute have been finally determined between the parties, and thereupon the parties' further performance shall be governed by the terms of the settlement or final determination of the dispute or difference.

14. Access to and Operations With Respect to Landfill Project

ARIMETCO acknowledges that Zonia Landfill, Inc. has commenced the permitting for installation of a landfill within the Landfill Project Area. OWNER, its contractors, employees, permittees and licensees shall have the free and unrestricted right of access across the Subject Premises along the existing road to the Landfill Project Area for all purposes pertaining to the installation, use and operation of the landfill, provided that if the route of the existing road interferes with ARIMETCO'S development or mining operations hereunder, ARIMETCO, at its expense, shall be entitled to reroute the existing road along an alternative route acceptable to OWNER. ARIMETCO further acknowledges and agrees that Zonia Landfill, Inc. will have free and unrestricted rights pertaining to the operation and maintenance and construction of the Landfill Project, including but not limited to, water pipelines, holding ponds, tanks, monitor and water wells within the Subject Premises, provided that should these rights interfere with ARIMETCO'S proposed mining and exploration operations, then ARIMETCO at its expense shall relocate any such improvements so constructed or installed on the Subject Premises to an acceptable alternative by mutual consent. Zonia Landfill, Inc. shall have the right to use and remove fill and overburden materials from within the Subject Premises as is necessary to carry out its landfill operations, such fill and overburden to be removed from sites which do not materially effect ARIMETCO'S then existing or then contemplated mining operations. ARIMETCO understands and agrees that there is a State regulation which prohibits the installation of a ground-water wall within 100 feet of a landfill and a Deed Restriction may be recorded by Zonia Landfill, Inc. to this effect. If OWNER or any lessee, contractor or other party conducts any operations with respect to the Landfill Project, such operations shall be conducted in compliance with all valid and applicable local, state and federal laws, regulations and operating permits and in

such a manner as shall not interfere with any of the operations authorized to be conducted by ARIMETCO on the Subject Premises. OWNER and any such operator shall jointly and severally indemnify and save ARIMETCO free and harmless from all claims that may rise out of such use and operations by such party, its employees, agents or contractors, and shall indemnify and defend ARIMETCO against any suit, claim, judgment or demand whatsoever arising out of the exercise of the rights retained by OWNER hereunder to install, use and operate a landfill within the Landfill Project Area.

15. Memorandum

The parties to this Agreement agree to execute and record a Memorandum or short form of this Agreement in a form sufficient to constitute record notice to third parties of the rights granted hereunder, which may be recorded with the Recorder of Yavapai County, Arizona.

16. Construction; Entire Agreement

It is expressly agreed that no implied covenant or condition shall be read into this Agreement relating to the prospecting, developing or mining of the Subject Premises or the time therefor, or to any of the operations of ARIMETCO hereunder or as to the measure of diligence thereof, it being expressly agreed and understood that subject only to the express obligations of this Agreement, the operations conducted by ARIMETCO shall be conducted at such time and in such manner as ARIMETCO, in its sole discretion deems advisable. This Agreement shall be construed in accordance with the laws of the State of Arizona. The headings and subheadings used herein are for convenience only and shall not be deemed to be a part of the Agreement for purposes of construction thereof. All of the agreements and understandings of ARIMETCO and OWNER with reference to the Subject Premises are embodied in this Agreement, which supersedes

all prior agreements or understandings between OWNER and ARIMETCO with reference thereto.

IN WITNESS WHEREOF, the parties have executed this MINING LEASE AGREEMENT effective as of the date first above set forth.

OWNER

ARIMETCO

THE ZONIA COMPANY, an Arizona corporation

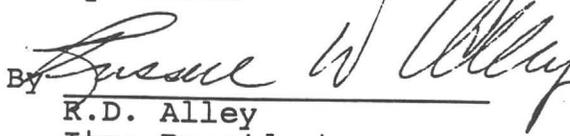
By



Ray Hill  
Its: President

ARIMETCO, INC., a Nevada corporation

By



R.D. Alley  
Its: President

ZONIA LANDFILL INC., an Arizona Corporation

By



Ray Hill  
Its: President

STATE OF ARIZONA )  
COUNTY OF Pima ) ss.

The foregoing instrument was acknowledged before me this 21 day of August, 1992 by Ray Hill, the President of The Zonia Company, an Arizona corporation, on behalf of the corporation.

Lynette Peed  
Notary Public

My Commission Expires:

STATE OF ARIZONA )  
COUNTY OF Pima ) ss.

The foregoing instrument was acknowledged before me this 21 day of August, 1992 by Ray Hill, the President of Zonia Landfill Inc., an Arizona corporation, on behalf of the corporation.

Lynette Peed  
Notary Public

My Commission Expires:

STATE OF ARIZONA )  
COUNTY OF PIMA ) ss.

The foregoing instrument was acknowledged before me this 21 day of August, 1992 by R.D. Alley, the President of Arimetco, Inc., a Nevada corporation, on behalf of the corporation.

Lynette Peed  
Notary Public

My Commission Expires:

My Commission Expires April 4, 1995

EXHIBIT "A"  
DESCRIPTION

PARCEL NO. 1:

Georgia, Georgia No. 2, Georgia No. 3, Yankee Girl, Sunrise, Sunrise No. 2, Sunrise No. 3 and Sunrise No. 4 Lode Mining Claims in Walnut Grove Mining District, being shown on Mineral Survey No. 3866 on file in the Bureau of Land Management, as granted by Patent recorded in Book 134 of Deeds, page 557, records of Yavapai County, Arizona.

PARCEL NO. 2:

Richmond and Virginia Lode Mining Claims in Walnut Grove Mining District being shown on Mineral Survey no. 3867 on file in the Bureau of Land Management, as granted by Patent recorded in Book 134 of Deeds, page 369, records of Yavapai County, Arizona.

PARCEL NO. 3:

Polar Star, Tourmaline, Copper Gance, Sunset, Manilla, Copperopolis, Defiance and Fairplay Lode Mining Claims in Walnut Grove Mining District, being shown on Mineral Survey No. 1324 on file in the Bureau of Land Management, as granted by Patent recorded in Book 49 of Deeds, page 485, records of Yavapai County, Arizona;

EXCEPT all that portion within the boundaries of Quartette Lode Mining Claim, according to Mineral Survey No. 1321, all veins, lodes and ledges, throughout their entire depth, the tops or apexes of which may be inside of said excluded portion, as set forth in said Patent.

PARCEL NO. 4:

Quartette Lode Mining Claim in Walnut Grove Mining District, being shown on Mineral Survey No. 1321 on file in the Bureau of Land Management, as granted by Patent recorded in Book 77 of Deeds, page 114, records of Yavapai County, Arizona.

PARCEL NO. 5:

Sunflower, Lone Pine, Fraction and Iron Hat Lode Mining Claims in Walnut Grove Mining District, being shown on Mineral Survey No. 1323A on file in the Bureau of Land Management, as granted by Patent recorded in Book 49 of Deeds, page 478, records of Yavapai County, Arizona;

EXCEPT all that portion within the boundaries of Fountain Lode Mining Claim and Arrastra Lode Mining Claim, according to Mineral Survey Nos. 762 and 767 respectively, and all veins lodes and ledges, throughout their entire depth, the tops of apexes of which may be inside of said excluded portion, as set forth in said Patent.

(continued)

PARCEL NO. 6:

Fountain Lode Mining Claim in Walnut Grove Mining District, being shown on Mineral Survey No. 762 on file in the Bureau of Land Management, as granted by Patent recorded in Book 27 of Deeds, page 633, records of Yavapai County, Arizona.

PARCEL NO. 7:

Arrastra Lode Mining Claim in Walnut Grove Mining District, being shown on Mineral Survey No. 767 on file in the Bureau of Land Management, as granted by Patent recorded in Book 27 of Deeds, page 636, records of Yavapai County, Arizona;

EXCEPT all that portion within the boundaries of Fountain Lode Mining Claim, according to Mineral Survey No. 762, and all veins, lodes and ledges, throughout their entire depth, the tops or apexes of which may be inside of said excluded portion, as set forth in said Patent.

PARCEL NO. 8:

Cuprite, Black Prince, Shamrock, Zonia, Fraction, Victor Copper, Victory Copper No. 1 and One Lode Mining Claims, and Zonia Millsite Nos. 2 to 6, inclusive, 12 to 16, inclusive, 21 to 32, inclusive, 37 to 39, inclusive, 43, 46 to 56, inclusive, 59 to 61, inclusive and 63 in Walnut Grove Mining District, being shown on Mineral Survey Nos. 4659 A and B Amended on file in the Bureau of Land Management, as granted by Patent recorded in Book 1294 of Official Records, page 686, records of Yavapai County, Arizona; and

EXCEPT all that portion within the boundaries of Quartette Lode Mining Claim, according to Mineral Survey No. 1321; Copperopolis, Defiance and Fairplay Lode Mining Claims, according to Mineral Survey No. 1234; Contact No. 1, Navy No. 1, Navy No. 2 and Navy No. 3 Lode Mining Claims, according to Mineral Survey No. 1495; Sunrise No. 3 and Sunrise No. 4 Lode Mining Claims, according to Mineral Survey No. 3866; Zonia Millsite Nos. 70 to 73, inclusive, Lode Mining Claims in Walnut Grove Mining District, according to Mineral Survey no. 4681 A and B; and the West half of Section 14, Township 11 North, Range 4 West of the Gila and Salt River Base and Meridian, Yavapai County, Arizona, as set forth in said Patent.

(continued)

PARCEL NO. 9:

Zonia No. 26 Lode Mining Claim and Zonia Millsite Nos. 70 to 73, inclusive, Lode Mining Claims in Walnut Grove Mining District, being shown on Mineral Survey Nos. 4681 A and B Amended on file in the Bureau of Land Management, as granted by Patent recorded in Book 1294 of Official Records, page 686, records of Yavapai County, Arizona;

EXCEPT all that portion within the boundaries of Quartette Lode Mining Claim, according to Mineral Survey No. 1321; Copperopolis, Defiance and Fairplay Lode Mining Claims, according to Mineral Survey No. 1324; Contact No. 1, Navy No. 1, Navy No. 2 and Navy No. 3 Lode Mining Claims, according to Mineral Survey No. 1495; Sunrise No. 3 and Sunrise No. 4 Lode Mining Claims, according to Mineral Survey No. 3866; and the West half of Section 14, Township 11 North, Range 4 West of the Gila and Salt River Base and Meridian, Yavapai County, Arizona, as set forth in said Patent.

ALL OF WHICH patented lode mining claims and millsite claims are SUBJECT TO:

1. Exceptions and reservations contained in the United States Patents thereto;
2. All existing roads, rights of way and easements and those of record in the office of the recorder of Yavapai County;
3. Taxes, if any, which may constitute a lien but which are not yet due and payable.

EXHIBIT "B"

The unpatented lode mining claims situated in the Walnut Grove Mining District, County of Yavapai, State of Arizona; the location notices of which are of record in the Office of the County Recorder, Prescott, Arizona and filed in the State Office of the Bureau of Land Management, Phoenix, Arizona are as follows:

<u>Name of Claim</u>	<u>Book of Official Record</u>	<u>Page Number</u>	<u>AMC Number</u>
Zonia No. 2	1358	591-592	124258
Zonia No. 3			
Zonia No. 5	1358	593-594	124259
Zonia No. 6	1358	595-596	124260
Zonia No. 7	1358	597-598	124261
Zonia No. 8	1358	599-600	124262
Zonia No. 9	1358	601-602	124263
Zonia No. 10	1358	603-604	124264
Zonia No. 11	1358	605-606	124265
Zonia No. 14	1358	607-608	124266
Zonia No. 15	1358	609-610	124267
Zonia No. 16	1358	611-612	124268
Zonia No. 17	1358	613-614	124269
Zonia No. 18	1358	617-616	124270
Zonia No. 19	1358	617-618	124271
Zonia No. 20	1358	619-620	124272
Zonia No. 21	1358	621-622	124273
Zonia No. 22	1358	623-624	124274
Zonia No. 23	1358	625-626	124275
Zonia No. 24	1358	627-628	124276
Copper Bar No. 2	1358	645-646	124285
Copper King No. 1	1358	635-636	124280
Copper King No. 3	1358	637-638	124281
Copper King No. 4	1358	639-640	124282
Scott No. 1	1358	641-642	124283
Scott No. 2	1358	643-644	124284
Mistake Fraction No. 1	761	114	75989
Mistake Fraction No. 2	761	115	75990
Mistake No. 1	761	116	75991
Mistake No. 2	761	117	75992
Mistake No. 3	761	117	75993
Mistake No. 4	761	119	75994
Mistake No. 5	761	120	75995
Mistake No. 6	761	121	75996
Mistake No. 7	761	122	75997
Mistake No. 8	761	123	75998
Mistake No. 9	761	124	75999

<u>Name of Claim</u>	<u>Book of Official Record</u>	<u>Page Number</u>	<u>A.M.C Number</u>
Mistake No. 10	761	125	76000
Mistake No. 11	761	126	76001
Mistake No. 12	761	127	76002
Mistake No. 13	761	128	76003
Mistake No. 14	761	129	76004
Mistake No. 15	761	130	76005
Mistake No. 16	761	131	76006
Mistake No. 17	761	132	76007
Mistake No. 17	761	132	76007
Mistake No. 18	761	133	76008
Last Mistake	761	134	76009
Lois No. 1	464	551	75979
Lois No. 2	464	554	75980
Lois No. 3	464	555	75981
Lois No. 4	464	556	75982
Lois No. 5	464	555	75983
Lois No. 6	464	556	75984
Lois No. 17	464	557	75985
Lois No. 18	464	558	75986
Lois No. 19	464	559	75987
Lois No. 20	464	560	75988

The unpatented lode mining claims situated in the Walnut Grove Mining District, County of Yavapai, State of Arizona; the location notices of which are of record in the Office of the County Recorder, Prescott, Arizona and filed in the State Office of the Bureau of Land Management, Phoenix, Arizona are as follows:

<u>Claim Name</u>	<u>County Book</u>	<u>Records Page</u>	<u>B.L.M. Serial #</u>
Zonia MS No. 1 Amended	1294	748	A MC 76098
Zonia MS No. 7 Amended	1294	756	A MC 76104
Zonia MS No. 8 Amended	1294	757	A MC 76105
Zonia MS No. 9 Amended	1294	758	A MC 76106
Zonia MS No. 10 Amended	1294	759	A MC 76107
Zonia MS No. 11 Amended	1294	759	A MC 76108
Zonia MS No. 17 Amended	1294	767	A MC 76114
Zonia MS No. 18 Amended	1294	767	A MC 76115
Zonia MS No. 19 Amended	1294	768	A MC 76116
Zonia MS No. 20 Amended	1294	769	A MC 76117
Zonia MS No. 33 Amended	1294	783	A MC 76130
Zonia MS No. 34 Amended	1294	784	A MC 76131
Zonia MS No. 35 Amended	1294	785	A MC 76132
Zonia MS No. 36 Amended	1294	786	A MC 76133
Zonia MS No. 40	1294	790	A MC 76137
Zonia MS No. 41	1294	791	A MC 76138
Zonia MS No. 42	1294	792	A MC 76139
Zonia MS No. 44	1294	794	A MC 76141
Zonia MS No. 45	1294	795	A MC 76142
Zonia MS No. 57	1294	840	A MC 76154
Zonia MS No. 58	1294	808	A MC 76155

ALL OF WHICH unpatented lode mining claims are SUBJECT TO:

1. Paramount title of the United States;
2. All existing roads, rights of way and easements and those of record in the office of the recorder of Yavapai County and those of record in the Arizona State office of the Bureau of Land Management;
3. All leases, permits, approvals and other rights and privileges heretofore or hereafter granted by or obtained from the United States in its administration of its paramount title; and
4. Exceptions and reservations contained in surface patents (if any) issued by the United States or the State of Arizona.

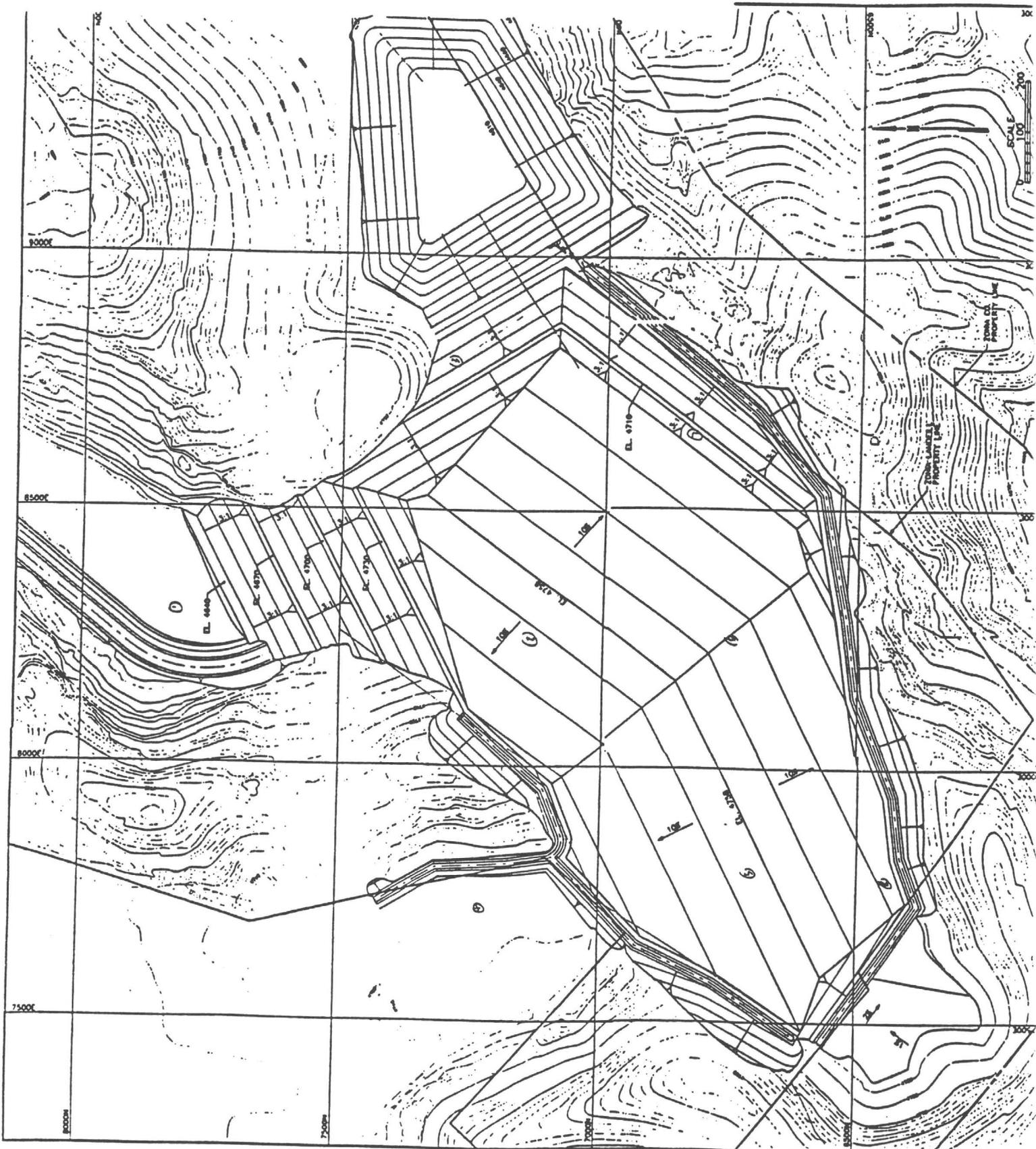


EXHIBIT "C"

MEMORANDUM  
of  
MINING LEASE AGREEMENT

NOTICE IS GIVEN that pursuant to that certain MINING LEASE AGREEMENT dated effective as of the 21st day of August, 1992 by and between THE ZONIA COMPANY, an Arizona corporation, and ZONIA LANDFILL, INC., an Arizona corporation (collectively as "OWNER"), and ARIMETCO INC., a Nevada corporation (as "ARIMETCO"), as subsequently amended by Supplemental Amendment to Mining Lease Agreement dated effective as of the 21st day of DECEMBER, 1992 between the same parties, OWNER, for a valuable consideration the receipt and sufficiency of which is hereby acknowledged, has granted, let and demised and does hereby grant, let and demise unto ARIMETCO, its successors and assigns, the patented lode mining and millsite claims described in Exhibit A attached hereto and made a part hereof, the unpatented lode mining claims described in Exhibit B attached hereto and made a part hereof, all of OWNER's interest in the unpatented lode mining claims described in Exhibit C attached hereto and made a part hereof and the right to receive an assignment of State of Arizona Commercial Lease No. 03-1150 more particularly described in Exhibit D attached hereto and made a part hereof, all of which are situated in the Walnut Grove Mining District, Yavapai County, Arizona EXCEPTING AND EXCLUDING the Landfill Project Area as described in the Mining Lease Agreement, which mining claims, less the excluded area, are therein and hereinafter referred to as the "Subject Premises," together with all ores, minerals and materials thereon and thereunder (hereinafter "Leased Substances"), all on the terms and provisions and subject to the conditions set forth therein, all of which terms, provisions and conditions are by this reference incorporated herein, with the right to explore for, develop, mine (by open pit, strip, underground, solution mining or any other method, including any method hereafter developed), extract, stockpile, mill, process, store, remove and sell the Leased Substances and to place

thereon, construct, maintain, use and, at its election, to remove such structures, facilities, equipment, roadways, haulage ways and such other improvements as ARIMETCO may deem necessary, useful or convenient in conducting its operations thereon and, to the extent permitted by applicable law, to use and consume so much of the surface thereof as may be necessary, useful or convenient for the full enjoyment of all of the rights herein granted.

The term of the Agreement shall be for a period of ten (10) years from the effective date thereof and for so long thereafter as any mining, developing and processing or any of such activities are being conducted thereon unless the Agreement is sooner terminated as therein provided.

Copies of the Mining Lease Agreement are in the possession of OWNER, 212 S. Marina Street, Prescott Arizona, and in the possession of ARIMETCO, 6245 E. Broadway, Suite 350, Tucson, AZ 85711.

IN WITNESS WHEREOF, this Memorandum of Mining Lease Agreement has been executed as of the date first above set forth.

OWNER

LESSEE

THE ZONIA COMPANY, an Arizona corporation

ARIMETCO, INC. a Nevada corporation

By Ray Hill  
Ray Hill  
Its: President

By R.D. Alley  
R.D. Alley  
Its: President

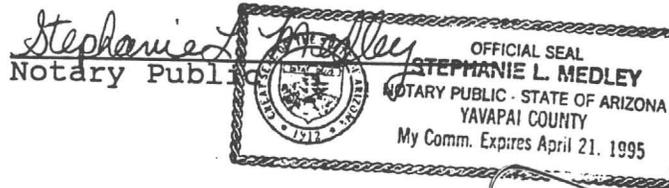
ZONIA LANDFILL, INC., an Arizona corporation

By Ray Hill  
Ray Hill  
Its: President

STATE OF ARIZONA )  
 )  
COUNTY OF Yavapai ) SS.

The foregoing instrument was acknowledged before me this 11<sup>th</sup> day of December, 1992 by Ray Hill, the President of The Zonia Company, an Arizona corporation, on behalf of the corporation.

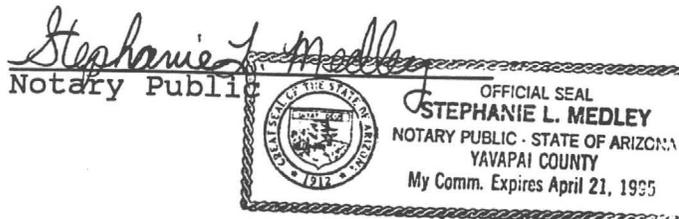
My Commission Expires:



STATE OF ARIZONA )  
 )  
COUNTY OF Yavapai ) SS.

The foregoing instrument was acknowledged before me this 11<sup>th</sup> day of December, 1992 by Ray Hill, the President of Zonia Landfill Inc., an Arizona corporation, on behalf of the corporation.

My Commission Expires:



STATE OF ARIZONA )  
 )  
COUNTY OF PIMA ) SS.

The foregoing instrument was acknowledged before me this 21 day of Dec., 1992 by R.D. Alley, the President of Arimetco, Inc., a Nevada corporation, on behalf of the corporation.

Rimette Peed  
Notary Public

My Commission Expires:

My Commission Expires April 4, 1995

EXHIBIT "A"  
DESCRIPTION

PARCEL NO. 1:

Georgia, Georgia No. 2, Georgia No. 3, Yankee Girl, Sunrise, Sunrise No. 2, Sunrise No. 3 and Sunrise No. 4 Lode Mining Claims in Walnut Grove Mining District, being shown on Mineral Survey No. 3866 on file in the Bureau of Land Management, as granted by Patent recorded in Book 134 of Deeds, page 557, records of Yavapai County, Arizona.

PARCEL NO. 2:

Richmond and Virginia Lode Mining Claims in Walnut Grove Mining District being shown on Mineral Survey no. 3867 on file in the Bureau of Land Management, as granted by Patent recorded in Book 134 of Deeds, page 369, records of Yavapai County, Arizona.

PARCEL NO. 3:

Polar Star, Tourmaline, Copper Glance, Sunset, Manilla, Copperopolis, Defiance and Fairplay Lode Mining Claims in Walnut Grove Mining District, being shown on Mineral Survey No. 1324 on file in the Bureau of Land Management, as granted by Patent recorded in Book 49 of Deeds, page 485, records of Yavapai County, Arizona;

EXCEPT all that portion within the boundaries of Quartette Lode Mining Claim, according to Mineral Survey No. 1321, all veins, lodes and ledges, throughout their entire depth, the tops or apexes of which may be inside of said excluded portion, as set forth in said Patent.

PARCEL NO. 4:

Quartette Lode Mining Claim in Walnut Grove Mining District, being shown on Mineral Survey No. 1321 on file in the Bureau of Land Management, as granted by Patent recorded in Book 77 of Deeds, page 114, records of Yavapai County, Arizona.

PARCEL NO. 5:

Sunflower, Lone Pine, Fraction and Iron Hat Lode Mining Claims in Walnut Grove Mining District, being shown on Mineral Survey No. 1323A on file in the Bureau of Land Management, as granted by Patent recorded in Book 49 of Deeds, page 478, records of Yavapai County, Arizona;

EXCEPT all that portion within the boundaries of Fountain Lode Mining Claim and Arrastra Lode Mining Claim, according to Mineral Survey Nos. 762 and 767 respectively, and all veins lodes and ledges, throughout their entire depth, the tops of apexes of which may be inside of said excluded portion, as set forth in said Patent.

(continued)

PARCEL NO. 6:

Fountain Lode Mining Claim in Walnut Grove Mining District, being shown on Mineral Survey No. 762 on file in the Bureau of Land Management, as granted by Patent recorded in Book 27 of Deeds, page 633, records of Yavapai County, Arizona.

PARCEL NO. 7:

Arrastra Lode Mining Claim in Walnut Grove Mining District, being shown on Mineral Survey No. 767 on file in the Bureau of Land Management, as granted by Patent recorded in Book 27 of Deeds, page 636, records of Yavapai County, Arizona;

EXCEPT all that portion within the boundaries of Fountain Lode Mining Claim, according to Mineral Survey No. 762, and all veins, lodes and ledges, throughout their entire depth, the tops or apexes of which may be inside of said excluded portion, as set forth in said Patent.

PARCEL NO. 8:

Cuprite, Black Prince, Shamrock, Zonia, Fraction, Victor Copper, Victory Copper No. 1 and One Lode Mining Claims, and Zonia Millsite Nos. 2 to 6, inclusive, 12 to 16, inclusive, 21 to 32, inclusive, 37 to 39, inclusive, 43, 46 to 56, inclusive, 59 to 61, inclusive and 63 in Walnut Grove Mining District, being shown on Mineral Survey Nos. 4659 A and B Amended on file in the Bureau of Land Management, as granted by Patent recorded in Book 1294 of Official Records, page 686, records of Yavapai County, Arizona; and

EXCEPT all that portion within the boundaries of Quartette Lode Mining Claim, according to Mineral Survey No. 1321; Copperopolis, Defiance and Fairplay Lode Mining Claims, according to Mineral Survey No. 1234; Contact No. 1, Navy No. 1, Navy No. 2 and Navy No. 3 Lode Mining Claims, according to Mineral Survey No. 1495; Sunrise No. 3 and Sunrise No. 4 Lode Mining Claims, according to Mineral Survey No. 3866; Zonia Millsite Nos. 70 to 73, inclusive, Lode Mining Claims in Walnut Grove Mining District, according to Mineral Survey no. 4681 A and B; and the West half of Section 14, Township 11 North, Range 4 West of the Gila and Salt River Base and Meridian, Yavapai County, Arizona, as set forth in said Patent.

(continued)

EXHIBIT "B"

The unpatented lode mining claims situated in the Walnut Grove Mining District, County of Yavapai, State of Arizona; the location notices of which are of record in the Office of the County Recorder, Prescott, Arizona and filed in the State Office of the Bureau of Land Management, Phoenix, Arizona are as follows:

<u>Name of Claim</u>	<u>Book of Official Record</u>	<u>Page Number</u>	<u>AMC Number</u>
Zonia No. 2	1358	591-592	124258
Zonia No. 3			
Zonia No. 5	1358	593-594	124259
Zonia No. 6	1358	595-596	124260
Zonia No. 7	1358	597-598	124261
Zonia No. 8	1358	599-600	124262
Zonia No. 9	1358	631-602	124263
Zonia No. 10	1358	603-604	124264
Zonia No. 11	1358	605-606	124265
Zonia No. 14	1358	607-608	124266
Zonia No. 15	1358	609-610	124267
Zonia No. 16	1358	611-612	124268
Zonia No. 17	1358	613-614	124269
Zonia No. 18	1358	617-616	124270
Zonia No. 19	1358	617-618	124271
Zonia No. 20	1358	619-620	124272
Zonia No. 21	1358	621-622	124273
Zonia No. 22	1358	623-624	124274
Zonia No. 23	1358	625-626	124275
Zonia No. 24	1358	627-628	124276
Copper Bar No. 2	1358	645-646	124285
Copper King No. 1	1358	635-636	124280
Copper King No. 3	1358	637-638	124281
Copper King No. 4	1358	639-640	124282
Scott No. 1	1358	641-642	124283
Scott No. 2	1358	643-644	124284
Mistake Fraction No. 1	761	114	75989
Mistake Fraction No. 2	761	115	75990
Mistake No. 1	761	114	75991
Mistake No. 2	761	117	75992
Mistake No. 3	761	117	75993
Mistake No. 4	761	119	75994
Mistake No. 5	761	120	75995
Mistake No. 6	761	121	75996
Mistake No. 7	761	122	75997
Mistake No. 8	761	123	75998
Mistake No. 9	761	124	75999

<u>Name of Claim</u>	<u>Book of Official Record</u>	<u>Page Number</u>	<u>AMC Number</u>
Mistake No. 10	761	125	76000
Mistake No. 11	761	126	76001
Mistake No. 12	761	127	76002
Mistake No. 13	761	128	76003
Mistake No. 14	761	129	76004
Mistake No. 15	761	130	76005
Mistake No. 16	761	131	76006
Mistake No. 17	761	132	76007
Mistake No. 17	761	132	76007
Mistake No. 18	761	133	76008
Last Mistake	761	134	76009
Lois No. 1	464	551	75979
Lois No. 2	464	554	75980
Lois No. 3	464	555	75981
Lois No. 4	464	556	75982
Lois No. 5	464	555	75983
Lois No. 6	464	556	75984
Lois No. 17	464	557	75985
Lois No. 18	464	558	75986
Lois No. 19	464	559	75987
Lois No. 20	464	560	75988

The unpatented lode mining claims situated in the Walnut Grove Mining District, County of Yavapai, State of Arizona; the location notices of which are of record in the Office of the County Recorder, Prescott, Arizona and filed in the State Office of the Bureau of Land Management, Phoenix, Arizona are as follows:

<u>Claim Name</u>	<u>County Book</u>	<u>Records Page</u>	<u>B.L.M. Serial #</u>
Zonia MS No. 1 Amended	1294	748	A MC 76098
Zonia MS No. 7 Amended	1294	756	A MC 76104
Zonia MS No. 8 Amended	1294	757	A MC 76105
Zonia MS No. 9 Amended	1294	758	A MC 76106
Zonia MS No. 10 Amended	1294	759	A MC 76107
Zonia MS No. 11 Amended	1294	759	A MC 76108
Zonia MS No. 17 Amended	1294	767	A MC 76114
Zonia MS No. 18 Amended	1294	767	A MC 76115
Zonia MS No. 19 Amended	1294	768	A MC 76116
Zonia MS No. 20 Amended	1294	769	A MC 76117
Zonia MS No. 33 Amended	1294	783	A MC 76130
Zonia MS No. 34 Amended	1294	784	A MC 76131
Zonia MS No. 35 Amended	1294	785	A MC 76132
Zonia MS No. 36 Amended	1294	786	A MC 76133
Zonia MS No. 40	1294	790	A MC 76137
Zonia MS No. 41	1294	791	A MC 76138
Zonia MS No. 42	1294	792	A MC 76139
Zonia MS No. 44	1294	794	A MC 76141
Zonia MS No. 45	1294	795	A MC 76142
Zonia MS No. 57	1294	840	A MC 76154
Zonia MS No. 58	1294	808	A MC 76155

ALL OF WHICH unpatented lode mining claims are SUBJECT TO:

1. Paramount title of the United States;
2. All existing roads, rights of way and easements and those of record in the office of the recorder of Yavapai County and those of record in the Arizona State office of the Bureau of Land Management;
3. All leases, permits, approvals and other rights and privileges heretofore or hereafter granted by or obtained from the United States in its administration of its paramount title; and
4. Exceptions and reservations contained in surface patents (if any) issued by the United States or the State of Arizona.

EXHIBIT D

State of Arizona Commercial Lease No. 03-1150 dated June 25, 1991 and issued to The Zonia Company and encompassing the following described lands in Section 14, T. 11 N., R. 14 W., G.& S.R.M., Yavapai County, Arizona:

The Southeast Quarter of the Northwest Quarter (SE 1/4 NW 1/4) and the Northeast Quarter of the Southwest Quarter (NE 1/4 SW 1/4) of said Section 14 and containing 80 acres more or less.