

concentrates, metals or minerals mined from the Premises are not sold but are shipped to a receiving plant operated by PAYNE, or an "Affiliate" as defined herein, the gross value of such ores, concentrates, metals or minerals shall be determined as if they had been sold to such receiving plant. Should PAYNE ship to a receiving plant operated by it or an Affiliate, or should PAYNE sell to a receiving plant controlled by PAYNE or an Affiliate, PAYNE shall be deemed to have received as good a price for all such ores, concentrates, metals or minerals as are being paid to independent miners for material of like character and quantity, and the treatment charges and other charges shall not exceed those charged to such independent miners on materials of like character and quantity. Should AMC believe that any charges imposed are excessive or that the price received by PAYNE is unreasonable, PAYNE shall, upon notice, produce evidence that the charges, or price, or both, comply with the requirements of the immediately preceding sentence, and AMC shall be allowed full access to the necessary records of PAYNE, its affiliates or assignees, in order to confirm such evidence.

The term "Affiliate" shall mean PAYNE, any partner of PAYNE, any officer, director or controlling stockholder of a corporation formed by PAYNE, or to whom PAYNE assigns its rights hereunder, or any entity directly or indirectly controlling, controlled by, or under common control with PAYNE.

(c) Upon exercise of the option to extend the Exploration Lease into a Mining Lease, Payne shall commence mining operations on the Premises with due diligence and shall continue to mine the Premises in a minerlike manner and on a continuous basis; except when interrupted by Acts of God, fire, flood, earthquake, war, labor dispute, or other casualty or occurrence beyond the reasonable control of PAYNE.

5. Non-Exercise of Option. In the event that the option to extend the Exploration Lease into a Mining Lease shall not be exercised by PAYNE, then within thirty (30) days after expiration of the term of the Exploration Lease and the option, as provided herein, PAYNE shall deliver to AMC, without charge, all reports, engineering findings, drill logs and other information