

In the Supreme Court of Nevada

BARRICK GOLD CORPORATION,
Petitioner,

vs.

EIGHTH JUDICIAL DISTRICT COURT of the
State of Nevada, in and for the County of
Clark; and the Honorable ELIZABETH
GOFF GONZALEZ, District Judge,
Respondents,

and

BULLION MONARCH MINING, INC.,
Real Party in Interest.

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Feb 10 2021 02:16 p.m.
Elizabeth A. Brown
Clerk of Supreme Court

District Court
Case No. A785913

MOTION TO DISMISS PETITION

or

NOTICE OF INTENT TO OPPOSE PETITION AS MOOT

Barrick Gold Corporation's writ petition raises a jurisdictional challenge to a complaint that has since been amended and, thus, superseded. This Court should dismiss the petition as moot.

A. This Court Cannot Decide Abstract Questions about a Superseded Complaint

A writ petition is moot when it challenges personal jurisdiction based on a complaint that is no longer the operative pleading.

1. A Writ Petition that Does Not Present a Live Question Must Be Dismissed as Moot

“This court’s duty is ‘to decide actual controversies by a judgment which can be carried into effect, and not to give opinions upon moot questions.’” *Degraw v. Eighth Judicial Dist. Court*, 134 Nev. 330, 332, 419 P.3d 136, 139 (2018) (quoting *NCAA v. Univ. of Nev.*, 97 Nev. 56, 57, 624 P.2d 10, 10 (1981)).

This element of justiciability must be assessed at all stages, including on a petition for extraordinary writ relief: “even though a case may present a live controversy at its beginning, subsequent events may render the case moot.” *Solid v. Eighth Judicial Dist. Court*, 133 Nev. 118, 120, 393 P.3d 666, 670 (2017) (quoting *Personhood Nev. v. Bristol*, 126 Nev. 599, 602, 245 P.3d 572, 574 (2010)). As this Court has recognized for more than a century, when a writ petition becomes moot, it must be dismissed. *State v. Dist. Court of Sixth Judicial Dist.*, 43 Nev. 320, 184 P. 1023, 1023 (1919); *see also Valdez-Jimenez v. Eighth Judicial Dist. Court*, 136 Nev. 155, 158, 460 P.3d 976, 981 (2020); *Degraw*, 134 Nev. at 332, 419 P.3d at 139; *Marquis & Aurbach v. Eighth Judicial Dist. Court*, 122 Nev. 1147, 1162 & n.32, 146 P.3d 1130, 1140 & n.32 (2006) (citing *Univ. of Nev. v. Tarkanian*, 95 Nev. 389, 394, 594

P.2d 1159, 1162 (1979); *Binegar v. Eighth Judicial Dist. Court*, 112 Nev. 544, 548, 915 P.2d 889, 892 (1996).

2. *An Amended Complaint Supersedes an Earlier One*

One of the most straightforward ways that writ relief becomes moot is when it challenges the sufficiency of a superseded complaint. The Colorado Court of Appeals explained how this doctrine works in the context of an appeal, rejecting the plaintiffs' argument that the court go back and reexamine the original complaint:

On appeal, plaintiffs challenge the trial court's dismissal of the original complaint. The amended complaint, which iterated and expanded the original complaint, superseded the original complaint. . . . Hence, any errors in the trial court's ruling regarding the original complaint were made moot or waived by the filing of the amended complaint, and cannot be raised on this appeal.

Ireland v. Wynkoop, 539 P.2d 1349, 1355 (Colo. Ct. App. 1975).¹

¹ *Accord See JKC3H8 v. Colton*, 164 Cal. Rptr. 3d 450, 456–57 (Ct. App. 2013) (“[T]he filing of an amended complaint moots a motion directed to a prior complaint.” (citation omitted)); *People ex rel. Strathmann v. Acacia Research Corp.*, 148 Cal. Rptr. 3d 361, 374 (Ct. App. 2012); *Jacobs v. Yellow Cab Affiliation, Inc.*, 73 N.E.3d 1220, 1234–35 (Ill. App. Ct. 2017); *State Comp. Ins. Fund v. Superior Court*, 109 Cal. Rptr. 3d 88, 93 (Ct. App. 2010) (requiring a new (or renewed) motion directed to the amended complaint); *Vanderberg v. Rios*, 798 So. 2d 806, 806–07 (Fla. Dist. Ct. App. 2001) (“the legal sufficiency of the original complaint was

This Court also recognizes that an amended or supplemental complaint “supersede[s] all claims for relief alleged in the original complaint.” *McKnight Family, L.L.P. v. Adept Mgmt.*, 129 Nev. 610, 615, 310 P.3d 555, 558 (2013) (citing *Las Vegas Network, Inc. v. B. Shawcross & Assocs.*, 80 Nev. 405, 407, 395 P.2d 520, 521 (1964)); *Randono v. Ballow*, 100 Nev. 142, 143, 676 P.2d 807, 808 (1984); *McFadden v. Ellsworth Mill & Mining Co.*, 8 Nev. 57, 57 (1872).

3. *Arguments about Personal Jurisdiction Directed to an Earlier Complaint Are Moot*

This principle applies to objections based on personal jurisdiction, too. In *Ex parte Puccio*, the defendant moved to dismiss the first complaint based on insufficient minimum contacts and submitted an affidavit in opposition to that complaint. 923 So. 2d 1069, 1072 (Ala. 2005). The plaintiff then amended the complaint. *Id.* The defendant moved again to dismiss, but in attaching the same affidavit, he neglected to address the amended complaint’s alter ego allegations that supported the exercise of personal jurisdiction. *Id.* at 1073. After the trial court denied

rendered moot by the filing of the amended complaint”); *Lipary v. Posner*, 409 N.Y.S.2d 363, 363–64 (Sup. Ct. 1978); *Atherton v. City of Champaign*, 218 N.E.2d 106 (Ill. App. Ct. 1966) (headnotes).

the second motion, the defendant filed a writ petition in the Alabama Supreme Court. *Id.* at 1071. The Alabama Supreme Court determined that the defendant’s first motion to dismiss was moot as directed to a superseded pleading; and the second motion did not address the alter-ego allegations of the operative complaint, so the trial court was justified in denying the motion. *Id.* at 1073, 1077.²

Similarly, in *Ulusal v. Lentz Engineering, L.C.*, the Texas Court of Appeals rejected a defendant’s attempt to contest personal jurisdiction by pointing to allegations in a prior pleading: the allegations in the plaintiff’s first pleading, whether sufficient or not, do “not defeat its allegations in its live pleading.” 491 S.W.3d 910, 915–16 (Tex. App. 2016), *abrogated on other grounds by Dudley Constr., Ltd. v. Act Pipe & Supply, Inc.*, 545 S.W.3d 532 (Tex. 2018).

² In support of its mootness holding, the Alabama Supreme Court cited citing *Holley v. St. Paul Fire & Marine Ins. Co.*, 396 So. 2d 75 (Ala. 1981); *Kentucky Press Ass’n, Inc. v. Kentucky*, 355 F. Supp. 2d 853 (E.D. Ky. 2005); and *In re Colonial Ltd. P’ship Litig.*, 854 F. Supp. 64, 80 (D. Conn. 1994).

B. Barrick Gold's Petition Is Moot Because It Does Not Challenge the Operative Complaint

The application of these principles is straightforward here: Barrick Gold argues that the district court erred in exercising personal jurisdiction, but its petition takes aim at a complaint that has been amended. (Exhibit A.) Barrick Gold's remedy lies in the district court. Yet Barrick Gold has not obtained a jurisdictional ruling on the operative complaint.

And the new complaint is not merely a formality. At the request of Barrick Gold's co-defendants, allegations of fraud in connection with alter ego and constructive trust are now stated with greater specificity; and the complaint adds a claim of fraudulent conveyance based on transfers in the wake of a 2019 joint venture orchestrated by Barrick Gold. Though the district court was correct to overrule Barrick Gold's objection to personal jurisdiction, for this Court to review that ruling now—after the operative complaint has been amended—would be a purely academic exercise. Barrick Gold's petition is moot.

CONCLUSION

This Court should dismiss Barrick Gold's petition as moot. Doing so would save the parties and this Court the considerable expense of full briefing and review of the substantive issues.

Alternatively, this Court may construe this motion as Bullion's notice of its intent to oppose the petition, including on mootness grounds.

Dated this 10th day of February, 2021.

LEWIS ROCA ROTHGERBER CHRISTIE LLP

By: /s/ Abraham G. Smith
DANIEL F. POLSENBERG (SBN 2376)
JOEL D. HENRIOD (SBN 8492)
ABRAHAM G. SMITH (SBN 13,250)
3993 Howard Hughes Parkway,
Suite 600
Las Vegas, Nevada 89169
(702) 949-8200

*Attorneys for Bullion
Monarch Mining, Inc.*

CERTIFICATE OF SERVICE

I certify that on February 10, 2021, I submitted the foregoing MOTION TO DISMISS PETITION OR NOTICE OF INTENT TO OPPOSE PETITION AS MOOT for filing *via* the Court's eFlex electronic filing system. Electronic notification will be sent to the following:

James J. Pisanelli
Todd L. Bice
Debra L. Spinelli
Dustun H. Holmes
PISANELLI BICE PLLC
400 South 7th Street, Suite 300
Las Vegas, NV 89101

Michael R. Kealy
Ashley C. Nikkel
Brandon J. Mark
PARSONS BEHLE
& LATIMER
50 West Liberty Street, Suite 750
Reno, NV 89501

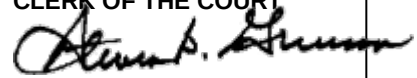
Attorneys for Petitioner

The Honorable Elizabeth Gonzalez
Department 11
EIGHTH JUDICIAL DISTRICT COURT
200 Lewis Avenue
Las Vegas, NV 89155

/s/ Emily D. Kapolnai
An Employee of Lewis Roca Rothgerber Christie LLP

EXHIBIT A

EXHIBIT A



CLAYTON P. BRUST (SBN 5234)
KENT ROBISON (SBN 1167)
ROBISON, SHARP, SULLIVAN & BRUST, P.C.
71 Washington Street
Reno, Nevada 89503
(775) 329-3151
(775) 329-7941 (Fax)
CBrust@RSSBLaw.com

DANIEL F. POLSENBERG (SBN 2376)
JOEL D. HENRIOD (SBN 8492)
ABRAHAM G. SMITH (SBN 13,250)
LEWIS ROCA ROTHGERBER CHRISTIE LLP
3993 Howard Hughes Parkway, Suite 600
Las Vegas, Nevada 89169-5996
(702) 949-8200
(702) 949-8398 (Fax)
DPolsenberg@LRRC.com
JHenriod@LRRC.com
ASmith@LRRC.com

Attorneys for Plaintiff

DISTRICT COURT
CLARK COUNTY, NEVADA

BULLION MONARCH MINING,
INC.,

Plaintiff,

vs.

BARRICK GOLDSTRIKE MINES,
INC.; BARRICK GOLD
EXPLORATION INC.; BARRICK
GOLD CORPORATION; NEVADA
GOLD MINES, LLC; BARRICK
NEVADA HOLDING LLC; and DOES
1 through 20,

Defendants.

Case No. A-18-785913-B

Dept. No. 11

THIRD AMENDED COMPLAINT

(Jury Trial Demanded)

(Redacted)

Business court requested (EDCR
1.61(a)(2)(ii), (iii))

Exempt from arbitration (NAR 3(A)):
Probable award in excess of \$50,000,
declaratory relief, and equitable relief

Bullion Monarch Mining, Inc. ("Bullion") alleges as its amended com-
plaint:

PARTIES AND JURISDICTION

1. Bullion is a Utah corporation doing business in Nevada at all times
relevant hereto.

2. Barrick Goldstrike Mines, Inc. (“Goldstrike”) is a Colorado corporation doing business in Nevada at all times relevant hereto.

3. Barrick Gold Exploration Inc. (“Exploration”) is a Delaware corporation doing business in Nevada at all times relevant hereto. Exploration is—and at all relevant times was—the 100% owner of Goldstrike.

4. Barrick Gold Corporation (“Barrick Gold”) is an Ontario corporation doing business in Nevada at all times relevant hereto. Barrick Gold is—and at all relevant times was—the 100% owner of Exploration (and/or is a corporate parent of Goldstrike and Exploration).

5. Nevada Gold Mines, LLC (“Nevada Gold”) is a Delaware limited liability company doing business in Nevada at all times relevant hereto. Nevada Gold was formed by Barrick Gold and Newmont Goldcorp Corporation (formerly Newmont Mining Corporation) (“Newmont”) for the purpose of putting most of Barrick’s and Newmont’s Nevada mining operations into one entity, with Barrick Gold being the operator. Upon information and belief, Nevada Gold has been assigned and/or has assumed control over mineral properties subject to this lawsuit, including mineral properties formerly owned by Goldstrike, Exploration, Barrick Gold, and Newmont.

6. Upon information and belief, on or about July 1, 2019, Goldstrike, Exploration, Barrick Gold, and Newmont transferred and conveyed all of their rights, title and interest in and to certain mineral properties located in Eureka County and Elko County, Nevada, to Nevada Gold;¹ these mineral properties in-

¹

1 clude the mineral properties from which Bullion maintains it has been and con-
2 tinues to be owed a production royalty.

3 7. Barrick Nevada Holding LLC (“Barrick Holding”) is a Delaware lim-
4 ited liability company doing business in Nevada at all times relevant hereto.

5 8. [REDACTED]
6 [REDACTED]
7 [REDACTED]
8 [REDACTED]
9 [REDACTED]
10 [REDACTED]
11 [REDACTED]
12 [REDACTED]

13 9. Bullion does not know the true names or capacities of some defend-
14 ants and therefore sues them by fictitious “Doe” designations. Bullion will
15 amend the complaint once it ascertains the Doe defendants’ true names and ca-
16 pacities.

17 10. Upon information and belief, one or more defendants maintain of-
18 fices in Henderson, Nevada.

19 11. This Court has jurisdiction over defendants under NRS 14.065(1)
20 and the United States Constitution because defendants have sufficient mini-
21 mum contacts directed toward Nevada, and this suit arises out of those Nevada
22 contacts.

23 12. In addition, the jurisdictional contacts of Goldstrike are attributed
24 to Exploration, Barrick Gold, Nevada Gold, and Barrick Holding, as each of
25 [REDACTED]
26 [REDACTED]
27 [REDACTED]
28 [REDACTED]

1 these defendants is the agent or alter ego of Goldstrike.

2 13. This Court has subject-matter jurisdiction under Article 6, section
3 6(1) of the Nevada Constitution and NRS 4.370(1)(a) because Bullion seeks
4 damages in excess of \$15,000.

5 14. It is also appropriate to commence the action in this Court pursuant
6 to NRS 13.010 and 13.040.

7 **FACTS**

8 15. Through the 1960s and 1970s, Bullion's predecessor in interest,
9 Bullion Monarch Company (also "Bullion") prospected extensively in what is
10 now known as the Carlin Gold Trend and accumulated valuable mineral proper-
11 ties, including patented and unpatented mining claims throughout the area.

12 16. In 1979, four prospective members of a joint venture negotiated
13 with Bullion to give up both its mining claims in a particularly profitable area
14 and also to refrain from competing for any other property in the surrounding
15 area.

16 17. On May 10, 1979, Bullion and defendants' predecessors in interest,
17 Universal Explorations, Ltd. and Universal Gas, Inc. ("Universal"), entered into
18 an agreement (the "1979 Agreement"). A copy of the 1979 Agreement is at-
19 tached as Exhibit 1.

20 18. Pursuant to the terms of the 1979 Agreement, Bullion conveyed its
21 mineral properties as described in the 1979 Agreement, Exhibit A-1 (the origi-
22 nal "Subject Property") to defendants' predecessors in interest. In exchange for
23 conveying the Subject Property, and an agreement by Bullion not to prospect
24 further in the area, Bullion received a production royalty based on production
25 from the original Subject Property and from additional mineral properties ac-
26 quired within an area of interest in an 8-mile radius surrounding the Subject
27 Property described in Exhibit A-2 (the "Area of Interest").

1 19. Under paragraph 11 of the 1979 Agreement, the terms and condi-
2 tions of the 1979 Agreement, including Bullion's royalty, apply to all mineral
3 properties acquired after the date of the agreement by the other parties to the
4 1979 Agreement, or by their successors in interest, within the Area of Interest,
5 whether by location of mining claims under the 1872 Mining Law, or by "leasing
6 or purchase of private lands and minerals or unpatented mining claims."

7 20. The term of the 1979 Agreement is 99 years, through 2078.

8 21. Bullion is functionally excluded from prospecting in or acquiring
9 any other interest in the Area of Interest through 2078 and from sharing di-
10 rectly in the proceeds of the joint venture, apart from its royalty.

11 22. Further, in the event a mining interest from within the Area of In-
12 terest was or is used to acquire mining interests outside the Area of Interest,
13 Bullion's royalty interest would also follow to the new property. Upon infor-
14 mation and belief, this has occurred.

15 23. Bullion's royalty under the 1979 Agreement is threefold. First, it
16 applies to production from the original claims Bullion transferred to the ven-
17 ture, claims that formed the core of the venture's original "Subject Property."
18 Second, as Universal (or its successors) acquired additional property in the area
19 surrounding Bullion's claims—the "area of interest" in which Bullion was pro-
20 hibited from competing—the "Subject Property" as between Universal and Bul-
21 lion would expand to subject those claims to the same royalty. If the co-ventur-
22 ers exercised their right to share in the acquisition costs of any area-of-interest
23 property, that property would become "Subject Property" of the venture for all
24 purposes. But even if the co-venturers declined, Bullion was still entitled to its
25 royalty as that property would have become "Subject Property" as between Uni-
26 versal and Bullion. Third, paragraph 18 of the 1979 Agreement provides that
27 the rights and obligations of the parties, including the obligation to pay Bul-
28 lion's royalty and Bullion's obligation not to compete, "inure to the benefit of

1 and [are] binding upon the successors and assigns of the parties hereto.” De-
2 fendants are successors and assigns of certain of the parties to the 1979 Agree-
3 ment are liable for the Bullion’s royalty.

4 24. Pursuant to the terms of the 1979 Agreement, Bullion’s royalty pay-
5 ments began with a series of fixed payments up to \$1 million, and was thereaf-
6 ter limited to a 1% gross smelter return (GSR) royalty based upon mineral pro-
7 duction. Bullion may elect to take any monthly production royalty in kind but
8 is responsible for loading and transportation if it takes the royalty in kind.

9 25. In 1984 and 1986, two joint venture agreements shifted the opera-
10 tion from Universal to Nicor Mineral Ventures, Inc., although Universal’s suc-
11 cessor, Petrol Oil & Gas Co., continued to be a member of those ventures. Nicor
12 agreed to “make or arrange for *all payments* required by the Existing Agree-
13 ments,” which includes the 1979 Agreement. (1984 Venture Agreement § 8.2(e);
14 1986 Venture Agreement § 8.2(e) (emphasis added).)

15 26. On April 26, 1990, High Desert Mineral Resources of Nevada, Inc.
16 (“High Desert”) entered into an option agreement with the 1986 joint venture
17 (known as the “Bullion-Monarch Joint Venture” but unrelated to Bullion),
18 which granted to High Desert the option to acquire all of the Subject Property
19 under the 1979 Agreement. Further, under the terms of the Option Agreement,
20 if High Desert exercised the option, High Desert agreed to assume and become
21 liable for all of the obligations, rentals, royalties, and other payments due, or to
22 become due, under the 1979 Agreement.

23 27. On July 10, 1990, High Desert exercised the option, assumed, and
24 otherwise became subject to all of the terms, obligations, and conditions of the
25 1979 Agreement, including the Area of Interest provision and Bullion’s royalty,
26 and became obligated to pay all of the obligations, rentals, royalties, and other
27 payments due, or to become due, under the 1979 Agreement.

28 28. On December 23, 1991, High Desert entered into an agreement with

1 Newmont Gold Company (“Newmont”) by which Newmont assumed Bullion’s
2 royalty on the Exhibit A-1 Subject Property and Newmont specifically rejected
3 assuming the obligation to pay Bullion royalties arising from properties within
4 the Area of Interest, leaving the obligation to pay Bullion royalties arising from
5 properties in the Area of Interest with High Desert.

6 29. Between July 10, 1990 and today, upon information and belief, de-
7 fendants have entered into various agreements with High Desert, the principals
8 in High Desert, and/or entities directly owned by or related to High Desert or its
9 principals. As a result of these agreements, defendants and/or mineral proper-
10 ties in which defendants had an interest, or acquired an interest, became sub-
11 ject to the terms, obligations, and conditions of the 1979 Agreement, including
12 the obligation for payment of a royalty to plaintiff based upon production from
13 said mineral properties since these properties are located within the Area of In-
14 terest.

15 30. Between December 23, 1991 and today, upon information and be-
16 lief, defendants have entered into various agreements with Newmont. As a re-
17 sult of these agreements, defendants and/or mineral properties in which defend-
18 ants had an interest, or acquired an interest, became subject to the terms, obli-
19 gations and conditions of the 1979 Agreement, including the obligation for pay-
20 ment of a royalty to Bullion based upon production from said properties since
21 these properties are located within the Area of Interest.

22 31. Goldstrike, through a succession of companies, including, but not
23 limited to Barrick HD Inc., are successors in interest to High Desert Mineral
24 Resources of Nevada, Inc. In 1995, Goldstrike acquired High Desert Mineral
25 Resources of Nevada, Inc. (“High Desert”) and later merged with High Desert,
26 with Goldstrike being the surviving company. Goldstrike acquired High De-
27 sert’s obligation to pay Bullion’s royalty, including within the Area of Interest,
28 which High Desert had fully disclosed. After its merger with High Desert,

1 Goldstrike stands in the shoes of High Desert. As a result of the merger,
2 Goldstrike is obligated to perform all of High Desert's obligations which re-
3 sulted from High Desert's exercise of the 1990 Option Agreement.

4 32. [REDACTED]
5 [REDACTED]
6 [REDACTED]
7 [REDACTED]

8 33. [REDACTED]
9 [REDACTED]
10 [REDACTED]
11 [REDACTED]

12 a. [REDACTED]
13 [REDACTED]
14 [REDACTED]
15 [REDACTED]
16 [REDACTED]
17 [REDACTED]

18 b. [REDACTED]
19 [REDACTED]
20 [REDACTED]
21 [REDACTED]

22 c. [REDACTED]
23 [REDACTED]
24 [REDACTED]
25 [REDACTED]

26 34. These acquisitions of mineral properties within the Area of Interest
27 by Barrick Gold subsidiaries other than Goldstrike were made in order to avoid
28 the Bullion's royalty, which Goldstrike had specifically assumed, and which

1 Goldstrike would have to pay if it had made the same acquisitions. These min-
2 eral properties acquired by sister affiliates of Goldstrike within the Area of In-
3 terest are therefore subject to the Area of Interest provision, including the obli-
4 gation to pay Bullion's royalty.

5 35. [REDACTED]
6 [REDACTED]
7 [REDACTED]
8 [REDACTED]
9 [REDACTED]
10 [REDACTED]
11 [REDACTED]
12 [REDACTED]
13 [REDACTED]
14 [REDACTED]
15 [REDACTED]
16 [REDACTED]
17 [REDACTED]

18 36. Bullion originally filed a complaint against Goldstrike on June 22,
19 2009 in the U.S. District Court for the District of Nevada. For more than eight
20 years, the claims went forward based on Goldstrike's representation that it was
21 not contesting the federal court's diversity jurisdiction. On September 8, 2017,
22 however, Goldstrike for the first time filed a motion to dismiss contesting juris-
23 diction. (Case No. 3:09-cv-00612-MMD-WGC, ECF 260.)

24 37. That motion was initially denied without prejudice to allow for ju-
25 risdictional discovery. (ECF 268.)

26 38. After discovery, Barrick refiled its motion (ECF 281), which the dis-
27 trict court granted on November 1, 2018. (ECF 302.)

28 39. Bullion filed this complaint on December 12, 2018 while it pursued

1 an appeal in the Ninth Circuit.

2 40. Bullion has dismissed its appeal and will proceed in this forum.

3 41. A special and confidential relationship exists between the parties
4 because they or their predecessors-in-interest are partners to joint venture
5 agreements, including the 1979 Agreement, because Bullion is a third-party
6 beneficiary of the 2019 Nevada Gold Mines, LLC joint venture implementation
7 and operating agreements, and because Bullion is dependent upon defendants
8 to calculate its royalty, as there is no way for Bullion to independently monitor
9 the basis for the calculation of the royalty that Bullion is owed.

10 42. [REDACTED]
11 [REDACTED]
12 [REDACTED]
13 [REDACTED]

14 43. [REDACTED]
15 [REDACTED]
16 [REDACTED]
17 [REDACTED]
18 [REDACTED]
19 [REDACTED]

20 44. Goldstrike is no longer considered by Barrick Gold to be a signifi-
21 cant subsidiary of Barrick Gold.

22 45. [REDACTED]
23 [REDACTED]

24 46. Upon information and belief, the transactions described above have
25 left Goldstrike, Exploration, and other entities owned or controlled by Barrick
26 Gold that formerly owned mineral properties in the Area of Interest without
27 sufficient assets to pay Bullion's royalty, including Bullion's right to an in-kind
28 royalty or a judgment.

1 47. The retention of royalties by Nevada Gold, Barrick Holding, Explo-
2 ration, and/or Barrick Gold against Bullion would be inequitable and would al-
3 low Nevada Gold, Barrick Holding, Barrick Gold, and Exploration to circumvent
4 the purpose of the 1979 Agreement and would allow Nevada Gold and/or the
5 Barrick Gold corporate family to retain royalties owed to Bullion thorough ma-
6 nipulation of corporate fictions.

7 48. Because of the corporate association and relationship of the defend-
8 ants, the acquisition and ownership of properties within the Area of Interest by
9 any defendant other than Goldstrike, would dictate that those properties are
10 owned in constructive trust for the benefit of Goldstrike. As a result, mineral
11 production from those properties would be subject to Bullion's royalty.

12 49. The existence of trust is essential to effectuation of justice. Nevada
13 Gold, Barrick Gold and any of its subsidiaries holding mineral property inter-
14 ests acquired after 1990 in the original Subject Property or the Area of Interest
15 must hold those royalties in trust in favor of Bullion and should pay over all
16 such royalties to Bullion.

17 50. In addition, Goldstrike is, and was at all times relevant hereto, in-
18 fluenced and governed by Barrick Gold and Exploration.

19 51. There is a unity of interest and ownership such that Goldstrike and
20 Barrick Gold and Exploration are inseparable from each other. Upon infor-
21 mation and belief, at times relevant hereto, Goldstrike and Exploration are in-
22 fluenced and governed by the same slate of officers, directors, and management
23 personnel. These officers, directors, and management personnel were all em-
24 ployees of Barrick Gold North America Inc. (BGNA) and had to manage "over a
25 hundred entities," including Exploration and Goldstrike, for Barrick Gold. Wit-
26 nesses designated under Rule 30(b)(6) to represent Goldstrike in the federal
27 lawsuit in fact knew little about Goldstrike, its corporate structure, or its organ-
28 ization within "over a hundred entities" of the Barrick Gold family. Similarly,

1 Rich Haddock, who had previously identified himself as Barrick Gold's general
2 counsel, revealed his position with Goldstrike only when the question of
3 Goldstrike's citizenship became an issue in federal court.

4 52. Further, at times relevant hereto, Barrick Gold exerts ultimate gov-
5 ernance over all other defendants in this matter and all defendants share the
6 exact same interest—obtaining and selling minerals in the Nevada for the profit
7 of Barrick Gold. The defendants have shared, and continue to share assets in-
8 cluding offices, equipment, millsites, employees, vendors, consultants, counsel,
9 trade secrets, know-how, geographic location, intellectual property, research re-
10 sults, and exploration results, and other intellectual and tangible property, all
11 as if they were the same company.

12 53. In addition, Goldstrike failed to observe corporate formalities—in-
13 cluding during the period Bullion filed its suit in federal court—by not holding
14 the annual meeting or other board meetings called for by law and under
15 Goldstrike's governing documents and by not registering to do business in Utah,
16 where Goldstrike asserts that it maintained its corporate headquarters.

17 54. Goldstrike's sole shareholder, Exploration, not Goldstrike's nominal
18 officers or directors, had control over Goldstrike's activities. In 2009, Explora-
19 tion "approved, ratified and made the acts and lawful deeds of the Corporation,"
20 "all actions taken by the directors of the Corporation on behalf of and in the
21 name of the Corporation," and "each and all of the acts of the officers of the Cor-
22 poration." (BAR-J0002222.)

23 55. Although Goldstrike now claims that its principal officers and head-
24 quarters are in Salt Lake City, Utah, Goldstrike's bylaws state that Goldstrike's
25 principal office is in Canada, where Barrick Gold and Exploration are based.

26 56. Rather than keep separate and identify which Barrick entity is tak-
27 ing what actions, Barrick regularly advertises its achievements, including an-
28 nouncements concerning production or acquisitions within the area of interest,

1 as the achievements of “Barrick.”

2 57. Facts are such that adherence to the corporate fiction of separate
3 entities under the circumstances would sanction a fraud or promote injustice,
4 for several specific reasons:

5 a. It would allow defendants to shield themselves from
6 Goldstrike’s liabilities, while diverting the benefits obtained by
7 Goldstrike through its predecessor’s assumption of the 1979 Agree-
8 ment. Specifically, defendants have attempted to manipulate their
9 corporate structure so that they can argue that only Goldstrike
10 should be liable for royalties in the Area of Interest, even though
11 the other defendants are operating in the Area of Interest, benefit-
12 ting from the Area of Interest, and benefitting from Bullion’s exit
13 from the Area of Interest after 1979.

14 b. Injustice will result if defendants are allowed to shed their
15 obligations (or significantly diminish their obligations) by merely
16 creating new corporations to acquire, operate, and mine mineral
17 properties adjacent to Goldstrike, and in the Area of Interest, as a
18 method to avoid paying royalties from properties that would other-
19 wise be subject to the Bullion’s royalty.

20 c. Defendants Goldstrike, Exploration, and Barrick Gold also
21 committed fraud in concealing from Bullion the ownership and pro-
22 duction of mineral properties within the area of interest by Barrick
23 Gold subsidiaries other than Goldstrike. These defendants knew
24 that Bullion was relying on Goldstrike to provide information about
25 all of the mineral interests and production within the Area of Inter-
26 est to which Bullion claims a royalty. Defendants also knew that
27 Bullion disagreed with Goldstrike’s position that a party bound by
28 the 1979 Agreement could escape the obligation to pay Bullion’s

royalty merely by arranging for the original Subject Property or property in the Area of Interest to be held by another entity. Goldstrike, Exploration, and Barrick Gold mutually benefited from enlisting Exploration and/or another Barrick Gold subsidiary—other than Goldstrike, who was in litigation with Bullion—to own and conduct mining operations on property within the Area of Interest without disclosing that ownership or production to Bullion, and without accounting to Bullion for royalties on that production.

d. As set forth herein, recognition of a separate existence between Goldstrike, Barrick Gold, Exploration, and Barrick Nevada Holding LLC would bring about an inequitable result. For example, recognition of separate existence would allow the Barrick corporate family to simultaneously retain the benefits of the 1979 Agreement (including obtaining several valuable mineral properties and the exclusion of Bullion from exploration or acquisition activities in the Area of Interest) while avoiding the obligations of the 1979 Agreement, including the obligation to pay royalties on mineral production within the Area of Interest.

58. Fraud or injustice would also result from the recent formation of the Nevada Gold Mines joint venture, because, upon information and belief, the Barrick Gold family has acquired a majority ownership interest in Nevada Gold, positioning it to reap substantial profits from production within the Area of Interest while seeking to avoid the obligations that Goldstrike and other Barrick Gold subsidiaries owe Bullion from production within the Area of Interest.

FIRST CLAIM FOR RELIEF
(Declaratory Judgment)

59. Bullion incorporates the foregoing allegations in this claim.

60. An actual legal controversy exists between Bullion and defendants

1 as to whether defendants owe Bullion a royalty and/or compensation for produc-
2 tion of minerals from property in the Area of Interest.

3 61. Bullion and defendants have adverse legal positions with respect to
4 their existing legal controversy, and Bullion has a legally protectable interest as
5 to whether it is entitled to a royalty and/or compensation for mining activities
6 and production from within the Area of Interest.

7 62. The existing legal controversy between Bullion and defendants is
8 ripe for judicial determination.

9 63. As a result of the parties' dispute as to whether Bullion is entitled
10 to royalties, Bullion seeks a declaratory judgment from this Court declaring
11 that Bullion is entitled to the royalties from one or more of the defendants for
12 production from within the Area of Interest.

13
14 **SECOND CLAIM FOR RELIEF**
(Breach of Contract)

15 64. Bullion incorporates the foregoing allegations in this claim.

16 65. Defendants are obligated to pay Bullion royalties on the production
17 from mining activities pursuant to the 1979 Agreement as described above.

18 66. Defendants have materially breached the terms of the 1979 Agree-
19 ment.

20 67. Bullion is a third party beneficiary of the agreement to form and the
21 formation of Nevada Gold, since Nevada Gold now holds and/or operates all of
22 the properties from which Bullion is entitled to its royalty as a result of contri-
23 butions by Goldstrike, Exploration and other Barrick entities of all of their
24 properties within the Area of Interest to Nevada Gold.

25 68. Bullion is entitled to a judgment.

26 69. As a direct and proximate result of defendants' breach, Bullion has
27 suffered general and special damages in excess of \$15,000.

28 70. Bullion has also been forced to retain counsel to pursue this action

1 and has incurred attorney's fees as a result of defendants' breach.

2
3 **THIRD CLAIM FOR RELIEF**
4 **(Breach of the Covenant of Good Faith and Fair Dealing)**

5 71. Bullion incorporates the foregoing allegations in this claim.

6 72. Nevada law implies into each contract or agreement a covenant of
7 good faith and fair dealing.

8 73. The 1979 Agreement and other agreements in this matter include
9 an implied, if not express, covenant of good faith and fair dealing.

10 74. The acts and omissions of defendants, as described above, including,
11 but not limited to, having Nevada Gold and corporate relatives of Goldstrike ac-
12 quire mineral interests in the Area of Interest after 1991, have deprived Bullion
13 of benefits that Bullion had bargained for directly with Goldstrike's predeces-
14 sors in interest.

15 75. As a sole, direct and proximate result of the foregoing, Bullion has
16 been damaged in a sum in excess of \$15,000.

17 76. Bullion has also been forced to retain counsel to pursue this action
18 and has incurred attorney's fees as a result of defendants' breach.

19 **FOURTH CLAIM FOR RELIEF**
20 **(Unjust Enrichment)**

21 77. Bullion incorporates the foregoing allegations in this claim.

22 78. Bullion allowed defendants and defendants' predecessors in interest
23 to explore and mine in areas where Bullion had established claims and re-
24 frained from further exploration and mining activities in the Area of Interest as
25 described above.

26 79. Defendants and defendants' predecessors in interest accepted title
27 to Bullion's mineral properties in 1979, including both patented and unpatented
28 mining claims, and Bullion's agreement not to prospect or acquire additional
mineral properties within the Area of Interest. In exchange defendants and

1 their predecessors agreed to pay a royalty to Bullion based on a production from
2 the Subject Property and in exchange for agreeing to pay Bullion the same roy-
3 alty based on production from mineral properties acquired thereafter within the
4 Area of Interest. Defendants will be greatly and unjustly enriched if they are
5 allowed to receive the benefits of the 1979 Agreement without paying the con-
6 sideration therefor, which is Bullion's AOI Royalty.

7 80. In exchange for relinquishment of such property rights and explora-
8 tion and mining rights pursuant to the Agreement, Bullion expected to be paid
9 and is entitled to be paid its royalty for production from the Area of Interest .

10 81. Bullion has not been paid for the amount it has enriched defend-
11 ants.

12 82. Defendants have been unjustly enriched by Bullion.

13 83. Bullion is entitled to compensation for the amount defendants have
14 been unjustly enriched.

15 84. Bullion has also been forced to retain counsel to pursue this action
16 and has incurred attorney's fees as a result of defendants' actions.

17
18 **FIFTH CLAIM FOR RELIEF**
(Fraudulent Conveyance – NRS 112)

19 85. Bullion incorporates the foregoing allegations in this claim.

20 86. Goldstrike, Exploration, and other entities owned or controlled by
21 Barrick Gold transferred property (including, but not limited to mineral proper-
22 ties) to Nevada Gold, after the claims in this matter arose, either:

23 a. With actual intent to hinder, delay, or defraud Bullion;

24 b. Without receiving a reasonably equivalent value in exchange
25 for the transfer or obligation, Goldstrike, Exploration, and other entities
26 owned or controlled by Barrick Gold engaged in transactions for which
27 the remaining assets of Goldstrike, Exploration, and other entities owned
28 or controlled by Barrick Gold were unreasonably small in relation to the

1 transaction; or

2 c. Without receiving a reasonably equivalent value in exchange
3 for the transfer, and Goldstrike, Exploration, and other entities owned or
4 controlled by Barrick Gold believed, or reasonably should have believed
5 that Goldstrike, Exploration, and other entities owned or controlled by
6 Barrick Gold would incur debts beyond their ability to pay as they became
7 due.

8 87. Such transfers of property from Goldstrike, Exploration, and other
9 entities owned or controlled by Barrick Gold to Nevada Gold Mines, LLC,
10 should be rescinded and/or voided as fraudulent conveyances pursuant to NRS
11 112.010 *et seq.*

12 88. Bullion has also been forced to retain counsel to pursue this action
13 and has incurred attorney's fees as a result of defendants' actions.

14 **SIXTH CLAIM FOR RELIEF**
15 **(Accounting)**

16 89. Bullion incorporates the foregoing allegations in this claim.

17 90. Bullion seeks an accounting of all royalties owed to Bullion for min-
18 ing activities of defendants in the Area of Interest.

19 91. Bullion has made a demand upon Goldstrike, and hereby makes a
20 demand upon Nevada Gold, Exploration, Barrick Gold, and Barrick Holding, to
21 provide accounting records for defendants' mining activities in the Area of In-
22 terest.

23 92. Bullion seeks an order from this Court directing defendants to pro-
24 vide an accounting of their mining activities in the Area of Interest.

25 93. Bullion has also been forced to retain counsel to pursue this action
26 and has incurred attorney's fees as a result of defendants' actions.

PRAYER FOR RELIEF

Wherefore, Bullion prays for judgment and an accounting against defendants, as follows:

1. A judgment declaring defendants' obligation to pay royalties based upon production from the Area of Interest as provided by the 1979 Agreement;

2. A judgment of special and general damages in an amount in excess of \$15,000;

3. Imposition of a constructive trust in favor of Goldstrike on all mineral properties acquired in the Area of Interest by Exploration, Barrick Gold, Nevada Gold, and Barrick Holding after 1990;

4. Imposition of a constructive trust in favor of Bullion on 1% of all minerals extracted from mineral properties acquired in the Area of Interest by Exploration, Barrick Gold, Nevada Gold, and Barrick Holding after 1990;

5. Rescission of all 2019 transfers of mineral properties from Goldstrike, Exploration, and other entities owned or controlled by Barrick Gold to Nevada Gold;

6. An order awarding prejudgment interest;

7. An accounting of all royalties owed to Bullion for mining activities of defendants in the Area of Interest;

8. An order awarding reasonable attorney's fees and costs of suit incurred herein;

9. A jury trial on all issues so triable; and

10. Such other and further relief as the Court determines to be appropriate under the circumstances.

11. As a further remedy, Bullion reserves the right to amend the complaint to hold all defendants liable for a judgment against Nevada Gold Barrick Goldstrike, or Exploration, if any of them lacks assets sufficient to satisfy the judgment.

1 Dated this 8th day of February, 2021.

2 ROBISON, SHARP, SULLIVAN & BRUST, P.C.

3 By: /s/ Clayton R. Brust

4 CLAYTON P. BRUST (SBN 5234)

5 KENT ROBISON (SBN 1167)

6 71 Washington Street

7 Reno, Nevada 89503

8 LEWIS ROCA ROTHGERBER CHRISTIE LLP

9 By: /s/ Abraham G. Smith

10 DANIEL F. POLSENBERG (SBN 2376)

11 JOEL D. HENRIOD (SBN 8492)

12 ABRAHAM G. SMITH (SBN 13,250)

13 3993 Howard Hughes Parkway,

14 Suite 600

15 Las Vegas, Nevada 89169

16 *Attorneys for Plaintiff*

CERTIFICATE OF SERVICE

I certify that on 8th day of February, 2021, I electronically filed and served the foregoing “Third Amended Complaint” through the Court’s electronic filing system upon all parties on the master e-file and serve list.

/s/ Emily D. Kopolnai
An Employee of Lewis Roca Rothgerber Christie LLP

EXHIBIT 1

EXHIBIT 1

65562

AGREEMENT

THIS AGREEMENT is made and entered into as of the 10th
day of May, 1979 by and between the following parties:

BULLION MONARCH COMPANY, a Utah corporation (BULLION);

POLAR RESOURCES CO., a Nevada corporation (POLAR);

UNIVERSAL GAS (MONTANA), INC., a Montana corporation,
and UNIVERSAL EXPLORATIONS, LTD., a Canadian corporation
(UNIVERSAL);

CAMSELL RIVER INVESTMENTS, LTD., a Canadian corporation
(CAMSELL);

LAMBERT MANAGEMENT LTD., a Canadian corporation (LAMBERT);
and

ELTEL HOLDINGS LTD., a Canadian corporation (ELTEL);

W I T N E S S E T H:

WHEREAS the parties hereto would all profit from the
mining of and production of certain mining properties located in
the Lynn Mining District, Eureka County, Nevada, more fully des-
cribed in Exhibit A-1 attached hereto and incorporated herein by
reference, hereinafter collectively referred to as the "Subject
Property;" and

WHEREAS the parties have interest in exploring a wider
range of mineral properties in which the Subject Property is em-
bedded, hereinafter referred to as the "Area of Interest," more
fully described in Exhibit A-2 attached hereto and incorporated
herein by reference; and

WHEREAS the parties hereto are desirous of developing the
Subject Property's mineral potential by building adequate milling
facilities and developing a mine ("the Project"); and

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WHEREAS BULLION purports to own a royalty interest in and to the Subject Property as is more fully set forth in Exhibit A-1; and

WHEREAS POLAR purports to own a 100% interest in and to part of the Subject Property as is more fully set forth in Exhibit A-1, subject to possible outstanding interests and royalties, purports to own a 100% interest in and to other portions of the Subject Property as is more fully set forth in Exhibit A-1, and has under a Lease and Option a 77½% interest to other portions of the Subject Property; and

WHEREAS CAMSELL, LAMBERT and ELTEL are interrelated organizations acting in concert as to the Subject Property, collectively being referred to hereinafter as "CAMSELL" unless specifically referred to otherwise, and have invested monies in the development of the Subject Property to date, their interest and relationship to the Project being governed by that certain Letter Agreement with POLAR dated March 14, 1979, as amended by the letters of March 16, 1979, April 6, 1979 and April 10, 1979, attached thereto, all attached hereto as Exhibit B; and

WHEREAS UNIVERSAL GAS (MONTANA), INC. is presently financing further development of the mining and production potential of the Subject Property, primarily for the production of precious metals basically under the terms of that certain Agreement with POLAR dated March 14, 1979 attached hereto as Exhibit C; and

WHEREAS UNIVERSAL EXPLORATIONS, LTD. is prepared and able to guarantee the financial obligations of UNIVERSAL GAS (MONTANA) INC. contained herein, both corporations will be collectively referred to as UNIVERSAL herein with the understanding amongst the

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parties hereto that UNIVERSAL GAS (MONTANA), INC. will be the active participant referred to as UNIVERSAL while any reference to UNIVERSAL EXPLORATIONS, LTD. under the collective term UNIVERSAL speaks only to its financial backing of the UNIVERSAL obligations recited herein;

NOW THEREFORE, in consideration of the conditions, covenants, promises, obligations, payments and agreements herein contained, the parties agree as follows:

1. SOLE AGREEMENT: That as between the parties hereto this Agreement shall be the sole and only agreement governing the ownership, operations and payment from the Subject Property, cancelling, revoking, rescinding and terminating any and all other deeds, conveyances, contracts or agreements between the parties hereto, or any combination thereof, affecting the Subject Property, except any agreement that may exist between CAMSELL, LAMBERT and ELTEL as to investment in Subject Property development and divisions of proceeds received therefrom, and except any agreement, contract or deed specifically preserved by the terms hereof. Should the terms of any agreement, letter agreement or other document or understanding preserved by specific reference herein be in conflict with this Agreement the terms of this Agreement shall control.

2. OWNERSHIP OF SUBJECT PROPERTY: That as between the parties hereto it is understood and agreed that the ownership of the Subject Property as presently constituted is as set forth in Exhibit A attached hereto, subject only to the terms and conditions of this Agreement specifically referred to herein. In addition, it is understood, agreed and warranted amongst the parties hereto that except

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for agreements, deeds and other documents specifically mentioned herein that none of the parties hereto, individually, in combination or collectively, have conveyed or encumbered the Subject Property.

A. Simultaneously herewith, BULLION shall execute and deliver a Grant Deed to UNIVERSAL conveying all of its right, title and interest in the Subject Property to UNIVERSAL. Such interest of BULLION conveyed to UNIVERSAL shall be subject to the payment provisions of Paragraph 4, infra.

B. Simultaneously herewith, POLAR shall execute and deliver a Grant Deed to UNIVERSAL conveying all of its right, title and interest in the Subject Property to UNIVERSAL, subject to the terms and conditions of the March 14, 1979 POLAR - UNIVERSAL Agreement.

C. Simultaneously herewith, CAMSELL shall execute and deliver a Quitclaim Deed to UNIVERSAL conveying and quitclaiming all of its right, title and interest in the Subject Property to UNIVERSAL.

D. At all times pertinent hereto, UNIVERSAL shall have the right to pledge or otherwise hypothecate the titles to any portions, or the whole of, the Subject Property for the purpose of obtaining financing for development of the Subject Property, except that no more than a total of FIFTY PERCENT (50%) of the then current market value of such property shall be so hypothecated or encumbered. At the time, under the March 14, 1979 Agreement, Exhibit C, UNIVERSAL reaches the "earning point", its conveyance to POLAR of 50% interest shall be unencumbered.

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3. UNIVERSAL AS OPERATOR: That on March 14, 1979 POLAR and UNIVERSAL entered into an Agreement, a copy of which is attached hereto as Exhibit C and incorporated herein by reference, whereby UNIVERSAL, under the terms and conditions thereof, was to become the sole and only operator of the mineral production from the Subject Property as of March 1, 1979, and that all of the parties hereto agree to the terms of said Agreement allowing UNIVERSAL the sole and only control over further development and production from the Subject Property pursuant to the March 14, 1979 Agreement and ratify the same as if they had been signatory thereto.

4. PAYMENTS TO BULLION:

A. Commencing May 1, 1979, UNIVERSAL shall pay to BULLION an advance minimum royalty of \$2,500.00 each and every month through October of 1979 or until gross production sales from the Subject Property have reached the amount of \$62,500.00 per month, whichever comes first.

B. Commencing on November 1, 1979, UNIVERSAL shall pay to BULLION an advance minimum royalty of \$5,000.00 each and every month until gross production sales from the Subject Property has reached the amount of \$125,000.00 per month, or until BULLION has received an aggregate of \$250,000.00 under these subparagraphs, A and B.

C. BULLION shall receive a FOUR PERCENT (4%) gross smelter return from production from the Subject Property (based on 100% operating interest in UNIVERSAL, otherwise prorated) until BULLION has received an aggregate of \$500,000.00 under these subparagraphs, A, B and C.

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D. Thereafter BULLION shall receive a TWO PERCENT (2%) gross smelter return royalty from production from the Subject Property (based on 100% operating interest in UNIVERSAL, otherwise prorated) until BULLION has received an aggregate of \$1,000,000.00 under these subparagraphs, A, B, C and D.

E. Thereafter BULLION shall receive a ONE PERCENT (1%) gross smelter return royalty from production from the Subject Property (based on 100% operating interest in UNIVERSAL, otherwise prorated).

"Gross smelter return," as used above, shall mean the amount of earned revenues, as used in accordance with generally accepted accounting principles, payable to UNIVERSAL by any smelter or other purchaser of metals, ores, minerals or mineral substances, or concentrates produced therefrom for products mined from the Subject Property.

Upon SIXTY (60) days' written notice by BULLION to UNIVERSAL, BULLION may elect to take any monthly production royalty in kind but will be totally responsible for all loading and transportation and the costs thereof. BULLION agrees not to materially interfere with UNIVERSAL's operations should it elect to receive payment in kind, and will hold all the remaining parties hereto harmless from its actions in loading and transporting the in kind payments.

All advance royalty payments shall be due on the first day of each month and all production royalties shall be due no later than FORTY-FIVE (45) days after the date payment for production sales is received by UNIVERSAL.

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5. OBLIGATIONS OF BULLION AND POLAR: BULLION and POLAR shall assume and retain all obligations that they have independently incurred by virtue of their activities on and for the Subject Property prior to the date of this Agreement and, in particular, BULLION shall assume and retain the obligation of that certain Deed of Trust made in favor of Ira J. Jaffee, Trustee, as Beneficiary, recorded in the Official Records of Eureka County, Nevada, Book 41, Page 362. At all times pertinent hereto, UNIVERSAL shall have the unqualified right to direct any and all funds due BULLION or POLAR hereunder to remove any obligations of BULLION or POLAR, respectively, secured by the Subject Property, or any portion thereof, and such will be credited toward the payment schedule due BULLION or POLAR. See Paragraph 4, supra.

6. PURCHASE OF BULLION'S INTEREST: That at the time BULLION has received an aggregate of \$1,000,000.00 under the terms and conditions of Paragraph 4, supra, BULLION will have been deemed to have sold and UNIVERSAL and POLAR deemed to have purchased all of BULLION's right, title and interest in the Subject Property (50% each, subject to the terms and conditions of the March 14, 1979 Agreement, Exhibit C) and forever relieving UNIVERSAL and POLAR from any contractual commitment to BULLION by virtue of UNIVERSAL's or POLAR's actions or operations on the Subject Property, save and except for the ONE PERCENT (1%) gross smelter return royalty from production from the Subject Property (based on 100% operating interest in UNIVERSAL, otherwise prorated) set forth in Paragraph 4(E), supra. At that time, UNIVERSAL and POLAR will execute and deliver

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to BULLION a Royalty Deed forever evidencing such royalty interest, ONE-HALF PERCENT (1/2%) being chargeable each against UNIVERSAL and POLAR.

7. DEFAULT OF OBLIGATIONS TO BULLION: If, at any time, UNIVERSAL is in default of its payment obligations to BULLION, BULLION, upon FORTY-FIVE (45) days' written notice to all of the parties hereto, may terminate this Agreement and demand that UNIVERSAL execute and deliver to BULLION a Quitclaim Deed of all of its right, title and interest to that portion of the then Subject Property that is specifically listed in Exhibit A-1 attached hereto, but not the additional properties added to the Subject Property list subsequent to the date of this Agreement. During the notice period, UNIVERSAL, or any other party hereto not BULLION, or anyone on their behalf, may pay such obligation to BULLION and cure such default.

8. PRODUCTION EXPENSE OVERRUN: Pursuant to the terms of the Letter Agreement between POLAR and CAMSELL dated March 14, 1979, Exhibit B, POLAR and CAMSELL agree to share in cost overruns incurred by UNIVERSAL in bringing the Project into production should UNIVERSAL's initial development costs prior to production exceed ONE MILLION TWO HUNDRED FIFTY THOUSAND AND 00/100 DOLLARS (\$1,250,000.00), or should UNIVERSAL's initial development costs and production costs exceed \$1,250,000.00 at any time after production commences but production expenses exceed production payments or revenues.

The parties agree to share in cost overruns in excess of \$1,250,000.00 commitment of UNIVERSAL in the following percentages:

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UNIVERSAL
POLAR-CAMSELL

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Except as herein outlined, the terms, conditions and penalties for cost overruns and the non-participation in such overruns are governed by Clause 10(D), Schedule B, POLAR - UNIVERSAL Agreement of March 14, 1979.

9. DIVISION OF PROCEEDS: The proceeds of production shall be governed by the terms of this Agreement only (except for the CAMSELL, LAMBERT and ELTEL arrangements). As operator under the March 14, 1979 Agreement (see Paragraph 3, supra), UNIVERSAL shall have the right to pay all normal operating and production expenses, including insurance and taxes (excepting income taxes accruing to the individual parties hereto, but specifically including net proceeds of mine taxes, real and personal property taxes associated with mining and income taxes accruing to the venture), pursuant to normal and usual accounting practices and the terms of the March 14, 1979 Agreement from production payments received. In addition, UNIVERSAL shall be able to treat as production expenses and deduct from production payments received all rentals, advance royalties and production royalties paid to BULLION, the Poulsen Group and any others. The amounts received from products produced from the Subject (production payments) less the production expenses, as defined herein and in the March 14, 1979 Agreement between POLAR and UNIVERSAL, shall be the net production receipts.

As between the parties hereto, the net production receipts shall be divided as follows:

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A. BULLION: none, being only entitled to the payments set forth above in Paragraph 4;

B. UNIVERSAL: FIFTY PERCENT (50%); and

C. POLAR, CAMSELL: FIFTY PERCENT (50%), pursuant to that Letter Agreement between POLAR and CAMSELL dated March 14, 1979, Exhibit B.

Nothing herein shall be construed as prohibiting POLAR-CAMSELL from taking their interest in kind provided that they give UNIVERSAL SIXTY (60) days' written notice of such election. POLAR-CAMSELL will be totally responsible for all loading and transportation and the costs thereof. POLAR-CAMSELL will not materially interfere with UNIVERSAL's operations should it elect to receive payment in kind and will hold all the remaining parties hereto harmless from its actions in loading and transporting the in kind payments. It is understood and agreed that all such in kind payments are net, after deduction of the proportionate amount of mining and operation costs.

10. TERMINATION BY UNIVERSAL: UNIVERSAL's participation in the Project is governed by the terms and conditions of the POLAR - UNIVERSAL Agreement of March 14, 1979, Exhibit C, except as specifically modified herein. Upon fulfilling its obligations thereunder, UNIVERSAL has the right to terminate its position as Project Operator and to terminate its further participation in Project development and expenses thereof. Such termination is governed by the terms and conditions of the March 14, 1979 UNIVERSAL - POLAR Agreement and, in particular, Schedule B attached thereto.

11. ADDITIONAL PROPERTY ACQUISITIONS: UNIVERSAL, as operator, shall have the exclusive right to acquire additional

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mineral properties within the Area of Interest on behalf of the parties hereto, be such acquisition by virtue of the rights and privileges under the 1872 Mining Law, or the leasing or purchase of private lands and minerals, or unpatented mining claims. All parties hereto agree to immediately quitclaim and assign to UNIVERSAL any and all other real property or interest in such that they may have within the Area of Interest, Exhibit A-2, as of the date of this Agreement, subjecting the same to the terms and conditions of this Agreement, excepting any interest of BULLION in and to those porperties presently being worked by Western States Minerals (Pancana).

Upon acquiring such properties within the Area of Interest, UNIVERSAL shall offer to include such into the Subject Property upon payment by POLAR-CAMSELL of FIFTY PERCENT (50%) of all acquisition costs incurred in acquiring such properties. Acquisition costs shall include, but are not limited to, purchase price, rental fees, real estate or finder's commissions, legal fees, closing costs, title examinations, appraisal fees and costs incurred by UNIVERSAL in otherwise evaluating the property to be acquired.

Should POLAR-CAMSELL reject such offer or fail to pay or reach agreement for paying such acquisition costs within FORTY-FIVE (45) days of such offer by UNIVERSAL, then such properties within the Area of Interest shall not become part of the Subject Property as they apply to POLAR-CAMSELL and will remain the sole property of UNIVERSAL without any obligations to POLAR-CAMSELL, but subject to the royalty interest of BULLION.

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However, should POLAR accept such offer and pay or reach an agreement with UNIVERSAL for paying such acquisitions costs, the newly acquired properties shall become part of the Subject Property and will be treated thereafter under the terms of this Agreement pertaining to the Subject Property.

12. POULSEN LEASE AND OPTION: The parties hereto recognize the Lease and Option of POLAR with the Poulsens, a copy of which is attached hereto as Exhibit D. UNIVERSAL shall make all payments due thereunder and shall credit such as a development or production expense.

While under Lease, the Poulsen properties shall be, and are, part of the Subject Property, however, at any time, UNIVERSAL may elect to exercise the purchase option. Upon doing so, UNIVERSAL shall offer such to POLAR-CAMSELL under the terms of Paragraph 12, supra. Failure of POLAR-CAMSELL to participate in the acquisition (purchase) costs shall remove such properties from Subject Property status as the same applies to POLAR-CAMSELL.

13. TERM: The term of this Agreement, as it affects the continuing contractual relationships between the parties hereto, is for a period of NINETY-NINE (99) years commencing on the date hereof, unless sooner terminated, surrendered or forfeited.

14. TITLE PERFECTION: The parties hereto recognize that title to the Subject Property, or portions thereof, may contain certain imperfections, clouds thereon or outstanding interests that may require acquisition, clearing or otherwise perfecting. UNIVERSAL shall, in its discretion, seek out such imperfections and cure the same. All expenses incurred by UNIVERSAL in investi-

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gating title to the Subject Property from March 1, 1979, and curing imperfections or acquiring outstanding interests in the same shall be treated as a development or production expense by UNIVERSAL pursuant to the March 14, 1979 POLAR - UNIVERSAL Agreement.

15. INSPECTION, RECORDS: At all times pertinent hereto, the non-operating parties shall have the right to reasonable inspection of the Subject Property and all geological and production records upon giving FIVE (5) days' written notice to UNIVERSAL. Such inspection shall be at the Subject Property or at any offices of UNIVERSAL in the Elko-Carlin, Nevada area. Personal inquiry by the parties hereto directly to UNIVERSAL shall be made only to the following UNIVERSAL officers and employees, and no others:

Joseph A. Mercier
Dan Mercier
Don Hargrove

or their nominees.

Monthly, on the monthly anniversary of this Agreement, UNIVERSAL shall prepare and deliver to the parties hereto a summary report of development on the Subject Property, including building construction, geological finds, etc., and setting forth production and development expenditures.

16. NOTICES: All notices required herein shall be in writing by certified or registered mail, (United States or Canada, as the case may be), return receipt requested (or the Canadian equivalent of such service), to the addresses listed below. Service of such notice is to be deemed accomplished as of the date of mailing:

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05/11/79

HOY & MILLER, CHARTERED
ATTORNEYS AT LAW
RENO AND ELKO, NEVADA

BOOK 71 PAGE 21

BULLION MONARCH COMPANY
Attention: R. D. Morris
Henderson Bank Building
Elko, NV 89801

UNIVERSAL GAS (MONTANA), INC.
Attention: Joe Mercier, President
640 8th Avenue, S. W.
Calgary, Alberta
CANADA T2P 1G7

With a copy to: UNIVERSAL GAS (MONTANA), INC.
Attention: John C. Miller, Esq.
Blohm Building, Suite 201
Elko, NV 89801

POLAR RESOURCES CO.
Attention: C. Warren Hunt
1119 Sydenham Road, S. W.
Calgary, Alberta
CANADA T2T 0T5

CAMSELL RIVER INVESTMENTS
Attention: K. H. Lambert
808 Home Oil Tower
324 8th Avenue, S. W.
Calgary, Alberta
CANADA T2P 2Z2

LAMBERT MANAGEMENT LTD.
Attention: K. H. Lambert
808 Home Oil Tower
324 8th Avenue, S. W.
Calgary, Alberta
CANADA T2P 2Z2

ELTEL HOLDINGS LTD.
Attention: R. H. Lambert
808 Home Oil Tower
324 8th Avenue, S. W.
Calgary, Alberta
CANADA T2P 2Z2

17. RECORDATION: This Agreement may be recorded into the Official Records of either Eureka County of Elko County, Nevada, or both, by any one of the parties hereto.

18. BINDING EFFECT: The terms and conditions of this Agreement shall inure to the benefit of, and be binding upon, the successors and assigns of the parties hereto.

05/11/79

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HOY & MILLER, CHARTERED BOOK 71 PAGE 22
ATTORNEYS AT LAW
RENO AND ELKO, NEVADA

19. ASSIGNABILITY: The respective positions and interests of the parties hereto shall be freely assignable except that such assignment shall not be binding on or affect the remaining parties hereto in any manner, unless and until such assignment is noted in writing to UNIVERSAL, or any successor Operator.

IN WITNESS WHEREOF, the parties hereto set their hands as of the day and year first above written.

BULLION MONARCH COMPANY, a Utah corporation

BY: R. D. Monic
TITLE: PRESIDENT

POLAR RESOURCES CO., a Nevada corporation

BY: [Signature]
TITLE: President

UNIVERSAL GAS (MONTANA), INC., a Montana corporation

BY: [Signature]
TITLE: PRESIDENT

CAMELL RIVER INVESTMENTS, INC., a Canadian corporation

BY: K. H. Lambert
TITLE: President

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HOY & MILLER, CHARTERED
ATTORNEYS AT LAW
RENO AND ELKO, NEVADA

05/11/79

BOOK 71 PAGE 23

LAMBERT MANAGEMENT LTD., a Canadian corporation

BY:

TITLE:

ELTEL HOLDINGS LTD., a Canadian corporation

BY:

TITLE:

UNIVERSAL EXPLORATIONS, LTD. a Canadian corporation

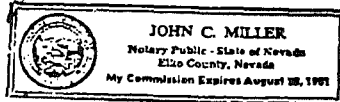
BY:

TITLE:

STATE OF Nevada)
COUNTY OF Elko) SS.

On May 11, 1979, personally appeared before me, a Notary Public, R.D. Morris, a duly qualified and acting officer of BULLION MONARCH COMPANY, who acknowledged to me that he executed the above instrument in that capacity.

NOTARY PUBLIC



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BOOK 71 PAGE 24

HOY & MILLER, CHARTERED
ATTORNEYS AT LAW
RENO AND ELKO, NEVADA

05/11/79

PROVINCE
STATE OF ALBERTA)
COUNTY OF _____) SS.

On _____, 1979, personally appeared before me, a Notary Public, C. WARREN HUNT, a duly qualified and acting officer of POLAR RESOURCES CO., who acknowledged to me that he executed the above instrument in that capacity.

NOTARY PUBLIC

PROVINCE
STATE OF ALBERTA)
COUNTY OF _____) SS.

On MAY 28, 1979, personally appeared before me, a Notary Public, Joseph A. Mercier, a duly qualified and acting officer of UNIVERSAL GAS (MONTANA), INC., who acknowledged to me that he executed the above instrument in that capacity.

NOTARY PUBLIC

PROVINCE
STATE OF ALBERTA)
COUNTY OF _____) SS.

On MAY 17, 1979, personally appeared before me, a Notary Public, KENNETH H. LAMBERT, a duly qualified and acting officer of CAMSELL RIVER INVESTMENTS, INC., who acknowledged to me that he executed the above instrument in that capacity.

NOTARY PUBLIC

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BOOK 71 PAGE 25

05/11/79

HOY & MILLER, CHARTERED
ATTORNEYS AT LAW
RENO AND ELKO, NEVADA

AFFIDAVIT OF EXECUTION

I Susan Lee Nicholl of the City of Calgary, in the Province of Alberta, make oath and say that:

1. I was personally present and did see Mr. C. Warren Hunt named in the within or in annexed instrument who is personally known to me to be the person named therein, duly signed and executed the same for the purposes named therein.

2. That the same was executed at the City of Calgary, in the Province of Alberta and that I am the subscribing witness thereto.

3. That I know the said Mr. C. Warren Hunt and he is, in my belief, of the full age of twenty-one years.


SUSAN LEE NICHOLL

SWORN BEFORE ME AT THE CITY OF CALGARY,
IN THE PROVINCE OF ALBERTA, THIS 7th
DAY OF JUNE, 1979



A Notary Public in and for the Province of Alberta



PROVINCE
STATE OF ALBERTA)
COUNTY OF _____) SS.

On MAY 17, 1979, personally appeared before me, a Notary Public, KENNETH H. LAMBERT, a duly qualified and acting officer of LAMBERT MANAGEMENT LTD., who acknowledged to me that he executed the above instrument in that capacity.

K. H. Lambert
NOTARY PUBLIC



PROVINCE
STATE OF ALBERTA)
COUNTY OF _____) SS.

On MAY 17, 1979, personally appeared before me, a Notary Public, KENNETH H. LAMBERT, a duly qualified and acting officer of ELTEL HOLDINGS LTD., who acknowledged to me that he executed the above instrument in that capacity.

K. H. Lambert
NOTARY PUBLIC



PROVINCE
STATE OF ALBERTA)
COUNTY OF _____) SS.

On MAY 28, 1979, personally appeared before me, a Notary Public, Joseph A. Mercier, a duly qualified and acting officer of UNIVERSAL EXPLORATIONS, LTD., who acknowledged to me that he executed the above instrument in that capacity.

Joseph A. Mercier
NOTARY PUBLIC



EXHIBIT A-2

AREA OF INTEREST

All those lands contained in the Sections and Townships listed below approximately encompassing the area EIGHT (8) miles in a northerly direction, EIGHT (8) miles in a southerly direction, EIGHT (8) miles in an easterly direction and EIGHT (8) miles in a westerly direction from Section 10, Township 35 North, Range 50 East, M.D.B.&M., Eureka County, Nevada.

Township 34 North, Range 49 East
Sections: 1-5, 8-17 and 20-24

Township 35 North, Range 49 East
Sections: 1-5, 8-17, 20-29 and 32-36

Township 36 North, Range 49 East
Sections: 1-5, 8-17, 20-29 and 32-36

Township 37 North, Range 49 East
Sections: 32-36

Township 34 North, Range 50 East
Sections: 1-24

Township 35 North, Range 50 East
Sections: All

Township 36 North, Range 50 East
Sections: All

Township 37 North, Range 50 East
Sections: 31-36

Township 34 North, Range 51 East
Sections: 3-10 and 15-22

Township 35 North, Range 51 East
Sections: 3-10, 15-22 and 27-34

Township 36 North, Range 51 East
Sections: 3-10, 15-22 and 27-34

Township 37 North, Range 51 East
Sections: 31-34

EXHIBIT A-1

SUBJECT PROPERTY

The following described unpatented and patented mining claims generally located in Sections 1, 2, 10, 11 and 12 of Township 35 North, Range 50 East, M.D.B.&M., Lynn Mining District, Eureka County, Nevada:

<u>Unpatented Claims</u>	<u>Polar</u>	<u>Bullion</u>
Big Jim	100%	Royalty
Big Jim 1 to 31, inclusive	"	"
Cracker Jack	"	"
Cracker Jack 1 to 5, inclusive	"	"
Yellow Rose 6 to 21, inclusive	"	"
Polar 1 to 20, inclusive	"	"
Hill Top	"	"
Hill Top 1 to 2, inclusive	"	"
Hill Top Fractional	"	"
Hill Top 1 to 4 Fractional	"	"
RJV	"	"
Unity 1	"	"
Unity 2	"	"
Badger	"	"
Badger 1	"	"
Compromise 4 to 7, inclusive	"	"
Lamira	"	"
Junction	"	"
Paragon	"	"
Paragon 2	"	"
Paragon 4	"	"
Paragon Fractional	"	"

Patented Claims (Poulsen Lease and Option)

	<u>U.S. Patent No.</u>	<u>U.S. Survey No.</u>	<u>Polar</u>	<u>Bullion</u>
Big Six No. 3	783757	4332	77½%	Royalty
Holt	881735	4422	"	"
July	935874	4528	"	"
Great Divide	945439	4393	"	"
Bald Eagle	046758	4527	"	"

LAMBERT MANAGEMENT LTD.

Telephone: (403) 233-0047
808 HOME DR. TOWER
324 - 8 AVENUE S.W.
CALGARY, ALBERTA
CANADA T2P 2Z2

Telephone: (403) 454-2671
13715 - 101 AVENUE,
EDMONTON, ALBERTA
CANADA T5N 0J7

March 14, 1979

Polar Resources Co.
1119 Sydenham Road, S. W.
Calgary, Alberta
T2T 0T5

Attention: Mr. Warren Hunt

Dear Sirs:

RE: Gold Claims Lynn Mining District
Eureka County, Nevada

As you are aware, since early 1976 Camsell River Investments Ltd. has entered into several agreements with you relating to the Bullion Monarch Company gold claims in Nevada and has also entered into agreements relating to the same properties with Bullion Monarch Company. As a result of these agreements, Camsell and its silent coventurers, Lambert Management Ltd. and Eltel Holdings Ltd. have advanced about \$505,000. U.S. to you and \$300,000. U.S. to Bullion Monarch Company and have expended a further \$10,000. U.S. or so on drilling invoices and other expenses relating to the properties.

Our mutual files on this matter are extensive and the legal determination of the various agreements would undoubtedly take more time and effort to resolve than is prudent under the circumstances. We have always maintained that we do not wish to hamper your efforts to put the properties into production so long as an equitable arrangement can be reached between us. Based on the proposed agreement you have negotiated with Universal Gas (Montana) Inc. (hereinafter called the "Mill Agreement") and our meetings and telephone conversations of March 10, 11, 12 and 13, we believe we have reached an agreement acceptable to you and the parties we represent. This agreement between you and the "Camsell Group" would enable Universal to obtain the interest it has bargained for in the Mill Agreement and would resolve our diverse interests in an amiable fashion.

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BOOK 71 PAGE 30

EXHIBIT B

The Agreement is as follows:

- 1) All of the interests of any nature whatsoever of Polar Resources Co. and those of other parties represented by Polar Resources Co. (hereinafter called the "Polar Group") and all of the interests of any nature whatsoever of Camsell River Investments Ltd. and those of the parties represented by Camsell River Investments Ltd. (hereinafter called the "Camsell Group") in "The Mining Properties" as defined in the Mill Agreement shall be pooled and then reallocated 50% to Universal Gas (Montana) Inc. pursuant to the Mill Agreement and 50% collectively to the Polar Group and the Camsell Group (hereinafter called the "Polar-Camsell Group").
- 2) The Camsell Group will receive 100% of the cash flow from the Polar-Camsell Group's 50% interest in the Mining Properties until the Camsell Group has received an amount equivalent to its expenditures relating to the Mining Properties before interest as established by independent audit. This amount is about \$815,000 U.S.
- 3) After the Camsell Group has received the amount indicated in paragraph 2 above, the Polar Group will receive 100% of the cash flow from the Polar-Camsell Group's 50% interest in the Mining Properties until the Polar Group has received an amount equivalent to its expenditures relating to the Mining Properties before interest as established by independent audit. This amount is about \$450,000. U.S.
- 4) After the Polar Group has received the amount indicated in paragraph 3 above, the Polar Group and the Camsell Group will split the cash flow from the Polar-Camsell Group's 50% interest in the Mining Properties on a 50-50 basis until the Camsell Group has received an amount equivalent to the amount of interest the Camsell Group would have paid to its banker calculated on all Camsell Group advances to Polar Resources Co. and Bullion Monarch Company from the dates of advance at the Canadian Imperial Bank of Commerce prime rate from time to time plus 2% per annum, compounded semi annually. Any cash received by the Camsell Group pursuant to this agreement would be credited to the "phantom bank account" on the date of receipt in order to determine the amount to be ultimately received by the Camsell Group pursuant to this paragraph 4.
- 5) After the Camsell Group has received the amount calculated pursuant to paragraph 4 above, the Polar-Camsell Group's interests shall be divided and an undivided 30% of the interest shall be transferred to the Camsell Group and an undivided 70% shall be transferred to the Polar Group.

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6) Title to the Polar-Camsell Group's interest in the Mining Properties shall be held in trust by Polar Resources Co. pursuant to the terms of this Agreement and this Agreement or its successor shall be filed against the title to the Mining Properties in the appropriate offices in the state of Nevada. Polar shall deliver to the Camsell Group a legal opinion from a Nevada attorney stating that the terms and conditions of this Agreement are enforceable by the Camsell Group as against Polar Resources Co. and that the Camsell Group's interests have been adequately registered to protect its interests as against third parties.

7) The proceeds Polar Resources Co. receives from Universal Gas (Montana) Inc. on the sale of the assets listed in the Mill Agreement shall be distributed as follows:

- a) The Polar Group shall receive 100% of the proceeds from the sale of assets acquired after December 31, 1976.
- b) The Camsell Group shall receive 80.4% of the proceeds from the sale of assets acquired prior to January 1, 1977 and the Polar Group shall receive the balance.
- c) Polar Resources Co. shall account to the Camsell Group for any assets held on December 31, 1976 which have been disposed of by Polar Resources Co. subsequent to December 1, 1976 but prior to the execution of the Mill Agreement. The Camsell Group shall receive an amount equal to 80.4% of such disposition proceeds from Polar Resources Co. and the source of funds for such payment shall be the Polar Group's share of the proceeds of the sale of assets pursuant to the Mill Agreement.

8) The Polar-Camsell Group recognizes a fee of \$1,500. per month payable to Polar Resources Co. from the cash flow generated by the mill for the services of Warren Hunt from the date of commencement of milling operations and also recognizes the need to employ a full time representative at the mine as soon as gold production commences in meaningful amounts.

9) In the event of cost overruns beyond the \$1,250,000. U.S. stated in the Mill Agreement, the Polar-Camsell Group acknowledges that it will be responsible for 50% of such overruns. These overruns shall be allocated as between the Polar Group and the Camsell Group as follows:

- a) For exploration, mine development, and mine operation expenses on the Big Jim claims 24 and 25 and for mill development expenses related to that mine, 50% shall be paid by the Polar Group and 50% shall be paid by the Camsell Group.

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- b) For all other expenses 70% shall be paid by the Polar Group and 30% shall be paid by the Camsell Group.

10) This Agreement is subject to the execution of the Mill Agreement and is subject to revision of the method contemplated in paragraph 1 to arrive at the interests outlined in paragraphs 2, 3, 4 and 5 if subsequent investigation reveals that the tax consequences of such method are adverse. The intent is that the Agreement will be structured so as to minimize adverse tax implications in Canada and the United States for all parties concerned while at the same time arriving at the same distribution of cash flow from the Mining Properties.

11) This Agreement shall be interpreted in accordance with the laws of the Province of Alberta.

12) Each of the parties shall execute any further agreements required by legal counsel for any party to implement the terms or intent of this Agreement.

If you agree with the above terms and conditions please indicate your acceptance on the copy of this letter enclosed.

Yours very truly,

Lambert Management Ltd.

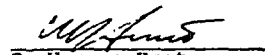


K. H. Lambert
President

/mjm
encl:

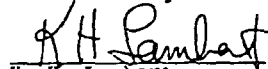
Accepted this ~~14~~ day of March, 1979

Polar Resources Ltd.


C. Warren Hunt
President

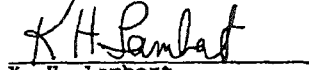
Accepted this 14th day of March, 1979

Eltel Holdings Ltd.


K. H. Lambert
Secretary

Accepted this 14th day
of March, 1979

Camsel River Investments Ltd.


K. H. Lambert
President

LAMBERT MANAGEMENT LTD.

Telephone (403) 233-0047
808 HOME OIL TOWER
324 - 8 AVENUE S.W.
CALGARY, ALBERTA
CANADA T2P 2Z2

Telephone (403) 454-2671
13716 - 101 AVENUE
EDMONTON, ALBERTA
CANADA T5N 0J7

March 16, 1979

Polar Resources Co.
1119 Sydenham Road, S. W.
Calgary, Alberta
T2T 0T5

Attention: Mr. Warren Hunt

Dear Sirs:

RE: Gold Claims - Lynn Mining District
Eureka County, Nevada

Further to our letter of March 14, 1979 and the writer's meeting with your Messrs. Hunt and Ross Hamilton on March 14, 1979, we wish to confirm that the agreement contained in the said letter is amended by adding the following:

- 9.1(a) Any funds advanced pursuant to sub paragraph 9(a) shall be repaid pro rata from the Polar-Camsell Group's first cash flow from the mill prior to the commencement of payments to the Camsell Group pursuant to paragraph 2.
- 9.1(b) Any funds advanced pursuant to sub paragraph 9(b) shall be repaid pro rata from the Polar-Camsell Group's cash flow from the mill after the obligations to the Camsell Group outlined in paragraph 4 have been satisfied.
- 9.2 The penalty provisions in the Mill Agreement shall apply mutatis mutandis to the Polar Group and the Camsell Group in the event of a default by either Group on an obligation to advance further funds pursuant to paragraph 9.

If you agree with the above additional terms and conditions please indicate your acceptance on the copy of this letter enclosed.

Yours very truly,

Lambert Management Ltd.

K. H. Lambert
K. H. Lambert

/mjm
encl:

BOOK 71 PAGE 34

Attachment to: Polar Resources Co.
March 16, 1979

Accepted this day of March, 1979
Polar Resources Co.

C. Warren Hunt
President

Accepted this 16th day of March, 1979
Eltel Holdings Ltd.

K. H. Lambert
K. H. Lambert
Secretary

Accepted this 16th day of March, 1979
Camsel River Investments Ltd.

K. H. Lambert
K. H. Lambert
President

POLAR RESOURCES CO.

1070 SILVER STREET
ELKO, NEVADA 89801
(702) 738-8712

April 6, 1979

Mr. K. H. Lambert
Lambert Management Ltd.
8808, 324 8th Ave. S.W.
Calgary T2P 2Z2

Dear Sir:

Your letter of March 16 1979 is acknowledged and a copy returned herewith signed as requested.

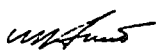
In accordance with our telephone conversation this morning, in which the writer pointed out that clauses 7b and 7c of the letter agreement of March 14, 1979 were unduly broad in that they might be construed to include Polar's assets which had not been acquired by the joint venture nor in the period of the joint venture, April 1 - Nov. 30, 1976, the following is proposed:

Clause 7 subclause b is amended so that the words "prior to Jan. 1, 1977" are replaced by "between April 1, 1976 and November 30, 1976".

Clause 7 subclause c. The meaning of the word "assets" as used in this subclause is understood to mean properties and equipment acquired by the joint venture or charged by Polar to the joint venture so as to establish equity of contributions of the members of the joint venture, that is to say, Polar Resources Co. and Camels River Investments Ltd.

If the foregoing meet with your approval, kindly sign a copy hereof and return for our files.

Yours truly,
Polar Resources Co.


C. Warren Hunt, Pres.

*See qualifications in
letter of April 10/79
Lambert Management Ltd.
per K.H. Lambert*

LAMBERT MANAGEMENT LTD.

Telephone: (403) 233-0047
808 HOME OIL TOWER
324 - 8 AVENUE S.W.
CALGARY, ALBERTA
CANADA T2P 2Z2

Telephone: (403) 454-2671
13716 - 101 AVENUE
EDMONTON, ALBERTA
CANADA T5N 0J7

April 10, 1979

Polar Resources Co.
1119 Sydenham Road S.W.
Calgary, Alberta
T2T 0T5

ATTENTION: Mr. Warren C. Hunt

Dear Sirs:

RE: Gold Claims Lynn Mining District
Eureka County, Nevada

Further to your letter of April 6, 1979, we wish to confirm our agreement that clauses 7b and 7c of our letter agreement of March 14, 1979 have not been drafted to contemplate assets to be sold under the Mill Agreement. We agree that the language should be changed.

We are prepared to accept your suggested change for sub clause 7b provided that the 80.4% figure is changed to reflect the actual percentage of the total funds used by Polar between April 1 and November 30, 1976 which was injected by the Camshell Group. Your auditor could provide us with that percentage.

We accept your clarification of the word "assets" in sub clause 7c and would also suggest that the 80.4% figure used in sub clause 7c should be changed to the same percentage as will be used in subclause 7b.

If the foregoing meets with your approval, kindly sign the enclosed copy of this letter and return it for our files.

Yours very truly,
LAMBERT MANAGEMENT LTD.
R.H. Lambert
R.H. Lambert
President

KHL/rs
Enc.

Accepted this 17th day of April, 1979

POLAR RESOURCES LTD.

PER: *C. M. Smith*

BOOK 71 PAGE 37