REGIONAL DIRECTOR

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES
1415 U. S. APPRAISERS BLDG.,
630 SANSOME STREET,
SAN FRANCISCO 11, CALIF.

January 19, 1951

Memorandum

To: Otto Herres, Acting Chairman, Operating Committee, Defense Minerals Administration, Washington, D. C.

From: H. C. Miller, Executive Officer, Defense Minerals Administration Field Team, Region III

Subject: DMA-138, Tem Piute Tungsten Mine

The DMA Field Team (Ward Smith, Geological Survey, and H. C. Miller, Bureau of Mines) discussed Robert H. Ridgway's memorandum to Operating Committee, Defense Minerals Administration, dated December 20, and your memorandum, dated January 2, to the Field Committee, Region III, and laid plans for having the information on the Tem Piute tungsten property brought up to date. However, when A. C. Johnson, Chief, Mining Division, Region III, was contacted to assign a mining engineer to the investigation, we learned from him that the desired information already is in the Bureau's files in Washington.

In a memorandum to me, dated January 12, Mr. Johnson reports that:

> "In the Confidential Section of the Tem Piute report there are estimated ore reserves and also later information on the Tem Piute Mine that has been done since 1944. Since the Bradleys terminated their operations at the Tem Piute property probably a few hundred tons of tungsten have been mined from the upper level by Mr. Koyen.
>
> "The maps on the Tem Piute report have been revised and show the latest workings that have been done on the property. This notation is also indicated on the maps.
>
> "Under the circumstances, I do not believe it will be necessary for a Mining Engineer and a Geologist to visit the property for the purpose of making a joint report."

Although copies of the confidential report referred to by Mr. Johnson are in the Washington files, a copy is attached herewith for your ready reference. We believe that you will find all the

information you need in the report and that the recent mining of a few hundred tons of ore will in no way change the picture. We will, however, upon request from you, send an engineer, or an engineer and a geologist, to the property (weather permitting), if you are not satisfied that the information now available is sufficient for your purpose. We believe that no important information will develop from such an investigation that is not already covered in the confidential report.

There is being returned to you herewith the file on the Tom Pinto Tungsten Mine, which you sent to us along with your memorandum of January 8.

H. O. Miller
Regional Director, Region III

Attachments (File and confidential report)

Copy to: Ward C. Smith, Geological Survey,
San Francisco, Calif.

Copy to: A. O. Johnson, Reno, Nevada

Mining Division
Region III

NEVADA - CALIFORNIA

P. O. Box 1551
Reno, Nevada

January 18, 1951

Memorandum

To: Mr. S. Ricker, Acting Regional Director, Region III

From: Chief, Mining Division, Region III

Subject: DMA - 138, Ten Piute Tungsten Mine

In compliance with your memorandum of January 17, there is enclosed the complete file on the Ten Piute Tungsten Mine application for a loan under the Defense Production Act of 1950.

A. C. Johnson

REGIONAL DIRECTOR

UNITED STATES
DEPARTMENT OF THE INTERIOR

BUREAU OF MINES
1415 U. S. APPRAISERS BLDG.,
630 SANSOME STREET,
SAN FRANCISCO 11, CALIF.

January 17, 1951

Memorandum

To: A. C. Johnson, Reno, Nevada

From: Acting Regional Director, Region III

Subject: DMA - 138, Tem Piute Tungsten Mine

With our letter of January 11 we sent you our complete file on the Tem Piute Tungsten Mine application for a loan under the Defense Production Act of 1950.

As we wish to return the file to Washington not later than Friday of this week, will you kindly have it forwarded to us by return mail.

S. Ricker
Acting Regional Director, Region III

Mining Division
Region III

NEVADA - CALIFORNIA

P. O. Box 1551
Reno, Nevada

January 12, 1951

Memorandum

To: Mr. H. C. Miller, Regional Director, Region III

From: Chief, Mining Division, Region III

Subject: Confidential Section of Ten Piute Report

This will confirm our telephone conversation of January 12 relative to having a further examination made of the Ten Piute tungsten property.

I was rather amused at the statements that were made in Mr. Midgeny's letter of Ferrous Metals Committee and Mr. Otto Harris' memorandum that the Bureau did not have any complete knowledge of the work that had been done at the Ten Piute after 1944.

In the Confidential Section of the Ten Piute report there are estimated ore reserves and also later information on the Ten Piute Mine that has been done since 1944. Since the Brewlays terminated their operations at the TenPiute property probably a few hundred tons of tungsten have been mined from the upper level by Mr. Keyes.

The maps on the Ten Piute report have been revised and show the latest workings that have been done on the property. This notation is also indicated on the maps.

Enclosed are three copies of the Confidential Section of the Ten Piute report that will bring you up to date on the work that has been done at the property. Also enclosed is a copy of a proposal that was made by the Mining Division for development of the property.

Under the circumstances, I do not believe it will be necessary for a Mining Engineer and a Geologist to visit the property for the purpose of making a joint report.

A. C. Johnson

Encls.

REGIONAL DIRECTOR

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES
1415 U. S. APPRAISERS BLDG.,
630 SANSOME STREET,
SAN FRANCISCO 11, CALIF.

January 11, 1951

Memorandum

To: A. C. Johnson, Reno, Nevada

From: Regional Director, Region III

Subject: DMA - 138, Tem Piute Tungsten Mine

There is being sent herewith our complete file on the Tem Piute Tungsten Mine application for a loan under the provisions of the Defense Production Act of 1950. This application has been assigned the number DMA-138.

You will note in the correspondence from Robert H. Ridgway and Otto Herres that we are requested to make a field investigation to bring our knowledge of the property up-to-date.

In line with prior instructions from Washington, I have discussed the matter with my co-worker on the Field Team, Ward Smith of the Geological Survey, and it is our desire that the investigation be made jointly by the Survey and the Bureau of Mines.

Mr. Smith is going to assign Paul Bateman to the investigation, and I believe you should assign G. H. Holmes to act for the Bureau of Mines, as he worked on the property as reported in R.I. 4626.

This is our first assignment and we want to do a good job and do it quickly so that arrangements should be made to start the work sometime next week. Bateman is ready to go to the property at any time.

In order that final arrangements to make the investigation can be made tomorrow (Friday), I have arranged with Smith and Bateman to be in my office at 1 P.M., at which time we will expect you to call us on the telephone. We will be waiting here for your call.

Keep the file intact and return it to me when you are through with it, or at the time the report on the current findings is submitted to me.

H. C. Miller
Regional Director, Region III

Attachment (File)

Mining Division Nevada - California P. O. Box 1551
Region III Reno, Nevada

Memorandum Jan. 15, 1951

To: H. C. Miller, Regional Director, Region III

From: Chief, Mining Division, Region III

Subject: Tem Piute Tungsten

Enclosed herewith are 3 copies, page 11, Summary of Core Drilling Costs, which should be inserted in the Confidential section of the Tem Piute Tungsten report that was forwarded you under date of January 12.

A. C. Johnson

LEASE AND OPTION AGREEMENT

THIS LEASE AND OPTION made the _____ day of November, 1950, between LINCOLN MINING CO., Inc., a Nevada Corporation, by and through its duly elected officers, hereinafter referred to as the Lessor, and G. McGUIRE PIERCE, hereinafter referred to as Lessee,

WITNESSETH :

WHEREAS, the Lessor is the owner of certain patented and unpatented mining claims, together with certain mining machinery and equipment, located within the State of Nevada, and

WHEREAS, the said Lessor is insolvent and in re-organization under the provisions of Chapter X of the Act of Congress relating to Bankruptcy under the jurisdiction of the District Court of the United States of America, in and for the District of Nevada, and

WHEREAS, said Lessor is desirous of borrowing monies from said Lessee in sufficient sums to pay certain creditors who have filed and proved claims against said Lessor under the aforesaid Bankruptcy Act and said Lessee is desirous of loaning to said Lessor sufficient sums to pay said creditors, provided, the approval of the District Court of the United States of America, in, and for the District of Nevada, is first had and obtained,

NOW, THEREFORE, IN CONSIDERATION OF THE payment of royalties to said Lessor as hereinafter provided, and the loaning by said Lessee to said Lessor of monies as above mentioned, and the covenants and agreements hereinafter expressed, IT IS MUTUALLY AGREED by and between said Lessor and Lessee as follows:

I.

The Lessor hereby leases to said Lessee all of those certain patented and unpatented lode mining claims, mines and mining grounds, together with any and all improvements thereon, and appurtenances thereunto belonging, including all buildings, real

and personal property, of whatsoever character or description belonging to said Lessor for use in connection with mining and milling operations, together with all the rights and privileges appurtenant to said premises or in anywise appertaining thereto, including any and all water rights, all being situate in the Tempiute (an unorganized) Mining District, County of Lincoln, State of Nevada, more particularly described as follows:

NAME OF CLAIM	ORIGINAL NOTICE OF LOCATION RECORDED RECORDS OF LINCOLN COUNTY, NEVADA Book	Page	AMENDED NOTICE OF LOCATION, IF ANY RECORDED, RECORDS OF LINCOLN COUNTY, NEVADA Book	Page
PATENTED CLAIMS (U.S. Mineral Survey No. 4760				
Dome	L-1	384	M-1	211
Grubstake No. 2	L-1	328	M-1	211
Lime Cap	L-1	79	M-1	211
Scheelite	M-1	6	M-1	209
Scheelite No. 1	M-1	6	M-1	210
Scheelite No. 2	M-1	7	M-1	209
Townsite	L-1	402	M-1	212
Townsite No. 1	L-1	402	M-1	207
Townsite No. 2	M-1	7	M-1	213
Townsite No. 5	-	-	M-1	207
CLAIMS HELD BY LOCATION				
Dome No. 1	N-1	209-210		
Dome No. 2	N-1	210-211		
Grubstake No. III	L-1	329	N-1	248-249
Grubstake No. IV	L-1	329	N-1	249
Grubstake No. V	L-1	353	N-1	250
Grubstake No. 6	L-1	353		
Limecap No. 1	L-1	327		
Limecap No. 3	N-1	211-212		
North Contact No. 1	N-1	212-213		
North Contact No. 2	N-1	213		
Pyramid	L-1	384	N-1	247-248
Pyramid No. 1	N-1	211		
Scheelite No. 3	M-1	367-368	N-1	200-201
Scheelite No. 4	M-1	367	N-1	201-202
Scheelite No. 5	M-1	368	N-1	250-251
Scheelite No. 6	M-1	369	N-1	251-252
Scheelite No. 7	N-1	213-214		
Scheelite No. 8	N-1	202		
Scheelite No. 9	N-1	203		

Together with the Lessor's interest in and to that certain mining area and property described as the New Deal Area being more particularly described as follows:

That area lying within planes extended vertically

downward through the exterior boundaries of what was once known as the New Deal Claim, which boundaries for the purpose of this agreement are described by metes, bounds, courses and distances as follows:

Beginning at a point on the Grubstake No. 2 Patented Mining Claim, U.S. Mineral Survey No. 4760, marked by a pine stump of 10" diameter, 5.9 feet high and blazed "N.E. Corner New Deal", from which the N.E. corner of the Scheelite Patented Mining Claim, U.S. Mineral Survey No. 4760, bears S 77° 22' W a distance of 40.28 feet;

Thence running S 6° 40' W, 706.49 feet to the S.E. Corner, a pine stump, 7" diameter, 4.8 feet high, blazed "S.E. Corner New Deal", upon the Scheelite Patented Mining Claim;

Thence running N 67° 26' W, 632.18 feet to a South Side Corner, a pine stump, 7" diameter, 8.5 feet high, blazed "S. Side Center New Deal", upon the Scheelite Patented Mining Claim;

Thence running N 61° 43' W, 417.13 feet, to the S.W. Corner, a pine stump, 6" diameter, 5.3' high, blazed "S.W. Corner New Deal", upon the Scheelite No. 8 Unpatented Mining Claim;

Thence running N 18° 50' E, 532.68 feet to the N.W. Corner, a cedar stump 6" diameter, 6.0 feet high, blazed "N.W. Corner New Deal", upon the Townsite No. 2 patented Mining claim;

Thence running S 74° 16' E, 894.56 feet to the N.E. Corner, the point of beginning.

IT IS MUTUALLY UNDERSTOOD AND AGREED, that Lessor's interest in said New Deal Area is a 7/8ths interest only, carrying, however, the right to mine, mill and dispose of the full interest in and to said area, accounting to the owners of 1/8ths interest in said area on a royalty payment basis of 1/8th of the royalties thereof. The Lessee herein shall have the full right to mine and operate said New Deal Area paying to the owners of the 1/8th interest a royalty as their interest may appear.

Together with any and all right, title or interest said Lessor may have in and to the Southeast Quarter (SE$\frac{1}{4}$) of Section 17, Township 3 South, Range 56 East, M.D.B. & M.

THE TERM OF THIS LEASE is for a period of twenty (20) years, commencing on the 25th day of November, 1950, and continuing to the 24th day of November, 1970, unless sooner terminated

as herein provided, with the privilege of renewal for a further period of twenty (20) years. And the privilege of purchasing the said mining property as hereinafter set forth.

II.

From and after the date of the execution of this Agreement and during all the time it shall continue in full force and effect Lessee shall be entitled to the sole and exclusive possession of all of said mining property and premises, including said improvements, appurtenances, mining equipment and personal property, and may explore, work, mine, develop, and extract metals and minerals from the premises and may remove ores, metals and minerals from the premises in such manner as it may deem advisable and at its sole discretion, but at its own sole cost and expense and with due regard to the safety, development and preservation of said premises as a workable mine, and shall timber all shafts, drifts, tunnels, stopes and other workings where under good mining practice timbering is necessary.

III.

The Lessors and their agents shall have the right and privilege at all reasonable times to enter upon and into all parts of the premises hereby leased for the purpose of inspecting same, with the right to use all passageways, ropes, windlasses, ladders, hoists, and all other means of ingress and egress for such purposes, providing they do not interfere with the operations of Lessee, and further provided that such entry and inspection shall be at their own risk and hazard and Lessors will hold Lessee harmless from and indemnify it against liability to them or their agents for damages to personal property or for personal injuries arising from any condition of the premises or from any other cause except the wilful misconduct of Lessee or its agents, and further provided that Lessee shall not be responsible for the acts or conduct of such agents of Lessor while on the premises.

The Lessee shall perform all work in the nature of mining or development in and upon the mining claims herein described in accordance with the mining laws of the State of Nevada, and in full compliance with the rules and regulations of the Mine Inspector of the State of Nevada.

IV.

For the said use and occupation of said premises and the exclusive right to extract and remove metals and minerals therefrom, and to sell the same and retain the proceeds thereof, Lessee shall pay Lessor a rental and/or royalty as follows:

(a) Ten per cent (10%) of the net returns from the sale of all minerals produced from said leased property providing, how-ever, that in computing the net returns any premiums or bonuses received by said Lessee over and above the normal sale price shall be excluded in determining such net returns.

(b) An accounting shall be made on a monthly basis as soon after the 1st of each month as is practicable covering all sales made during the previous month, provided, that payment therefor shall have been received by said Lessee.

(c) All payments made hereunder shall be paid by said Lessee to the credit of said Lessor at the First National Bank of Nevada, Las Vegas Branch, Las Vegas, Nevada.

V.

The Lessee is hereby given an option and right to buy all of the right, title and interest of the Lessor in and to the hereinabove described claims and property, both real and personal, at any time during the term of this lease or any legal extension therof, for the total purchase price of $150,000.00.

IT IS MUTUALLY UNDERSTOOD AND AGREED that any and all royalties shall apply for and against the said purchase price herein specified.

IT IS FURTHER UNDERSTOOD AND AGREED that all monies

advanced and loaned to the said Lessor by said Lessee shall be repaid to said Lessee from the first royalties due said Lessor as herein provided, and all such repayments of loans or advances by royalty payments shall apply as credit, for the full amount thereof, for and against the aforesaid purchase price, provided, the Lessee elects to exercise his option.

The Lessor shall, upon the execution of this Lease and its approval by the aforesaid Court, execute a deed to said Lessee of all of the Lessor's right, title and interest, in and to the aforesaid mining claims and personal and real property, said deed to be placed in escrow with the First National Bank of Nevada, Las Vegas, Nevada, with instructions to said bank to deliver said deed to the Lessee when the amount of royalties paid under the provisions of this lease, including all royalties repaid to Lessee on account of the loan hereinabove mentioned from said Lessee to the Lessor, including principal and interest thereon, shall equal the aforesaid purchase price of $150,000.00.

VI.

The Lessee may, but is not required under the provisions of this Lease, to treat the mill tailings developed from the processing of ores, provided, if the Lessee shall elect to treat said tailings, the royalties shall be paid to said Lessor on the same basis as primary ores as above specified.

IT IS FURTHER UNDERSTOOD AND AGREED that the Lessee is hereby given the right to treat ores from properties other than that of the Lessor, provided, that should said other ores be comingled with the ores from Lessor's property, accepted principles of weighing and sampling will be maintained. The Lessee shall have the full right to comingle tailings of ores of other properties than those covered by this agreement with the tailings from said properties hereinabove described.

VII.

Upon extraction of ores and saleable products from said premises, title to the severed materials shall immediately pass to Lessee and it shall thereupon have the right to sell and dispose of the same and pass full title thereto to the purchaser or purchasers thereof, and Lessee agrees to market any and all products to the best joint interests of Lessor and operator, but at its sole discretion as to time, place, conditions and sales prices.

VIII

All equipment, tools, machinery, structures, improvements, and personal property of every nature and description hereafter bought or otherwise acquired and maintained or brought or installed or placed upon or within said premises by Lessee during the term hereof shall not be nor become fixtures, but shall remain the property of Lessee, whether affixed to the premises or not, and subject to removal by it at any time; and upon the expiration of the term hereof or the sooner termination of this lease as herein provided Lessee shall have the right to remove all of said equipment, tools, machinery, structures, improvements and personal property at any time within 90 days after the said expiration or sooner termination of this lease. It is understood, however, that this right of removal shall not extend to the dismantling and removal of any underground timbers structures or improvements supporting any underground portions of said mine still workable and accessible for further underground mineral extraction, nor to the removal of timbers of the main shaft, nor to the removal of rails, air or water pipe installed in the main shaft, regardless of who made or makes such installation.

The right to removal herein provided is conditioned upon the payment or adequate provision for the payment by Lessee of all royalties and taxes due or accrued hereunder to the date of termination.

IX.

The Lessee shall perform the annual labor required by law to retain possession of the unpatented claims and file the same as required by law. A copy thereof shall be furnished to said Lessor fifteen (15) days in advance of the actual filing thereof.

X.

Lessee shall at all times keep all bills and accounts for labor, supplies and materials done, performed or furnished to, for or upon the premises promptly paid. It is further agreed that during the time that this lease is in force and effect no party hereto, without the consent of the others, shall place or cause to be placed any lien, mortgage or incumbrance of any kind or character against the properties.

XI.

The Lessee further agrees that it will pay all State and County taxes lawfully levied upon the net proceeds of mines, where such proceeds result from the production and sale of ores from Lessee's mining operations upon the ground herein leased, including the amount of such tax which may be payable, if any, upon any share of such proceeds which may be paid to Lessor by way of royalty or royalties, if any, up to but not exceeding the amount of such taxes calculated at a rate up to five Dollars ($5.00) per hundred of actual assessed valuation and lawful levy; any taxes lawfully due from and payable by Lessor arising from a tax rate in excess of $5.00 per hundred whall be borne and paid by Lessor.

Lessee further agrees that it will not allow or permit any miner's, materialmen's, labor or other liens to be filed or attached against the property herein described or against this leasehold estate.

Lessee agrees that it will permit Lessor to post and to thereafter keep posted in a conspicuous place on said premises, a notice to the effect that Lessor will not be responsible for any

labor performed, materials furnished, or improvements made by the Lessee under this lease; and further, that the Lessee will before employing one or more persons in or upon the premises, or in connection with any work under this lease, accept and at all times thereafter comply with the terms, provisions and conditions of the Nevada Industrial Insurance Act, and pay all premiums and make all reports required by the Nevada Industrial Commission.

XII.

Lessee shall also comply with all the provisions of the State and Federal Social Security Acts and the Unemployment Compensation Laws, and shall make all reports, returns and payments required by such acts and laws and shall at all times indemnify and hold Lessors harmless of and from any and all claims and demands which could or might arise against Lessors under and by virture of any of said laws or acts arising out of Lessee's operations.

XIII.

Lessee shall at all times keep true and accurate books of account, mine and mill records and records showing the amount of all ore mined, milled and/or shipped and all costs of reduction and sale and all amounts received therefor, and shall make and keep maps showing all workings and make all reports as may be required by law or rules or regulations of any governmental authority, keeping copies thereof. All such books, records, reports and maps shall at all reasonable times be open to the inspection of Lessor, or any of them, their agents, auditors and attorneys, provided that only those cost records which become public property under the Nevada net proceeds tax laws shall be open to such inspection, and no other cost records.

XIV.

The Lessee shall have the right to terminate this lease at any time by giving to Lessor notice to that effect at least sixty (60) days prior to the date of such contemplated termination,

and Lessee shall also at the time of giving notice file and record in the office of the County Recorder of said Lincoln County an executed copy thereof, and a duly executed and acknowledged relinquishment of this lease and of all of the rights of Lessee hereunder. Upon such termination Lessee shall cease to be liable or responsible for any future payments or expenditures, other than those current bills, taxes, levies and statutory charges which shall have accrued as of the date fixed for such termination, and shall have ninety (90) days additional time to dismantle and remove all equipment, machinery, supplies, etc., removable under the terms hereof.

XV.

It is mutually agreed, covenanted and understood between the parties hereto, that each and every clause, conditions, covenant and agreement hereof shall bind and inure to the benefit of the respective heirs, executors, administrators, legal representatives, successors and assigns of each of the parties hereto.

It is the express agreement and understanding of the parties hereto, that this lease may be assigned and transferred by the Lessee to such other person, firm or corporation as it may elect, the only obligation in the event of such assignment being to notify Lessor in writing of the name and address of the assignee.

XVI.

The Lessor covenants, promises and agrees to and with the Lessee, that said Lessee, keeping and performing all of the terms, conditions, and covenants herein contained on its part to be kept and performed, shall and may lawfully, peacefully and quietly have, hold, use, occupy and possess the premises hereby leased for and during the term hereof without any let, suit, hindrance, eviction, ejecting, molestation or interruption whatsoever of or by Lessor or any other person or persons whatsoever lawfully claiming or to claim, by, from or under them or any of them.

XVII.

Lessor hereby gives and grants to Lessee the exclusive right, privilege, and option to extend the term of this lease for an additional period of twenty (20) years from the date of the expiration hereof provided the lease is then in full force and effect. Such option, if exercised, shall be exercised not later than May 24, 1970, and not earlier than January 1, 1970, and shall be exercised by written notice to that effect from Lessee to Lessor.

XVIII.

It is understood and agreed between the parties hereto that the rights and obligations of the Lessor hereunder are joint and several.

XIX.

It is mutually understood and agreed that the execution and performance of the terms and conditions of this lease shall be first dependent on the approval of the United States District Court, in and for the District of Nevada.

IN WITNESS WHEREOF, the parties hereto have set their hands and seals this 21st day of November, 1950.

LINCOLN MINING CO., Inc., a Nevada Corporation Lessor

By /s/ G. W. Thiriot
President

By /s/ Eva Koyen Sec
Vice-President

/s/ G. McGuire Pierce
Lessee

STATE OF NEVADA))
: SS.
COUNTY OF Clark)

On this 21 day of November, 1950, personally appeared before me, a Notary Public in and for said County and State., G. W. Thiriot and Eva Koyen, Sec. known to me to be the President ~~and Vice-President~~ of the Corporation that executed the foregoing instrument, and upon oath, did depose that he is the officer of said corporation as above designated; that he is acquainted with the seal of said Corporation and

that the seal affixed to said instrument is the Corporate Seal of said corporation; that the signatures to said instrument were made by officers of said Corporation as indicated after said signatures; and that the said Corporation executed the said instrument freely and voluntarily and for the uses and purposes therein mentioned.

/s/ Harold M. Morse
Notary Public in and for
said County and State.

My Commission Expires:

Dec. 20, 1950

ATTEST: _____
Secretary

STATE OF NEVADA)
: SS.
COUNTY OF CLARK)

On this 21 day of November, 1950, personally appeared before me, a Notary Public in and for said County and State, G. McGUIRE PIERCE, known to me to be the person described in and who executed the foregoing instrument, who acknowledged to me that he executed the same freely and voluntarily and for the uses and purposes therein mentioned.

/S/ Harold M. Morse
Notary Public in and for
said County and State.

My Commission Expires:
Dec. 20, 1950

APPROVED: _____

IN THE DISTRICT COURT OF THE UNITED STATES OF AMERICA,

IN AND FOR THE DISTRICT OF NEVADA

* * * * * * * * * * * *

IN THE MATTER OF	)	
	)	
LINCOLN MINING COMPANY, Inc.,	)	In Reorganization
	)	
Debtor	)	A-60-A
	)	
	)	

ORDER APPROVING OFFER AND PLAN OF REORGANIZATION

A hearing having been held on the 21st and 22nd days of November, 1950, before the Referee and Special Master, Frank W. Ingram, pursuant to order of this Court dated the 6th day of November, 1950, on the modified plan for the reorganization of the Lincoln Mining Co., Inc., the above-named debtor, and for the consideration of any objections which might be made, or of such amendments or plans as might be proposed by said debtor or by any creditor or stockholder herein, and notice of said hearing having been given as required by Section 171 of the Act of Congress relating to bankruptcy, and an offer to debtor in reorganization having been prepared and filed with said Court by G. McGuire Pierce in accordance with the proposed modified plan of reorganization and an amended offer to debtor in reorganization made by the said G. McGuire Pierce in open court, and it appearing to the Court that such offer to debtor in reorganization and amended plan of reorganization complies with the said bankruptcy act and is fair and equitable and feasable,

IT IS THEREFORE ORDERED that the offer to debtor in reorganization as amended made to the above-entitled debtor by G. McGuire Pierce be, and it is hereby, approved, and

IT IS FURTHER ORDERED that the Lease and Option between the debtor, Lincoln Mining Company and G. McGuire Pierce be, and it is hereby approved and the said debtor and the Lessee therein are hereby authorized to proceed in accordance with the terms of the said lease.

IT IS FURTHER ORDERED that the said G. McGuire Pierce pay to said Atolia Mining Company the sum of $7700.00 as payment in full of all sums due said company under conditional sales contracts, open accounts, or otherwise, from the above-named debtor or the stockholders of said debtor, exclusive of those matters now in litigation in the Seventh Judicial District Court in the case of Koyen and Thiriot, et al -vs- Atolia Mining Company, et al, on the terms and conditions set forth in the amended offer to debtor in reorganization.

IT IS FURTHER ORDERED that the said G. McGuire Pierce deposit the sum of $10,000,00 in the First National Bank of Las Vegas, Nevada, in trust for the purpose of paying the preferred and unsecured obligations of said debtor Corporation and listed in the proposal for reorganization filed with this court on the 6th day of November, 1950; provided, the said claims shall not be paid without first securing the approval of this Court and without the stockholders having an opportunity to object thereto.

IT IS FURTHER ORDERED that said G. McGuire Pierce assume the secured claim of $2250.00 payable to the Clark County Wholesale Mercantile Company, Inc., in accordance with the terms of said conditional sales contract.

IT IS FURTHER ORDERED that in consideration of said offer and amended offer to debtor in reorganization that the Lincoln Mining Company, Inc., by and through its duly authorized officers execute a certificate for 75,000 shares of Treasury Stock now held by said debtor corporation to the said G. McGuire Pierce as his sole and separate property.

IT IS FURTHER ORDERED that said Lincoln Mining Company, Inc., execute its note payable to the said G. McGuire Pierce for the sums of money advanced by said G. McGuire Pierce to said debtor-corporation in accordance with the terms of this order, together with such additional sums that may be advanced by said G. McGuire Pierce, as provided in said offer and amended offer to debtor in reorganization, and that said note be secured by a chattel and realty mortgage on the mining properties, both real and personal, owned by said debtor corporation in said Lincoln County, Nevada.

IT IS FURTHER ORDERED that the said G. McGuire Pierce shall have a first claim for and against all royalties due under the Lease and Option herein approved by this Court until said Lessee has been repaid all sums advanced to the said debtor, Lincoln Mining Company, Inc., or its creditors.

DATED this _____ day of _____, 1950.

_____
District Judge.

IN THE DISTRICT COURT OF THE UNITED STATES OF AMERICA,

IN AND FOR THE DISTRICT OF NEVADA

* * * * * * * * * * * * * * *

IN THE MATTER OF	)	
	)	
LINCOLN MINING COMPANY, Inc.,	)	In Reorganization
	)	
Debtor	)	A-60-A
	)	
	)	

OFFER TO DEBTOR IN REORGANIZATION

WHEREAS, the above-named debtor has filed a proposed plan of reorganization, together with a modification thereof, with the Clerk of the above-entitled Court, and

WHEREAS, the hearing on said proposed modified plan of reorganization has been set for the 21st day of November, 1950, at 9:30 A.M., at the Courtroom of the United States District Court at Las Vegas, Nevada, and

WHEREAS, said debtor has filed a list of obligations of said corporation with said Court under date of November 6, 1950, and

WHEREAS, said debtor is desirous of borrowing money sufficient to pay the aforesaid obligations of said corporation and

WHEREAS, the undersigned is willing to loan said debtor monies sufficient to pay the aforesaid obligations of said debtor on the following conditions, subject to the approval of this Honorable Court,

NOW, THEREFORE, the undersigned, G. McGUIRE PIERCE, hereby proposes to the said debtor and the above-entitled Court as follows:

(a) To loan said debtor sufficient monies up to but not

exceeding the sum of $10,000.00 to pay the preferred obligations against said debtor, together with all other listed and unsecured obligations in the amounts listed on the aforesaid proposal for reorganization filed with said Court the 6th day of November, 1950.

(b) To assume the secured claims of $2250.00 payable to the Clark County Wholesale Mercantile Co., Inc., on a conditional sales contract, in accordance with the terms of said contract, or if said creditor will not proceed under the terms of said conditional sales contradt, then this proponent will advance sufficient sums to pay said creditor in full.

(c) To post a surety bond to insure payment to the Atolia Mining Company if and when any net amounts should be determined to be due and owing said Atolia Mining Company from the aforesaid debtor as a result of present pending litigation between the debtor and said mining company.

(d) To accept as security for the payment and/or advance of the sums hereinabove set forth a promissory note executed by said debtor, subject to the approval of the above-entitled Court, said promissory note to be secured by a chattel and realty mortgage on the mining properties, both real and personal, owned by said debtor in Lincoln County, Nevada.

In addition to the foregoing, the debtor shall execute, subject to the approval of the above-entitled Court, a lease and option with the undersigned as Lessee in accordance with the copy of a proposed lease attached hereto, and on the further condition that the debtor shall transfer free and clear to the undersigned as consideration for said transaction 75,000 shares of Treasury Stock now held by said debtor corporation and not having yet been issued, as the sole and separate property of the undersigned.

The undersigned shall have a first claim for and against all royalties due under the lease and option proposed until the undersigned has been repaid all sums advanced to said debtor

and/or the aforementioned creditors of said debtor as hereinabove specified; a copy of the proposed lease and option is attached hereto and by reference made a part hereof.

This offer shall be considered as a complete offer in its entirety and no part thereof shall be considered several or separable.

DATED this 21st day of November, 1950

/s/ G. McGuire Pierce

HAWKINS & CANNON

By /s/ Howard W. Cannon
Attorneys for Proponent

IN THE DISTRICT COURT OF THE UNITED STATES OF AMERICA,

IN AND FOR THE DISTRICT OF NEVADA

* * * * * * * * * * * * *

IN THE MATTER OF LINCOLN MINING COMPANY, Inc., Debtor	)	In Reorganization A-60-A

AN AMENDED OFFER TO DEBTOR IN REORGANIZATION

WHEREAS, the undersigned filed a proposed offer to debtor in reorganization in the above-entitled matter with the Referee in Bankruptcy on the 21st day of November, 1950, and

WHEREAS, Paragraph "c" of said offer was not acceptable to the Atolia Mining Company, holders of conditional sales contracts with the above-named debtor, and

WHEREAS, the undersigned in open court proposed a substitution for the aforesaid Paragraph "c" and wishes to reduce said proposal to writing;

NOW, THEREFORE, the undersigned, G. McGuire Pierce, proposes in lieu of the aforesaid Paragraph "c" in his offer to debtor in reorganization filed with the above-entitled court on November 21, 1950, the following:

"(c) To pay to said Atolia Mining Company the sum of $7700.00 as payment in full of all sums due said company under conditional sales contracts, open accounts, or otherwise, from the above-named debtor, or the stockholders of said debtor, it being understood that this shall constitute settlement in full of all claims between said parties, exclusive of those matters now in litigation in the Seventh Judicial District Court in the case of Koyel and Thiriot, et al -vs- Atolia Mining Company, et al; pay-

ment of said sums shall be made as follows:

The sum of $2500.00 cash upon the approval of this proposed plan by the above-entitled court; the balance to be paid at the rate of $300.00 or more per month, commencing with the first day of the month after approval of this plan bb the above-entitled Court, and continuing on the first day of each and every month thereafter until the balance in the sum of $5200.00, together with interest at the rate of 6% per annum shall have been paid in full.

IT IS FURTHER UNDERSTOOD AND AGREED that the payment of the balance shall be secured by a conditional sales contract or a note executed by the proponent hereof secured by a chattel mortgage."

DATED this 22nd day of November, 1950.

/s/ G. McGuire Pierce
by: Howard W. Cannon /s/
Attorney at Law

HAWKINS & CANNON

By /s/ H.W.Cannon
Attorneys for Proponent

Hawkins & Cannon
Attorneys at Law
Las Vegas, Nevada