

State of Idaho



Department of State.

CERTIFICATE OF INCORPORATION

GEO. H. CURTIS,

I, [REDACTED] Secretary of State of the State of Idaho, and legal custodian of the corporation records of the State of Idaho, do hereby certify that the original of the articles of incorporation of

CHALLENGER MINES COMPANY

was filed in the office of the Secretary of State on the **eleventh** day
of **September** **A. D. One Thousand Nine Hundred Thirty- nine** and
duly recorded in Book A- **52** of Record of Domestic Corporations, of the State of Idaho,
and that the said articles contain the statement of facts required by Section 29-103, Idaho Code,
Annotated.

I FURTHER CERTIFY, That the persons executing the articles and their associates and
successors are hereby constituted a corporation, by the name hereinbefore stated, for **fifty**
years from the date hereof, with its registered office in this State located at

Hailey in the County of **Blaine**.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed

the Great Seal of the State. Done at Boise City,
the Capital of Idaho, this **11th** day
of **September**, in the year of our Lord

one thousand nine hundred **thirty-nine**

ARTICLES OF INCORPORATION

of

CHALLENGER MINES COMPANY

KNOW ALL MEN BY THESE PRESENTS:

That the undersigned, ^{citizens of the United States and} at least one of whom is a bona fide resident of the State of Idaho, have this day voluntarily associated ourselves together for the purpose of forming a corporation under the laws of the State of Idaho, -

AND WE HEREBY CERTIFY:

Article I

That the name of the corporation shall be CHALLENGER MINES COMPANY.

Article II

That the purpose for which the corporation is formed shall be as follows:

(a) To conduct the business of mining, including milling, concentrating and all other forms of treating ores or mine products now known or hereafter found practicable.

(v) To locate, purchase, or otherwise acquire and own, and sell, lease, mortgage, or otherwise dispose of any lands containing minerals, or other lands necessary to carry out the objects for which this corporation is formed, including the acquisition, in any manner, of agricultural or grazing lands.

(c) To purchase, lease or acquire, and to own, operate or control; and sell, mortgage, or otherwise dispose of or incumber any mills, smelters, concentrators and other plants for the treatment or reduction of any and all kinds of ores and minerals; electric light plants, water power plants, tramways, or other means of transportation (except the business of railroading), irrigation canals and ditches, mercantile establishments and boarding houses, which may be deemed necessary to conduct the business of the corporation.

(d) To own, hold, purchase, or otherwise acquire; and to sell, assign, transfer, mortgage, pledge, or otherwise dispose of shares of the capital stock, and bonds, debentures or

other evidence of indebtedness created by this or other corporations, and while the owner thereof, to exercise all rights and privileges of ownership, including the right to vote thereon.

(e) To issue and sell, or otherwise dispose of, bonds, debentures, promissory notes or other obligations necessary to raise money for the purpose of conducting the business of the corporation in any of its branches; and to secure the payment of any such obligations by properly executed mortgages, deeds of trust, or other incumbrances upon all or any of the property, privileges or franchises of the corporation.

(f) To enter into, make and perform contracts of any kind, with any person, firm, association, or corporation, county, state, territory or government.

(g) In furtherance, and not in limitation of any of the powers above enumerated, the corporation shall have power, through its Board of Directors, to purchase, or otherwise acquire and own its own stock and bonds, or either, including the right to receive the same at their cash value as determined by the Board of Directors, in payment of debts or obligations due the corporation.

(h) Generally, without limit or restriction, to do any or all things herein set forth to the same extent as a natural person might or could do, in any part of the world, as principal, agent, contractor, or otherwise, with all the powers conferred, but not in conflict with the laws of the State of Idaho, or the laws of any state in which the corporation may do business.

Article III

That the place where its principal business is to be transacted is at Hailey; in Blaine County, State of Idaho; it may also, by resolution of its Board of Directors, establish branch offices at other places in the United States, and may hold directors' meetings and transact other corporate business at any such branch office.

Article IV

The members of the governing board shall be styled directors, and shall be five in number. The directors shall be elected by the stockholders, for the terms, and in the manner prescribed by the by-laws and/or statutes of the State of Idaho. There shall be a president, vice-president, secretary, and treasurer, and such other officers as may be provided for in the by-laws. All officers shall be chosen by the directors in the manner prescribed by the by-laws. The names and addresses of the first Board of Directors are:

Dr. V. C. Belknap
E. H. Burton
Leola Clayton
Edith Morley
Norland Beamer

Nampa, Idaho
Bruno, Idaho
Salt Lake City, Utah
Salt Lake City, Utah
Hailey, Idaho

Article V

The Board of Directors shall have power to adopt any and all by-laws for the government and management of itself or the corporation, not inconsistent with these articles or with the laws of the State of Idaho or the United States, and to amend or repeal the same at pleasure.

Article VI

That the term for which this corporation is to exist is fifty years.

Article VII

The authorized capital stock of this corporation is as follows:

- (a) Class "A" or preferred stock in the sum of One Hundred Twenty Five Thousand (\$125,000.00) Dollars, divided into 125,000 shares of the nominal or par value of \$1.00 per share;
- (b) Class "B" or common stock in the sum of Two Hundred Fifty Thousand (\$250,000.00) Dollars, divided into 2,500,000 shares of the nominal or par value of Ten (10¢) Cents per share.

The holders of Class "A" stock shall be entitled to receive dividends of five per centum per annum, non-cumulative, before any dividend distribution shall be made to the holders of Class "B" stock. Five per centum of the net earnings of the corporation shall be placed in a special reserve account for the purpose of paying said dividends; and whenever there is in said special reserve account, after said preferred dividends are paid, a sufficient amount for such purpose the Board of Directors in its discretion may purchase for retirement all or any part of said Class "A" outstanding stock then available. Nothing herein contained shall be construed to prohibit the corporation paying dividends on Class "B" stock out of earnings after reserves as aforesaid are set aside for payment of the dividends on Class "A" stock.

In the event of liquidation or dissolution or winding up, whether voluntary or involuntary, the holders of Class "A" stock shall be entitled to be paid on the basis of par value out of the assets of the corporation, equally pro rata according to the shares held by them before anything shall be paid to the holders of Class "B" stock.

The holders of Class "A" stock shall have no voting power in the corporation.

Article VIII

The amount of capital stock actually subscribed is One Hundred Twenty Five Thousand Dollars (\$125,000.00) of Class "B" stock, which has been subscribed as follows:

Dr. V. C. Belknap	2,000 Shares
I. K. Burton	2,000 Shares
Leola Clayton	2,000 Shares
Edith Morley	2,000 Shares
Norland Beamer	2,000 Shares
J. L. Mercer, Trustee for the use and benefit of the holders of interests or units in Challenger Trust, a common law trust	1,240,000 Shares

The balance of the capital stock hereby authorized, namely, 125,000 shares of Class "A" and 1,250,000 shares of Class "B" stock shall be held as unissued stock for the benefit of the treasury to be under the control and direction of the Board of Directors who shall order it issued at such times and for such consideration as shall to them seem proper.

Article IX

The total subscription to the 1,250,000 shares of Class "B" stock is fully paid by the transfer to and acceptance by the corporation of Lease and Option Agreement of February 28, 1938, between Maria Snider, a widow, and L. P. Snider, a single man, parties to the first part, and J. L. Mercer, party of the second part, describing NABOB, PRINCE, DUKE, IMPERIAL, and MAJESTIC, unpatented lode mining claims in Warm Springs Creek Mining District, Blaine County, Idaho, as thereafter supplemented, modified, and extended; subject, however, to the obligations, and together with the benefits of sub-lease heretofore entered into affecting parts of the said Nabob and Prince claims.

Also by the transfer to and acceptance by the corporation of Challenger No. 1, Challenger No. 2, and Challenger No. 3, unpatented lode mining claims in Warm Springs Creek Mining District, Blaine County, Idaho.

Proper documents of conveyance describing the aforesaid property and property rights have been made for the use and benefit of this corporation when formed, vesting in said corporation immediately upon its formation all of said property, and the title and rights so acquired are believed by the incorporators to be of the fair cash value of \$125,000.00, and in consideration of said transfer to the corporation, the said 1,250,000 shares of Class "B" stock so subscribed as aforesaid are declared fully paid.

Article X

The capital stock of this corporation shall be and remain non-assessable.

Article XI

The private property of the stockholders shall not be liable for the debts of the corporation.

IN WITNESS WHEREOF, the said incorporators have hereunto set their hands this _____ day of September, 1939.

V. C. Bell
S. J. Burton
Leola Clayton
Edith Morley
Horland Beaman

State of Idaho }
County of Ada

ss.

On this 14th day of September, 1939, before me, Neal Mahood, a Notary Public in and for said County and State, Neal Mahood, S. J. Burton and Horland Beaman personally appeared, known to me to be the persons whose names are subscribed to the within instrument and acknowledged to me that they executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.

Neal Mahood
Notary Public
Hailey, Idaho

State of Utah }
County of Salt Lake

ss.

On this 9th day of September, 1939, before me, Joseph C. Frith, a Notary Public in and for said County and State, Leola Clayton and Edith Morley personally appeared, known to me to be the persons whose names are subscribed to the within instrument and acknowledged to me that they executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.

Joseph C. Frith
Notary Public
Salt Lake City, Utah