

URBD SERVICE 31004 LAND/LEG  
MINE SHAFT FENCING, CONTRACTS & BIDS,  
3/90

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60008496



Contract Geological Services, Inc.

1395 Greg Street, Ste. 108

Sparks, NV 89431

(702) 358-0923

Fax No.: (702) 358-8209

March 20, 1990

Mr. Nate Brewer  
LAC Mineral Inc.  
1395 Greg Street, St. 107  
Sparks, NV. 89431

Dear Nate:

Enclosed is the Contract for Services for the mine shaft fencing in the Rosebud mining district near Sulphur, Nevada. If the contract meets with your approval please indicate so by signing and returning one copy to me. I have also included our Certificate of Insurance for your files.

I would like to appologize for the delay in getting the contract to you. It has been a little hectic here with the new change in management as you might expect. Things are settling down quickly, however, and CGS, Inc. is running "on time" again.

Thank You for considering our professional services.

Sincerely:

CONTRACT GEOLOGICAL SERVICES, INC.

A handwritten signature in cursive script, reading "E. Kenneth Sheldon". The ink is dark and the signature is fluid, with the first and last names being more prominent than the middle name.

E. Kenneth Sheldon  
Senior Geologist

enclosures  
KS/s

## CONTRACT FOR SERVICES

THIS CONTRACT MADE THIS 12th day of March, 1990, between CONTRACT GEOLOGICAL SERVICES, INC., 1395 Greg Street, Suite 108, Sparks, Nevada 89431, referred to as the "COMPANY", and LAC MINERALS (USA), INC., 1395 Greg Street, Suite 107, Sparks, NV 89431, referred to as the "CLIENT".

1. CLIENT agrees to engage COMPANY and COMPANY agrees to perform the following services for CLIENT:

Fence around 6 (Six) or more open mine shafts and stopes and post an indeterminate number of adits and shafts with danger signs in the Rosebud mining district, near Sulphur Nevada, according to CLIENTS specifications.

2. CLIENT agrees to pay COMPANY for the services of COMPANY'S EMPLOYEES in the performance of the above described services the amount of \$700.00 (Seven hundred dollars) per day for each day that COMPANY'S EMPLOYEES perform work on CLIENT'S property. The parties agree that this charge includes COMPANY'S EMPLOYEES salaries, equipment, transportation and personal field expenses.

3. COMPANY agrees to provide all equipment to be utilized in the performance of the above described services. All material costs will be charged to CLIENT at cost.

4. COMPANY will invoice CLIENT upon completion of the above described services for the amounts due hereunder to the above address to the attention of Mr. Nate Brewer. Compensation will be net 30 days by payment to COMPANY at the address set forth above. Past due accounts will bear interest at 18% per annum (1.5% monthly). COMPANY will refer to CLIENT'S Project Name: Rosebud, on all correspondence and invoices relating to this agreement.

5. The parties agree that the services performed hereunder shall be performed within 90 days of the commencement of the performance of such services, however, that should conditions or circumstances arise outside the control of COMPANY which inhibit or make impractical performance of said services, this period shall be extended for a time equal to the time that such circumstances exist. Should CLIENT terminate this contract by providing written notice to COMPANY prior to COMPANY'S commencement of on-site performance of said services, CLIENT shall be obligated for all expenses acquired by COMPANY during performance of the above described services, payable within 10 days of billing by COMPANY. If CLIENT terminates this contract during the performance of on-site work, CLIENT shall be obligated for the entire balance due for work completed.

6. COMPANY agrees to commence on site performance of the above services on or about the 12th day of March, 1990, provided that no circumstances outside the control of COMPANY exists which make the commencement of such services impracticable or impossible. The date of commencement of said services shall be stayed so long as such condition(s) shall exist.

7. COMPANY reserves the right to cancel and terminate this contract if performance of the above-described services would represent an unreasonable hazard to the safety or health of employees of COMPANY provided, however, COMPANY shall advise CLIENT of necessary improvements to CLIENT'S property to bring such property into a condition such that performance of the above-described services can be safely made. At CLIENT'S option, such improvements shall be made within a reasonable time at CLIENT'S sole expense and this contract will remain in force, extending the completion date for the period during which the condition of CLIENT'S property is unsafe and during which CLIENT is improving said property, or this contract shall terminate, with the CLIENT obligated to pay all amounts hereunder.

8. COMPANY while under contract with CLIENT, shall provide the following insurance:

(i) Workmen's Compensation and Employers Liability.

(ii) Comprehensive General Liability (Bodily Injury and Property Damage) Insurance including the following supplementary coverage:

1. Broad Form Property Damage Liability Insurance.

The limit of Liability for such insurance shall not be less than \$1,000,000.00 per occurrence.

(iii) Automobile Bodily Injury and Property Damage Liability Insurance Endorsement extending to non-owned and hired automobiles used in the performance of this agreement. The limits of liability of such insurance shall not be less than \$500,000.00 per person/\$1,000,000.00 per occurrence for Bodily Injury/\$100,000.00 per occurrence for Property Damage.

9. CLIENT agrees that should COMPANY be required to bring legal action to collect any amounts due hereunder, COMPANY shall be entitled to recover reasonable attorneys fees as costs of said action, provided COMPANY wins said action.

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10. This agreement will be deemed to be a contract in The State of Nevada and will be governed by the laws of the State of Nevada. In addition, CLIENT consents to the jurisdiction of courts located in The State of Nevada for determination of all issues which arise from this contract, including any action taken by COMPANY to collect amounts due hereunder.

Accepted and agreed to this 20<sup>th</sup> day of March, 1990

CLIENT:

By: Nathan H. Newer

Title: Senior Geologist

COMPANY:

By: E. Kenneth Sheldon

Mr. E. Kenneth Sheldon,  
Senior Geologist

CONTRACT GEOLOGICAL  
SERVICES, INC.

Fed. Tax I.D. # 84-0951756

# ACORD. CERTIFICATE OF INSURANCE

ISSUE DATE (MM/DD/YY)

1/26/90 BK

**PRODUCER**

ALPINE INSURANCE ASSOCIATES  
P.O. BOX 3259  
RENO, NEVADA 89505

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW

## COMPANIES AFFORDING COVERAGE

COMPANY LETTER **A** SUPERIOR NATIONAL INSURANCE  
COMPANY LETTER **B**  
COMPANY LETTER **C**  
COMPANY LETTER **D**  
COMPANY LETTER **E**

CODE

SUB-CODE

**INSURED**

C.G.S., INC.  
1395 GREG STREET  
SPARKS, NEVADA 89431

## COVERAGES

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

CO LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	ALL LIMITS IN THOUSANDS
A	GENERAL LIABILITY	B #2804	1/19/90	1/19/91	GENERAL AGGREGATE \$ 1,000,
	X COMMERCIAL GENERAL LIABILITY CLAIMS MADE X OCCUR. OWNER'S & CONTRACTOR'S PROT.				PRODUCTS-COMP/OPS AGGREGATE \$ 1,000, PERSONAL & ADVERTISING INJURY \$ 1,000, EACH OCCURRENCE \$ 1,000, FIRE DAMAGE (Any one fire) \$ 50, MEDICAL EXPENSE (Any one person) \$ 5,
	AUTOMOBILE LIABILITY				COMBINED SINGLE LIMIT \$
	ANY AUTO				BODILY INJURY (Per person) \$
	ALL OWNED AUTOS				BODILY INJURY (Per accident) \$
	SCHEDULED AUTOS				PROPERTY DAMAGE \$
	HIRED AUTOS				
	NON-OWNED AUTOS				
	GARAGE LIABILITY				
	EXCESS LIABILITY				EACH OCCURRENCE \$ AGGREGATE \$
	OTHER THAN UMBRELLA FORM				
	WORKER'S COMPENSATION AND EMPLOYERS' LIABILITY				STATUTORY \$ (EACH ACCIDENT) \$ (DISEASE—POLICY LIMIT) \$ (DISEASE—EACH EMPLOYEE)
	OTHER				

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/RESTRICTIONS/SPECIAL ITEMS

## CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING COMPANY WILL ENDEAVOR TO MAIL 10 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE COMPANY, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE

*Elizabeth E. Kitch*

ADDRESS CHANGE ACKNOWLEDGEMENT  
FOR  
CONTRACT GEOLOGICAL SERVICES INC

CONTRACT GEOLOGICAL SERVICES INC

POLICY NUMBER 1401607

1395 GREG STREET SUITE 108  
SPARKS NV 89431

THE STATE INDUSTRIAL INSURANCE SYSTEM MAINTAINS FOUR DIFFERENT TYPES OF ADDRESSES FOR EACH POLICYHOLDER. THE PRIMARY MAILING ADDRESS (P/M) IS USED FOR ALL GENERAL CORRESPONDENCE. THE PAYROLL REPORT WILL BE MAILED EACH REPORT PERIOD TO THE ADDRESS DESIGNATED P/R (PAYROLL REPORT). THE ADDRESS OF YOUR ACTUAL BUSINESS LOCATION IS CODED B/L. THE LOCATION WHERE YOU MAINTAIN YOUR PAYROLL ACCOUNTING RECORDS IS CODED A/R. THE ADDRESS SHOWN ABOVE IS CODED AS FOLLOWS:

P/M P/R B/L A/R

IF THIS INFORMATION IS INCORRECT OR INCOMPLETE, PLEASE ADVISE THIS OFFICE OF THE ERROR.

IF YOU HAVE ANY QUESTIONS, PLEASE CONTACT BARBARA WILSON ACCOUNT MANAGER AT 702 688-1355 OR AT THE ADDRESS BELOW.

4600 KIETZKE LANE, BLDG K  
RENO NV 89502

State Industrial Insurance System

Dated at  
Carson City, Nevada

By Karan J. Justra Title

Admstr