

2507186

D E E D

Recorded DEC 19 1972 6:00 P. M.
 Request of James R. Behl & Halverson
 Fee Paid JERADEAN MARTIN
 Recorder, Salt Lake County, Utah
410 50 By P. Brown Deputy
 Ref. 520 Kearns Bldg.
84101

UV INDUSTRIES, INC., formerly United States Smelting Refining and Mining Company, a corporation of the State of Maine duly authorized to engage in and engaged in business in the State of Utah, hereinafter referred to as GRANTOR, hereby grants, bargains, sells and conveys, without warranty, to KENNECOTT COPPER CORPORATION, a corporation of the State of New York duly authorized to engage in and engaged in business in the State of Utah, hereinafter referred to as GRANTEE, for the sum of Three Hundred Thousand Dollars (\$300,000), the following described patented and unpatented mining claims, mining properties and other real property in West Mountain Mining District, Salt Lake and Tooele Counties, State of Utah;

Those certain mining claims, mining properties and real property situate in West Mountain Mining District, Salt Lake and Tooele Counties, State of Utah, within the following legal subdivisions of the public land survey:

Township	Range	Sections
3 South	2 West	18, 19, 20, 27, 28, 30, 31, 32, 33 and 34.
3 South	3 West	13, 23, 24, 25, 26, 34, 35 and 36
4 South	2 West	6
4 South	3 West	1, 2, 3, 4, 9, 10 and 12

all in Salt Lake Meridian, particularly described as follows:

1. The following patented lode and placer mining claims:

Claim	Lot No. or Mineral Survey No.	Claim	Lot No. or Mineral Survey No.
Aladin Lode	68	Albino	70
American Flag Lode	278	After Thought	3895
Armand	4030	Austin	4030
Andy	5033	Alice	5075
Anaconda	5076	Arbitrator	5179
Ashland Lode	67	Ashland No. 2 Mine	69
Agate	5378	Agate Fraction	6922
Agee	4520	Alhambra	4589
Amber	5378	Antelope	2996
Atlas	3693	Antelope Fraction Lode	6919
Albany	5125	Mining Claim	
Albiana	4658	Alwin	5717
Amazon Lode	224	Amsterdam	5125
Auburn	460	Athens	3744
Athens No. 2	3744	Atlantic	3197
Ada Grace	6065	Anna Rooney	5534
Aetna Amd. Lode	7020	Arbitrator Fraction	7012
Abby	6072	Azureite Fractions	7094
A. D. Lode	6995	Almeda Mine	73
Ajax	388	Austin Ray	410
Alpha	3671	Adrian	7096
Abe Lincoln	3753	Ann Kempton Mine	154
Accident	279	Apex	296
Anna	392	Alls Well No. 2	3740
Allie N.	3814	American Boy	4018
Allice Ann	4022		
Bullion Lode	61	Buckeye	88
Blind Bill	406	Buzzo	3531

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Boston	3532
Blizzard Fraction	6375
Badger	3819
Bonanza	371
Buttermilk Am'd	3809
Badger South West Extension	3384
Beryl	5378
Blende	5378
Beth	6920
Brilliant	223
Benjamin	3197
Bonanza No. 2	3986
Baby Fraction	3656
B. S.	4575
Brooks	3266
Black Jack Fraction	7110
Burlington Mine	4788
Bonny Blue Flag	169
Blaine	359
Benton	249
Bee No. 2	4021
Croesus Lode	51
Central City	275
Columbia	3542
Contact	5407
Cross Cut	4155
Closing Fraction Amended	5191
Comstock Fraction	5430
Cluster	462
Carlile	340
Claret	4521
Curley Amended	5206
Cluster Fraction	6946
Cleopatra No. 2	4559
Cairo	3744
Comet No. 1	5051
Copper Hill	4048
Copper Hill No. 2	4096
Copper Hill No. 4	4547
Copper Belt	5991
Cowboy No. Two	4358
Cowboy No. 4	4376
Champion	3263
Copper Queen	4575
Chester	3967
Cotopaxi Lode	6994
Canby	116
Climax	387
Contention	3096
Charles A. Cramp	3984
Cato	7085
Cook	4214
Copperton	3816
Copper Belt No. 2	5543
Dartmouth	46
Diana	3571
Decoracion Mining Claim	6971
Dalton No. 2	327
Dump	370
Daisy No. 2	4849
Dixon No. 3	226
Defender	3329
Day Light Ext'n.	4248
Darius	7076
Dickerman	3672

Bear, Amended	4002
Blizzard	6376
Bargain	332
Bazouk Lode	258
Badger	3376
Baldwin	3387
Banner	343
Big Chief	3623
Butter	5206
Beryl Fraction	6923
Boston	3744
Bonanza	3292
Bonanza No. 3	3292
Blue Rock	3263
Black Jack	125
Baldwin Fraction	7080
Buster	7063
Black Hawk	57
Bug	7118
Barsness	4332
Bee No. 1	4020
Buckey	4016
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Cariboo	3125
Cyclops	4142
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Consequent	5155
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Commercial Lode	273
Carbonate	329
Clara	347-A
Clark	3318
Cunningham	3863
Colonia	4657
Cleopatra	4559
Cleopatra Fraction	5468
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Copper Hill No. 3	4096
Copper Hill No. 5	4542
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Cowboy No. 3	4359
Coyote	4488
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Compromise	7158
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Calidonia	294
Cleveland	469
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 First Dollar Fraction 6921
 Fraction Extension 7098
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 Frida 3734
 Fritz 3264

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 George 355
 Gladstone 3194
 Giant Chief 109
 Guy 3629
 Garfield 5125
 G. H. Amd. Lode 7019
 Get There 4788
 Gibbons 297
 Glance No. 1 5168

Hamlin 136
 Hooper 266
 Hibernia 3026
 Hampton 6282
 Happy Go Lucky 3375
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 Higgins West Fraction 5536
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 Henrietta 83
 Hard Luck 6939
 Henley Fraction 3914

I Don't Care 4030
 Independence 4590
 Ida 3988
 Isabella Fraction 7061
 Illinois Chief 3818

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 Jordan Extension 423
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 Joiner No. 2 4281
 John R. 4575
 Joe Fractions II 7081

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 Miss Tiewaukee 7086
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 No You Don't Fractions 7100
 National 4788
 Niagara 2940
 Nast 260
 Neal 4215

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 Old Trail 5640
 Old Channel Placer 464
 Owl 5052
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 Luciele 3808
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 Mohawk 5125
 Mountain Maid 79
 Moret 3744
 Marion 3824
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 Midas No. 3 3395
 Midas No. 5 3395
 Mute No. 1 3769
 Mary Ann 5007
 Mammoth 3329
 Moore Tom Ext. 7065
 Miss Amazon 7089
 Morning Star 4788
 Mavberry 4289
 Mc Queen 295
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 Milton 5082

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 Neversweat 5061
 Nanny Lode 6994
 No. 10 3926
 1909 6149
 Nast No. 2 4288
 Nabob 3834

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 Penrith 341
 Pride of the Valley 3076
 Plymouth Rock 4271
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 Picket Post 3197
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 Portland 47
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Queen of Sheba 98
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 Rustin 330
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 Robin Red Breast 3197
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 Spring 337
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 St. Nicholas 5656
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 Thayer 4588
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Pandora 3691
 Pearl Fraction 4532
 Protector 3692
 Prospect 5657
 Plymouth Rock No. 2 4272
 Plymouth Rock No. 4 4278
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 Palen 2940
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 Paris Stake 3754
 Portland Lode 3752
 Perquisite 4017

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Royal 75
 Red Rover 186
 Rip Van Winkle 3978
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 Revere 120
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 Rodi 4277
 R. A. 3987
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 Ruth 3912
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 Scotia Cons. 3026
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 Savage 80
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 Saint Nicholas 3744
 Susie 4279
 Snowdrift 3656
 Stella Amd. Lode 7020
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 Stag 7084
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 Storey 156
 Snow Drift Fraction 7097
 Smugler 4289
 Silver Dollar 3834
 Sedalia 5543
 Syndicate 3815

Tipperary Boy 333
 Turngren 4396
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 Tom Moore No. 2 5445
 Tom Moore No. 4 5534

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Tom Moore No. 7	5445	Tom Moore No. 8	5534
Tom Moore No. 10	5891	Tom Moore Extension	5891
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Tuscorora No. 2	3212	Tom Moore No. 9/nine	7059
Tom Moore No. 11 Amd.	7059	Trinity Fraction	7083
Tom Thumb	5575	Tiewaukee	108
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Ulig No. 4 Four	4095	Ute	5848
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Victor	110	Venard	438
Vanderbilt	138	Vee	5658
Veto	256	Virttick	3967
Velvet	7108	Vindicator	3639
Washington Fraction	6470	Wide West	289
Wasatch	4000 Amd.	Weasel Extension	5206
Westerly Ext. of the Key Note	416	Winamuck	37
Winifred	5849	Winamuck No. 2	255
Williams	271	Wake Up Jim	3744
West Lode Amended	7074	Winner	4644
Weasel	426	Wantry No. 1	3754
Winebago	103	Wedge	5576
Yosemite	45A	What Cheer	292
Yucan	3753	You see	6200

2. That portion of the Copper King lode mining claim, Mineral Survey No. 4836 situate in Section 30, Township 3 South, Range 2 West, Salt Lake Meridian.

3. Those portions of the following patented lode mining claims owned by UV Industries, Inc.:

<u>Claim</u>	<u>Lot No. or Mineral Survey No.</u>
Accident	395
Bradbury	6134
Bull Dozer	204
Copper Center	3594
Edgar	5111
Elvina	207
Elvena No. 2	3659
Final Location	5181
Geisha	5434
Gurdon	4153
Gold Trail	3898
Lassie	3564
Lake View	5313
Langley	3670
Mascott - Fraction Lode	5384
Miller	144
Macbeth	6950
Mary Bell	3738
Mary Bell Fraction	3913
Ninty Eight Fraction	5154
Rough Wrestler	3934
Sappington	4717
Stanley	5111
Silver Comstock	335
Silver Star	4138
Thomas	3673
Washington	221
Weber	5313
Webster	159

4. Undivided interest of UV Industries, Inc. in the following patented mining claims:

<u>Claim</u>	<u>Lot No. or Mineral Survey No.</u>
McGuire & Co.'s Placer	242
Salt Lake	372
South Hooper	373
You Bet	3743

5. The following patented mill sites:

Lead Mine Millsite, Lot No. 347-B
 Trinity Mill Site, Lot No. 148
 Yosemite Mill Site, Lot No. 45-B

6. Those portions of the following described lands owned by UV Industries, Inc.

Section 19: Lots 2, 3, 6, 8, 9, 10, 11, 12, 13, 14, 15 and 16.
 Section 20: Lots 3 and 4; $E\frac{1}{2}$ SW $\frac{1}{4}$; SE $\frac{1}{4}$.
 Section 27: $E\frac{1}{2}$; NW $\frac{1}{4}$; N $\frac{1}{2}$ SW $\frac{1}{4}$.
 Section 28: All.
 Section 30: Lots 3, 4, 5, 6, 7, 8, 10, 11, 15 and 17; NW $\frac{1}{4}$ NE $\frac{1}{4}$; SE $\frac{1}{4}$ SE $\frac{1}{4}$.
 Section 31: $W\frac{1}{2}$ NE $\frac{1}{4}$; a tract in the NE $\frac{1}{4}$ NE $\frac{1}{4}$ containing 2.25 acres,
 more or less.
 Section 32: SE $\frac{1}{4}$ NE $\frac{1}{4}$.
 Section 33: N $\frac{1}{2}$.
 Section 34: SW $\frac{1}{4}$ NW $\frac{1}{4}$.

all in Township 3 South, Range 2 West, Salt Lake Meridian.

7. The following unpatented lode mining claims:

<u>Claim</u>	<u>Mineral Survey No.</u>	<u>Location Notice or Last Amended Location Notice recorded in the records of Salt Lake County, Utah in</u>	
		<u>Book</u>	<u>Page</u>
Beetle	-	U	11
Boston Fraction	7106	K	381
Buena Vista	7124	K	321
Bumble Bee	-	U	10
Cloudy	7057	S	140
Cloudy No. 1	7057	S	141
Croesus Fraction	7115	K	435
Dandy Fraction	7117	K	387
Diana Fractions	7101	L	230
Dixon Fraction No. 2	7087	J	188
Dixon Fraction No. 3	7088	J	188
Don Carlos	-	1357	618
Eagle Fraction	7107	K	439
East Bingham #3	7061	L	206
Fog	7121	S	132
Frosty	7057	S	132
Grace Ada	7061	K	371
Grace Ada No. 1	7061	K	372
Grace Ada No. 2	7061	K	373
Grace Ada No. 3	7061	L	240
Hyland No. 3	7057	K	294
Hyland No. 4	7057	K	295
Hyland No. 5 Fraction	7057	K	295
Hyland No. 6	7057	K	296
Hyland No. 7	7057	K	327
Hyland No. 8 Fraction	7057	K	327
Lone Fraction	7095	S	136
Lake	-	S	240
Moore Tom	7061	K	368
Moore Tom No. 1	7061	K	369
Moore Tom No. 2	7061	K	369
Moore Tom No. 3	7061	K	370
Moore Tom No. 4	7061	K	371

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Scorpion	-	U	11
Smith	-	U	13
Star Fractions	7105	L	253
Thrush Fraction	7092	S	158
Tuxedo	7109	S	162
Valle Vesta Primera	7122	S	207
Valley View Extension	7057	K	370
Valley View No. 1	7057	K	305
Valley View No. 2	7057	V	67
Valley View No. 3	7057	V	68
Valley View No. 4	7057	V	68
Valley View Fraction No. 1	7057	K	305
Valley View Fraction No. 2	7057	K	306
Valley View No. 2	7093	K	363
Wasp	-	U	12
Winter	-	L	256
You Bet Fraction	7103	K	329

8. Undivided interest of UV Industries, Inc. in the Wealtha Fraction unpatented claim, Mineral Survey No. 7104, the notice of location of which is recorded in the records of Salt Lake County, in Book K at page 307.

9. Any and all other mining claims, mining property and real property now owned by UV Industries, Inc. situate within the following legal subdivisions of the public land survey:

<u>Township</u>	<u>Range</u>	<u>Sections</u>
3 South	2 West	18, 19, 20, 27, 28, 30, 31, 32, 33 and 34
3 South	3 West	13, 23, 24, 25, 26, 34, 35 and 36
4 South	2 West	6
4 South	3 West	1, 2, 3, 4, 9, 10 and 12

all in Salt Lake Meridian.

together with any and all mining claims, mining rights or other real property acquired by Grantor pursuant to the provisions of Article III, Section I, or Article III, Section III, of the Agreement dated September 21, 1962, between the parties hereto, which Agreement is attached hereto, marked Exhibit A and made a part hereof.

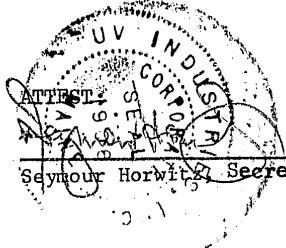
EXCEPTING AND RESERVING to Grantor, its successors and assigns, all lead-zinc ores in or underlying the property covered hereby, together with the right to prospect and explore for, develop, mine and remove any and all such ores.

The rights granted and reserved hereunder and the exercise of such rights shall be subject to and restricted by all pertinent provisions of the said Agreement of September 21, 1962, including, but not limited to, the provisions of Article II, Section I; Article II, Section III; Article III, Section IV; Article III, Section V; Article IV, Sections I, II, III and IV and Article V, Section I.

TO HAVE AND TO HOLD all the above granted land, tenements and

hereditaments unto the Grantee, its successors and assigns forever.

IN WITNESS WHEREOF, Grantor has caused these presents to be executed by a duly authorized officer and its corporate seal to be hereunto affixed this 21st day of September, 1972.



Seymour Horwitz Secretary

UV INDUSTRIES, INC., formerly United States Smelting Refining and Mining Company

By J. George Gange
J. George Gange, Chairman of the Board

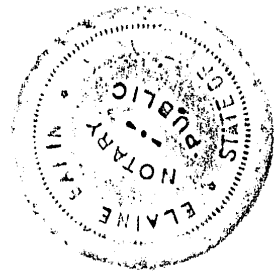
STATE OF NEW YORK)
COUNTY OF NEW YORK) ss.

On the 27th day of September, 1972, personally appeared before me J. George Gange, who being by me duly sworn, did say that he is the Chairman of the Board of UV INDUSTRIES, INC., formerly United States Smelting Refining and Mining Company, and that the foregoing instrument was signed by him on behalf of said corporation, the said J. George Gange being thereunto duly authorized and said J. George Gange acknowledged to me that said corporation executed the same.

My Commission Expires :

Elaine Barin
Notary Public

ELAINE BARIN
Notary Public, State of New York
No. 41-982C005
Qualified in Queens County
Commission Expires March 30, 1974



AGREEMENT DATED AS OF SEPTEMBER 21, 1962

BETWEEN

UNITED STATES SMELTING REFINING AND
MINING COMPANY

AND

KENNECOTT COPPER CORPORATION

REC'D NO. 2700
U.S.S. & M.
U.S. v. LARK

*
 AGREEMENT DATED AS OF SEPTEMBER 21, 1962
 BETWEEN
 UNITED STATES SMELTING REFINING AND
 MINING COMPANY
 AND
 KENNECOTT COPPER CORPORATION

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A G R E E M E N T

THIS AGREEMENT, made and entered into as of
this 21st day of September, 1962, by and between
UNITED STATES SMELTING REFINING AND MINING
COMPANY, a corporation of the State of Maine,
duly authorized to engage in business in the State
of Utah, hereinafter called "United States Company,"
and KENNECOTT COPPER CORPORATION, a corpora-
tion of the State of New York, duly authorized to
engage in business in the State of Utah; hereinafter
called "Kennecott";

WITNESSETH:

ARTICLE I

SECTION I - CONVEYANCE OF SURFACE AND TUNNEL EASEMENT

For and in consideration of the sum of Seven Million Dollars (\$7,000,000) and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and in consideration of and subject to the covenants, agreements and conditions of this Agreement expressed, United States Company hereby grants, bargains, sells and conveys unto Kennecott, its successors and assigns, forever, the surface of the mining claims, the surface of the mining properties, and the surface

of the other real property situate in West Mountain Mining District, Salt Lake and Tooele Counties, State of Utah, particularly described in Exhibit I attached hereto and made a part hereof, hereinafter called the "Conveyed Surface."

The parties acknowledge that the said Seven Million Dollars has been paid by Kennecott to United States Company by delivery of the sum of One Million Dollars upon execution of this Agreement, and by delivery to United States Company of one Promissory Note of even date herewith, made by Kennecott, due and payable to United States Company on the twenty-first day of September, 1964, in the principal sum of Six Million Dollars, a copy of which Promissory Note is attached hereto, marked Exhibit A, hereby made a part hereof, subject, however, to all of the terms and conditions of said Promissory Note and to the terms and conditions of this Agreement.

The consideration for separate parcels of the Conveyed Surface, as identified by colors on the map marked Exhibit B attached hereto, is as follows:

	<u>Acreage</u>	<u>Consideration</u>
Area outlined in red	1080	\$ 2,070,000
Area outlined in green	3500	700,000
Area outlined in yellow	2820	4,230,000

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EXCEPTING AND RESERVING unto United States Company, its successors and assigns, all minerals in or underlying the Conveyed Surface, together with the right to prospect and explore for, develop, mine and remove any and all such minerals, subject to the terms and conditions of this Agreement.

United States Company also grants, bargains, sells and conveys unto Kennecott, its successors and assigns, forever, the right to construct, maintain, use, operate, reconstruct and enlarge a major haulage tunnel through any part of the north one-half of Section 29, Township 3 South, Range 2 West, Salt Lake Meridian, in Salt Lake County, State of Utah.

SECTION II - LEASE

In consideration of the royalties and payments hereinafter set forth, to be paid by Kennecott to United States Company, and in consideration of the terms, covenants and subject to the conditions hereinafter provided, United States Company hereby leases unto Kennecott, its successors and assigns, for the term and upon the conditions hereinafter stated, the patented and unpatented mining claims, mining properties and other real property, situate in the West Mountain Mining District, in Salt Lake and Tooele Counties, State of Utah, particularly described in Exhibit II attached hereto and made a part hereof, hereinafter called the "Mining Premises," for the purpose of mining copper ores therefrom and for the purpose of performing such acts and carrying on such operations as are deemed necessary or advisable by Kennecott in the exploration for, development, mining and removal by surface or underground operations or methods of such ores and ores from other property owned by Kennecott in the general area, including the right to leach materials thereon, or placed thereon, together with the right at any time or times, to strip, excavate, mine, remove, carry away, re-deposit, leach, sell, waste, own and dispose of, for Kennecott's account, the surface, subsurface and overburden thereon, all as Kennecott may deem necessary in its exploration, mining and other operations on or about the Mining Premises or other lands.

EXCEPTING AND RESERVING unto United States Company, its successors and assigns, all lead-zinc ores in or underlying the Mining Premises

together with the right to prospect and explore for, develop, mine and remove any and all such ores, subject to the terms and conditions of this Agreement.

TO HAVE AND TO HOLD the Mining Premises unto Kennecott, its successors and assigns, for a term of ten (10) years from and after the date hereof.

Kennecott shall pay to United States Company for all material, other than water, mined and removed hereunder a royalty at the rate of one and one-half cents (\$.015) per ton of two thousand pounds. Settlement for such royalties shall be made monthly and adjusted annually. For the purpose of the monthly settlement, the weight of the material shall be determined by the customary practices employed by Kennecott's personnel in estimating tonnages, and the weights so determined and the monthly settlements shall be adjusted on the basis of an annual volumetric calculation agreed to by both parties. All settlements shall be made at the office of United States Company in Salt Lake City, Utah, and shall be supported by statements showing the calculation of the royalties.

During the term of this lease, Kennecott shall pay, on or before the dates set forth below, minimum royalties cumulatively aggregating not less than the amount set opposite each date respectively. Any amounts so paid in excess of royalties then payable on material removed shall be deemed advance royalties and shall be applied in payment of royalties at the above rate, for material removed in the same or any subsequent year. Royalties upon material removed shall be payable only to the extent that there shall be a balance due upon material removed after having applied and credited against said material removed all said minimum royalties previously paid in advance:

September 30, 1962	\$ 350,000.
December 31, 1962	525,000.
✓ March 31, 1963	700,000.
✓ June 30, 1963	875,000.
✓ September 30, 1963	1,050,000.
✓ December 31, 1963	1,225,000.

✓ March	31, 1964	\$ 1,400,000.
✓ June	30, 1964	1,575,000.
✓ September	30, 1964	1,750,000.
✓ December	31, 1964	1,925,000.
✓ March	31, 1965	2,100,000.
✓ June	30, 1965	2,275,000.
✓ September	30, 1965	2,450,000.
✓ December	31, 1965	2,625,000.
✓ March	31, 1966	2,800,000.
✓ June	30, 1966	2,975,000.
✓ September	30, 1966	3,150,000.
✓ December	31, 1966	3,325,000.
✓ March	31, 1967	3,500,000.
✓ June	30, 1967	3,675,000.
✓ September	30, 1967	3,850,000.
✓ December	31, 1967	4,025,000.
✓ March	31, 1968	4,200,000.
✓ June	30, 1968	4,375,000.
✓ September	30, 1968	4,550,000.
✓ December	31, 1968	4,725,000.
✓ March	31, 1969	4,900,000.
✓ June	30, 1969	5,050,000.
✓ September	30, 1969	5,200,000.
✓ December	31, 1969	5,350,000.
✓ March	31, 1970	5,500,000.
✓ June	30, 1970	5,650,000.
✓ September	30, 1970	5,800,000.
December	31, 1970	5,950,000.
March	31, 1971	6,100,000.
June	30, 1971	6,250,000.

September 30, 1971	\$ 6,400,000.
December 31, 1971	6,550,000.
March 31, 1972	6,700,000.

The sole remedy of United States Company for any breach of this Lease by Kennecott shall be the recovery of damages and/or sums due. Kennecott shall not have the right to cancel this Lease, subject to the performance, by United States Company, of the covenants, terms and conditions of this Agreement.

> SECTION III - OPTION

In consideration of the covenants and terms of this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, United States Company hereby gives and grants unto Kennecott, its successors and assigns, the following exclusive rights and options:

A. The exclusive right and option to purchase, as of the 21st day of September, 1972, for the total sum and purchase price of Three Hundred Thousand Dollars (\$300,000), subject to the reservations hereinafter in this paragraph set forth, all right, title and interest of United States Company, its successors and assigns, in, to and under all the patented and unpatented mining claims, mining properties and other real property described in the foregoing Article I, Section II, and in the said Exhibit II attached hereto, together with all surface, mineral, mining and other rights and interests of United States Company in, upon and under said property, EXCEPTING and RESERVING unto United States Company, and its successors and assigns, all lead-zinc ores in or underlying the Mining Premises, together with the right to prospect and explore for, develop, mine and remove any and all such ores, subject to the terms and conditions of this Agreement; provided, Kennecott has, prior thereto, paid to United States Company not less than Six Million, Seven Hundred Thousand Dollars (\$6,700,000) royalties.

Kennecott, or its successors or assigns, may exercise said option by giving to United States Company written notice thereof within two (2) years immediately preceding the 21st day of September, 1972. After delivery of said notice, United States Company shall, upon payment of said Three Hundred Thousand Dollars (\$300,000) and the royalties provided for herein aggregating Six Million, Seven Hundred Thousand Dollars (\$6,700,000) having been paid, execute and deliver to Kennecott, or its successors or assigns, a deed in the form of Exhibit III A, dated the 21st day of September, 1972, conveying to Kennecott the property, rights and interests set forth in the foregoing paragraph, subject to the exceptions and reservations set forth in said foregoing paragraph, and to the terms and conditions of said deed.

B. The exclusive right and option to purchase, at the time or times hereinafter provided, for the sum of One Hundred Dollars (\$100) and as further consideration

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for this agreement, all right, title and interest of United States Company in, to and under the said Conveyed Surface, Mining Premises, Kennecott Lands, and Section Twenty-nine (29), in Township Three (3) South, Range Two (2) West, Salt Lake Meridian, in the County of Salt Lake and State of Utah, together with all appurtenances and improvements thereon and therein, and all surface, mining, mineral and other rights and interests of United States Company in, upon and under said Conveyed Surface, Mining Premises, Kennecott Lands, and Section Twenty-nine (29), including, but without being limited to, all right, title and interest herein reserved by, or granted to, United States Company, in and to all lead-zinc ores, and all other ores and minerals, and mineral and mining rights, in, upon and under the said Conveyed Surface, Mining Premises, Kennecott Lands, and Section Twenty-nine (29); provided Kennecott has exercised the option granted, and paid the amounts provided for, in Subsection A of Section III of this Article.

The option in this Subsection B may be exercised by Kennecott, or its successors or assigns, in the following manner:

At any time within ninety (90) days after the date of receipt by Kennecott of written notice from United States Company that United States Company no longer requires said land, minerals and facilities in its mining operations, Kennecott shall have the right to mail or deliver to United States Company, or its successors or assigns, written notice that Kennecott elects to exercise such option. Upon delivery of such notice and the payment of said One Hundred Dollars (\$100), United States Company, or its successors or assigns, shall execute and deliver to Kennecott a deed in the form of Exhibit III B dated as of the date Kennecott delivers the written notice that it elects to exercise such option.

United States Company covenants and agrees with Kennecott that it will take such steps as may be necessary or required to complete the mining operations now conducted by it on said lands at the earliest practical date, and in order that prior to September 21, 1992, said land, minerals and facilities will be no longer required by United States Company in its mining operations. Kennecott shall be entitled to rely fully on the foregoing covenant in connection with the planning, programming and scheduling of its mining operations in, upon and under the Conveyed Surface, the Mining Premises, and Kennecott Lands, and in its determination of the use and disposition to be made by it of the surface, mining, mineral and other rights and interests of United States Company which are described in the first paragraph of this Subsection B.

United States Company further covenants and agrees with Kennecott that as soon as United States Company no longer requires said lands, minerals and facilities in its mining operations it will give Kennecott written notice to that effect as herein provided and that said written notice shall be given prior to September 21, 1992. If for any reason United States Company shall fail to deliver such notice to Kennecott on or before September 21, 1992, Kennecott shall have the right within the ninety (90) days next succeeding to exercise the aforesaid option by mailing or delivering to United States Company, or its successors or assigns, written notice that Kennecott elects to exercise such option and, upon delivery of such notice and payment of One Hundred Dollars (\$100), United States Company, or its successors or assigns, shall forthwith execute and deliver to Kennecott a deed in the form of Exhibit III B, conveying to Kennecott all of the property, rights and interests set forth in the first paragraph of this Subsection B and dated as of the date Kennecott delivers the written notice that it elects to exercise such option.

SECTION IV - GRANT OF MINING RIGHTS

In consideration of the sum of One Hundred Dollars (\$100) and other valuable consideration paid by United States Company to Kennecott, the receipt and sufficiency of which are hereby acknowledged, and in consideration of the terms and conditions set forth in this Agreement, Kennecott hereby grants to United States Company, its successors and assigns, the right to enter in or upon the patented and unpatented mining claims, mining properties and other real property situate in West Mountain Mining District, Salt Lake County, State of Utah, as shown in Exhibit IV attached hereto and made a part hereof, hereinafter called the "Kennecott Lands," for the purpose of exploring for, developing, mining, removing and disposing of, for United States Company's

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account, any and all lead-zinc ores in or underlying said lands, together with the right to use said lands and workings therein for all uses and purposes incident to United States Company's exploration, development and mining operations in the Mining Premises, upon the following conditions:

1. The rights hereby granted shall terminate when Kennecott exercises the option granted in subsection B of Section III of this Article, and are expressly subject to the provisions of the Article II, Section I, hereinafter set forth, including but without being limited to, subsection C thereof.
2. United States Company shall not, without prior written approval from Kennecott, conduct any operations under this grant on the surface of Kennecott Lands.

United States Company shall not be required to pay to Kennecott, or its successors or assigns, a rental, or other payment for ores mined and removed under this grant.

ARTICLE II

SECTION I - USE OF LANDS, SURFACE AND UNDERGROUND FACILITIES

A. Kennecott shall conduct its operations hereunder in a manner which will cause the least material interference, compatible with good mining practice, with the operations of United States Company. Subject to this obligation and the other provisions of this Agreement, Kennecott's use of the Mining Premises, the Conveyed Surface, and the Kennecott Lands shall be unrestricted, and its rights under this Agreement shall be superior and dominant to any and all rights hereunder reserved or retained by, or granted to, United States Company, and Kennecott shall have the right to make any use of the Mining Premises, Conveyed Surface, and the Kennecott Lands, to construct, maintain and use thereon all such equipment and facilities, and to conduct thereon all such operations, as Kennecott may from time to time deem necessary or useful in its exploration, development, mining, ore treatment, and other operations on or about the Mining Premises, Conveyed Surface, Kennecott Lands or other lands owned or leased by Kennecott.

B. Subject to the foregoing Subsection A, and to the provisions of the following Subsection C of this Section I, and until the date of the deed executed and delivered pursuant to the exercise of the option granted in Subsection B of Section III, in the foregoing Article I, United States Company shall have, and continue to have, the following rights:

(1) The right to mine, remove and dispose of, for its own account, in addition to the lead-zinc ores referred to in Sections II and IV of Article I, all other ores occurring in the Mining Premises as fissure, vein or bedded deposits encountered in the course of mining lead-zinc ores, together with such copper ores as it may be reasonably necessary to mine in mining the fissure, vein or bedded deposits; United States Company shall also have the right to mine, remove and dispose of, for its own account, all ores principally valuable for their lead-zinc content encountered in the course of mining lead-zinc ores in Kennecott Lands, and occurring as fissure, vein or bedded deposits within copper ores, together with such copper ores as it may be reasonably necessary to mine in mining the fissure, vein or bedded deposits.

(2) The right to use any part of the Conveyed Surface so long as such use does not materially interfere with its use by Kennecott.

(3) The exclusive possession and control of the lands in said Section 29 with all improvements thereon and therein, provided that such possession and control shall not be permitted in any way to interfere with the exercise by Kennecott of the tunnel easement herein granted in Section I of Article I above, and provided further, that in respect of any exercise of such possession by the United States Company, it shall comply with the provisions of Section I, D, of this Article II. United States Company shall be under no obligation to effect any repairs, maintenance or replacement of or to insure the improvements now or hereafter located on said lands in Section 29. United States Company may, at its own expense, alter, relocate and change any of said improvements and may construct or place any additional improvements on said lands in said Section 29, all as United States Company may determine to be necessary or convenient in connection with its operations.

(4) Title to all hoists, compressors, pipe lines, timber, explosives,

trolley lines, power lines, mine cars, locomotives, track and any other mining or electrical equipment, machinery or supplies owned by United States Company presently on or in the Conveyed Surface, the Mining Premises, the lands in said Section 29, or Kennecott Lands, or subsequently placed thereon or therein by United States Company shall at all times be and remain in United States Company, and Kennecott shall have no right to use them, and provided that United States Company shall have a reasonable time to remove such equipment at such times as Kennecott shall take possession of any area on or in which there may be such equipment by reason of its superior rights or by exercise of the options provided for in this Agreement.

(5) United States Company shall have the right of ingress and egress to and from the following described facilities, for the purpose of maintaining said facilities for ventilation purposes:

British Shaft
Jordan Shaft
No. 12 Raise
Yosemite No. 2 Incline and Tunnel
Congor Tunnel
Bingham Prospect Incline

If the dumping of material by Kennecott interferes substantially with the use of said facilities for ventilation purposes and such use is at that time necessary to the operations being carried on or contemplated by United States Company, then Kennecott will take such action as shall be necessary to maintain or preserve the use of said facilities for ventilation purposes, or shall provide alternate ventilation facilities.

(6) Kennecott shall not construct any main pit haulage tunnel in the Mining Premises below elevation five thousand one hundred feet (5,100 ft.) or within one thousand feet (1,000 ft.) measured horizontally from the Lark Vertical Shaft, or two thousand feet (2,000 ft.) from the Niagara No. 2 Shaft. This provision shall not be construed to limit or restrict Kennecott in any other underground operations or workings.

C. If, at any time or times, any existing or proposed operations, property or facilities of either party upon, in or under the Conveyed Surface, Mining Premises, or Kennecott Lands materially interfere with operations, or proposed operations, of the other, Kennecott shall have the right, at any such time or times, to deliver to United States Company written notice specifying

such interfering operations, facilities or property, United States Company shall, at its own expense, within one (1) year from and after delivery of such notice, remove or abandon such operations, facilities or property, or, if Kennecott shall so consent, relocate said operations, facilities and property to other parts of the Conveyed Surface, Mining Premises or Kennecott Lands designated by Kennecott, subject, however, to the continuing provisions of this section. Upon expiration of said one-year period, all rights of United States Company, in, to and under the Conveyed Surface, Mining Premises and Kennecott Lands, the exercise of which was specified in such notice as materially interfering, shall thereupon terminate, and all facilities and property of United States Company described in such notice and remaining on or in the Mining Premises, Conveyed Surface or Kennecott Lands, unless relocated as aforesaid, shall be deemed abandoned, shall become the property of Kennecott, and may be disposed of by Kennecott in its sole discretion, without liability to United States Company; provided that should it thereafter become possible for United States Company to resume such operations without material interference, and should United States Company and Kennecott so agree in writing, which agreement shall not be unreasonably withheld, then in such event, United States Company shall have the right to resume such operations, subject, however, to the continued applicability of the provisions of this paragraph. Nothing in this Paragraph C shall be construed to limit the rights of United States Company under Section IV of Article II of this Agreement.

D. If United States Company delivers to Kennecott at any time at least six (6) months' written notice that United States Company intends to incur a substantial expense in construction of facilities for or extension of its operations in, upon or under the Conveyed Surface, the Mining Premises, or Kennecott Lands, then Kennecott shall within said six (6) months' period notify United States Company in writing whether or not such facility or extension or operations will interfere with Kennecott's operations or planned operations. If, after notifying United States Company in writing that such planned expenditure will not interfere

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with Kennecott's operations, Kennecott notifies United States Company to remove or relocate any facilities or abandon any workings described in United States Company's notice to Kennecott of such planned expenditure, Kennecott shall reimburse United States Company for that part of the after tax cost of its expenditure lost by reason of Kennecott's requirement that United States Company remove or relocate a facility or abandon a working, giving full weight and consideration to tax advantages and benefits which have accrued to United States Company in its treatment of such expenditure.

SECTION II - WATERS AND SOLUTIONS

A. Kennecott is hereby granted the right at any time and from time to time, to intercept, collect, divert, own, keep, drain and dispose of, for Kennecott's sole account and benefit, any and all waters and any and all solutions containing metals or minerals flowing, seeping or percolating, or to flow, seep or percolate on the Conveyed Surface or in the Mining Premises, except water required for United States Company's lead-zinc mining operations, for operation of its Lark plant and for use in the town of Lark. Kennecott shall have and is hereby granted the right from time to time to construct open cuts, tunnels or other workings upon or beneath the top of bedrock, and by such open cuts, tunnels or other workings intercept, collect or divert away from said Conveyed Surface or Mining Premises all such waters and solutions as Kennecott shall so encounter, and, in addition, shall have the right to introduce on the Conveyed Surface and the Mining Premises waters and chemical solutions from other lands and to use such waters and chemical solutions for purposes of spraying or any other purpose and in respect of such waters so introduced, Kennecott shall have the same rights as provided in this paragraph for waters arising on the Conveyed Surface or Mining Premises. The waters and solutions and any minerals therein contained so collected, taken and recovered by Kennecott shall be the absolute property of Kennecott and be disposed of by Kennecott for its sole account.

B. Should United States Company become aware of the penetration of Kennecott's waters or solutions into United States Company's active underground workings, United States Company shall promptly notify Kennecott and Kennecott shall promptly upon such notification discontinue spraying or other artificial distribution of water on those portions of the Conveyed Surface and Mining Premises from which such waters or solutions are draining and shall refrain from such distribution of water until such time as said waters and solutions shall have been effectively sealed off, by-passed or diverted from said underground workings. At any time or times Kennecott may take or refrain from any action Kennecott may deem necessary, including entering into the underground workings of United States Company, to seal off, by-pass or divert such waters or solutions, provided that any such action shall not materially interfere with the operations of United States Company, and United States Company shall assist Kennecott in the formulation of plans for sealing off, by-passing or diverting such waters by communicating to Kennecott all applicable information within United States Company's possession concerning geological or other conditions affecting the course of such waters. United States Company may, at Kennecott's request, perform the work desired by Kennecott to seal off, by-pass or divert said waters or solutions, provided, however, that such work shall not materially interfere with United States Company. Kennecott shall reimburse United States Company for the actual cost incurred by United States Company on account of work done at Kennecott's request by United States Company in undertaking to seal off, by-pass or divert said waters or solutions, including the actual cost incurred by United States Company for necessary engineering and supervision in connection therewith. If, within what shall be a reasonable time after such notification by United States Company to Kennecott of such penetration of said waters or solutions, all existing facts and circumstances considered, Kennecott, with said assistance of United States Company, shall be unable or shall fail effectively to seal off, by-pass or divert

such waters and/or solutions, United States Company shall have the right, at its own expense and risk, to take, own, treat or otherwise handle such waters and solutions as may enter the active underground workings of United States Company, in such way as United States Company may determine, and any metals which may be recovered by United States Company from said waters and solutions shall become the property of United States Company. After such waters and solutions have been brought under control by United States Company, Kennecott may, upon written notice to United States Company of its desire so to do and the payment to United States Company of such expense as United States Company may have incurred in controlling such waters and solutions, resume all of its former rights concerning the use, control and disposal for its own account of said waters and solutions and the minerals therein and therefrom. Kennecott shall be liable for damage to United States Company resulting from waters or solutions only if, and to the extent that such damages occur as a direct result of Kennecott's failure to discontinue spraying waters or solutions, as hereinabove specified, after receipt of written notice from United States Company that such waters or solutions have penetrated into United States Company's active underground workings.

SECTION III - MINING AND EXPLORATION REPORTS

From time to time, during the term of this Agreement, at intervals of not more than six (6) months, each party shall supply the other with its short term and long term plans for future mining and other operations and construction in, upon and under the Conveyed Surface, the Mining Premises and Kennecott Lands, and shall designate the place, character of operations, and methods it intends to employ

Notwithstanding such exchange of information, each party shall have, subject to the terms and conditions of this Agreement, the right at any time and from time to time, at its own discretion to depart from or change its plan of operations without liability to the other, irrespective of any expenditures which might have been made by the other in reliance upon the plans furnished.

Each party shall have the right at reasonable times to enter upon and inspect such places where the other may be engaged in exploration, development or mining of the Conveyed Surface or the Mining Premises and to make geological examinations and maps thereof, and Kennecott shall have the right at reasonable times to enter upon and inspect such places where United States Company may be engaged in exploration, development or mining of Kennecott Lands and to make geological examinations and maps thereof.

Kennecott shall make available to United States Company, at reasonable times, information, samples and drill cores concerning lead-zinc ores resulting from Kennecott's exploration, drilling and mining operations on the lands covered by this Agreement.

United States Company shall make available to Kennecott, at reasonable times, information, samples and drill cores resulting from United States Company's exploration, drilling and mining operations on the lands covered by this Agreement.

SECTION IV - DISPOSITION OF EXPOSED LEAD-ZINC ORES

Kennecott will promptly give United States Company notice of the presence of minable quantities of lead-zinc ores exposed, on the Mining Premises, by Kennecott's operations. If United States Company elects to take such ores and they can be mined by methods then employed in Kennecott's operations without interfering materially with the exercise by Kennecott of its rights hereunder, Kennecott shall mine and deliver the ores to United States Company. If the cost of delivering the ores to United States Company shall be greater than if United States Company had not elected to take the ores and Kennecott had transported them to the dump space then being used by Kennecott for material from the same area, the additional cost shall be for the account of United States Company. If United States Company does not elect to take such ores or they cannot be mined by methods then employed in Kennecott's operations without interfering materially with the exercise by Kennecott of its rights hereunder, title to such ores shall vest in Kennecott.

ARTICLE III

SECTION I - TITLE

In the execution and delivery of this Agreement and in the execution and delivery of any conveyance hereunder, United States Company does not undertake or agree to warrant or defend the title to said Conveyed Surface or to said Mining Premises or to the lands in said Section 29 or the right to the use of water, and Kennecott does not undertake or agree to warrant or defend the title to Kennecott Lands, against claims or demands, should such there be, of third persons. Each party accepts the rights herein granted to it subject to the superior claims or demands, if any there be, of third persons, and each, at its own expense, shall defend its title to the rights and privileges hereby granted to it. Neither party agrees in any manner to acquire title or to make good, as against third persons, the title or any of the rights and privileges granted hereby; provided, however, if either party shall hereafter acquire additional rights or interests in lands covered by this Agreement, which acquisition shall tend to cure defects in the title to the rights granted existing at the date of this Agreement, all such rights and interests so acquired shall be subject to the rights and privileges granted pursuant to this Agreement.

United States Company represents that it has paid all taxes levied or assessed against United States Company on the Conveyed Surface and on the Mining Premises for at least the eight (8) consecutive years immediately preceding January 1, 1962; and that it has filed Proofs of Labor covering the unpatented mining claims described in Exhibit II for the assessment year ending at noon September 1, 1962.

At any time while the aforesaid lease is in effect, United States Company shall, at Kennecott's request and expense, initiate and prosecute in United States Company's name any proceedings deemed necessary by Kennecott to acquire or perfect title to any of the Conveyed Surface and Mining Premises.

In the event the mining claims covered hereby were so located that such claims do not constitute contiguous bodies of adjoining claims and gaps of

open public domain or interests of third parties exist in and among such claims, United States Company agrees that if it shall acquire title in any manner to such gaps, such title shall be subject to all of the provisions of this Agreement.

SECTION II - PRIOR AGREEMENTS

The parties hereto and their predecessors in interest have heretofore entered into certain agreements relating to the Conveyed Surface, Mining Premises and Kennecott Lands. The provisions of this Agreement shall supersede and take the place of the provisions of all prior agreements between the parties and their predecessors in interest relating to the aforesaid premises, except those provisions of agreements, deeds and other instruments which establish vertical and horizontal boundaries and except those certain provisions of agreements relating to the Butterfield Mine, set forth and described in the Exhibit C attached hereto and hereby made a part hereof, which said provisions shall continue in full force and effect.

Among the agreements superseded are the following leases from Kennecott to United States Company:

Indenture, dated November 29, 1945, as extended and modified,
known as the "Armstrong Lease".
Lease, dated November 14, 1955, known as the "Starless Lease".
Lease, dated November 14, 1955, known as the "Lower Bingham Lease".

United States Company is hereby released from all work requirements, the obligation to pay royalties, and other obligations under those leases.

United States Company entered into the following agreements with the United States Government (Department of the Interior, Defense Minerals Exploration Administration), to-wit:

June 27, 1952, Docket No. DMEA 2028, Contract IDM-E 360
January 16, 1953, Docket No. DMEA 2653, Contract IDM-E 477
August 15, 1955, Docket No. DMEA 3474, Contract DME-E 784.

Should Kennecott be required to make any royalty payments under said DMEA agreements, or any other DMEA agreements made by United States Company and relating to the Mining Premises, the payments made shall be applicable as offsets and deductions from royalty payments above provided to be made by Kennecott to United States Company.

SECTION III - UNPATENTED CLAIMS

A. Except as hereinafter provided, Kennecott will perform the annual labor or improvements required to maintain in good standing all of the unpatented mining claims described in Exhibit II, for the assessment year commencing at noon September 1, 1962 and for each assessment year thereafter in which said lease is in effect. Kennecott may give United States Company written notice of the nature and place of the labor or improvements which it will perform for that purpose and if United States Company fails to object to them within thirty (30) days after receiving such notice, failure to object shall be deemed to constitute recognition by United States Company that performance of such labor or improvements will fully satisfy the obligations of this section as to the assessment year involved. Kennecott will furnish to United States Company within fifteen (15) days after completion of the labor or improvements, the necessary information for United States Company to file Proofs of Labor. United States Company shall file the Proofs within fifteen (15) days after receipt of such information, and shall promptly furnish to Kennecott copies of all such Proofs, together with filing data.

If United States Company shall contemplate doing work or making improvements in any assessment year which, in its opinion, will maintain in good standing for that assessment year certain named claims, it shall give Kennecott written notice of the nature and place of such work or improvements and the names of the claims, and if within thirty (30) days after receiving such notice from United States Company, Kennecott shall give United States Company written notice that it accepts such work as satisfactory, Kennecott shall be released from its obligation to perform work for those claims that year. United States Company thereupon shall perform the work specified in such notice, and shall file and furnish Proofs thereof, as set forth above.

For any assessment year annual labor on unpatented mining claims is suspended by Act of Congress, in lieu of performing such work, notice of intention to hold said mining claims may be filed or such other acts or things may be done as are required to maintain said claims in good standing as unpatented mining claims.

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B. United States Company shall, at Kennecott's request and expense, initiate and prosecute in the name of United States Company, proceedings to patent any of the said unpatented claims, and, in such case, Kennecott shall execute any and all documents required in connection with proceedings for such patents. If United States Company begins such patent proceedings, and Kennecott thereafter requests United States Company to discontinue such proceedings, Kennecott shall have no further obligations with respect thereto except to pay any charges accrued therefor prior to such request to discontinue proceedings.

SECTION IV - PAYMENT OF TAXES

Each party shall be responsible for all taxes based on its ownership and operations on and in the Conveyed Surface, Mining Premises and Kennecott Lands and, without limiting the generality of this obligation, it is understood and agreed:

- (a) Kennecott and United States Company shall each be responsible for the taxes assessed and levied on its ownership of the surface.
- (b) Kennecott shall be responsible for all occupation taxes, all property taxes based on net proceeds and any other taxes which shall accrue by reason of Kennecott's operations in the Mining Premises or Kennecott Lands, and shall file the returns applicable thereto. In the event any such taxes (but not income or franchise taxes on royalties) resulting from Kennecott's said operations shall be assessed to and paid by United States Company, Kennecott shall reimburse United States Company in that amount.
- (c) United States Company shall be responsible for all occupation taxes, all property taxes based on net proceeds and any other taxes which shall accrue by reason of United States Company's operations in the Mining Premises or Kennecott Lands, and shall

file the returns applicable thereto. In the event any such taxes resulting from United States Company's said operations shall be assessed to and paid by Kennecott, United States Company shall reimburse Kennecott in that amount.

In the event United States Company or Kennecott shall elect to contest in the courts, or otherwise, the validity or amount of any such taxes or assessment of such taxes, if it deems the same unlawful, unjust, unequal or excessive, or to take such other steps or proceedings as it may deem necessary to secure a cancellation, reduction, adjustment or equalization thereof, the other party shall cooperate in any such legal steps or proceedings, all at the expense of the party contesting the tax. It is understood that the Conveyed Surface, Mining Premises and Kennecott Lands shall not be permitted to be sold at any time for nonpayment of such taxes.

SECTION V - LIENS AND ENCUMBRANCES

Each party shall furnish and pay for all labor, power, tools, equipment, materials and supplies used by it on or about the Conveyed Surface, the Mining Premises and Kennecott Lands, and shall keep the title to said lands free and clear of any liens or encumbrances arising or resulting in any manner from its operations or property hereunder.

ARTICLE IV

SECTION I - CONDUCT OF OPERATIONS

A. All exploration, development, mining and other operations which may be conducted by the parties hereunder shall be conducted in a good, safe and miner-like manner, in accordance with the requirements of proper and customary engineering practice.

Any dispute or difference between the parties hereto arising under the terms of this Agreement shall not (a) interrupt the performance of the lease set forth in the foregoing Article I, Section II, or the continuation of Kennecott's operations thereunder, but such operations may be continued by Kennecott, and settlement and

advanced royalty payments shall be made hereunder, in the same manner as prior to the arising of such dispute or difference, until the matters in dispute have been finally determined, and thereupon such adjustments and settlements shall be made as may be required by any decision or settlement of such dispute; (b) prevent United States Company from engaging or continuing in any exploration, mining or other operation hereunder which is essential to the conduct of the mining operations permitted to it under this Agreement, subject always to Kennecott's superior rights as set forth in Article II, Section I, Subsection A of this Agreement, in the same manner as prior to the arising of such dispute or difference, until the matters in dispute have been finally determined, and thereupon such adjustments and settlements shall be made as may be required by any decision or settlement of such dispute.

SECTION II - COMPLIANCE WITH PUBLIC AUTHORITY

Each party will comply with the provisions of the Utah Workmen's Compensation and Occupational Disease Laws and the Unemployment Compensation Act of the State of Utah, the Federal Unemployment Tax Act, the Federal Insurance Contribution Act and other legislation, Federal and State, applicable to its working and operation of said premises; and each party will make all payments, returns, and reports required of it by such acts, and shall comply with and conform to the requirements, laws, ordinances and regulations of all governmental authority having jurisdiction in the premises.

SECTION III - RISK OF LOSS; NEGLIGENCE

Each party hereby assumes all risk of loss to it from accidents and other occurrences on or in the Conveyed Surface, Mining Premises and Kennecott Lands except loss due to failure of the other party to conduct its operations in accordance with this Agreement and loss arising from negligence of the other party.

SECTION IV - SUBJACENT AND LATERAL SUPPORT

Neither party shall be obligated to support either laterally or subjacently the Conveyed Surface, the Mining Premises, or Kennecott Lands, or facilities that may

be constructed or placed thereon or therein by either party, and neither party shall be liable to the other for settling, caving or sliding of ground, whether occasioned by past, present or future mining, development, or other operations of either party. Each party shall have the right to construct and supply such substituted support as it may deem necessary to protect its installations, subject to the provisions of this Agreement.

ARTICLE V

SECTION I - NOTICES

Any and all written notices provided for herein shall be deemed to have been given if mailed by registered mail and addressed to the party to whom such notice is to be given, as hereinafter set forth, or such other address as may have been designated by such addressee, by written notice to the other party:

As to United States Company :

United States Smelting Refining and Mining Company
Attention: General Manager of Western Operations
P. O. Box 1980
Salt Lake City, Utah

As to Kennecott:

Kennecott Copper Corporation
Attention: General Manager, Utah Copper Division
General Offices
Salt Lake City, Utah

Any notice given by the parties hereunder shall be deemed to have been given on the date of deposit of such notice in the United States mail as evidenced by the date and time imprinted on the envelope or on the registry receipt by or in accordance with the regulations of the United States Post Office.

SECTION II - GOVERNING LAW

The rights and obligations of the parties hereunder shall be governed in accordance with the laws of the State of Utah.

SECTION III - SUCCESSORS AND ASSIGNS

The rights, privileges, benefits, undertakings, duties and obligations hereby granted, expressed, defined and incurred shall extend to, benefit and bind the successors and assigns, respectively, of the parties hereto.

SECTION IV - REPRESENTATION AND WARRANTY

Each of the parties hereto represents and warrants that it has heretofore taken all corporate action required by law for the due and valid execution and delivery of this Agreement, including, without limitation, the Conveyance, Lease, Option, and Grant of Mining Rights contained herein.

SECTION V - SECTION HEADINGS

The section headings in this instrument have been inserted for convenience only, and shall not be considered a part of this Agreement, or used in its interpretation.

IN WITNESS WHEREOF, said parties have caused these presents to be executed and attested by their respective officers thereunto duly authorized and their corporate seals to be hereunto affixed, all as of the day and year first above written.

UNITED STATES SMELTING REFINING AND
MINING COMPANY

ATTEST

Francis J. Pike
Secretary

BY C. G. Rice
C. G. Rice, President

KENNECOTT COPPER CORPORATION

ATTEST

Paul B. [Signature]
Secretary

BY [Signature]
President

