

Knud Nelson,
to
Industrial Minerals & Chemical Company.)
} Lease and Option

LEASE AND OPTION TO BUY

THIS INDENTURE, made and entered into this 23rd day of May 1938, between Knud Nelson, of the State of Nevada, Lessor, and INDUSTRIAL MINERALS & CHEMICAL COMPANY, a California corporation, Lessee.

W I T N E S S E T H:

That the said Lessor for and in consideration of the covenants and agreements hereinafter expressed and by the said Lessee to be kept and performed, has granted, demised and let and by these presents does grant, demise and let to the Lessee all the following described mine and mining property situated in the Lynn mining district in the County of Eureka, State of Nevada, and particularly described as follows:

Parcel One: "Lucky" mining claim located about two (2) miles west of Lynn and on the Boulder Ridge in Lynn Mining District as said claim is described in that certain Location Notice dated July 29, 1937, File No. _____, recorded in the office of the County Recorder of the County of Eureka, State of Nevada, on October 19th, 1937, in Liber I of Outside Mining Locations at page 44.

Parcel Two: "Paint" mining claim located about two (2) miles west of Lynn and on the Boulder Ridge in Lynn Mining District as said claim is described in that certain location Notice dated July 29, 1937, File No. _____, recorded in the office of the County Recorder of the County of Eureka, State of Nevada, on October 19th, 1937, in Liber I of Outside Mining Locations at page 44.

Parcel Three: "Fine Grain" mining claim located about two (2) miles west of Lynn and on the Boulder Ridge in Lynn Mining District as said claim is described in that certain Location Notice dated July 29, 1937, File No. _____, recorded in the office of the County Recorder of the County of Eureka, State of Nevada, on October 19th, 1937, in Liber I of Outside Mining Locations at page 45. Together with frame cabin situated thereon.

TO HAVE AND TO HOLD unto the said Lessee from twelve o'clock noon the first day of June 1938 until twelve o'clock noon on the first day of December, 1938.

The Lessee hereby agrees to keep said mining claims and all thereof free and clear of any lien or encumbrance and to post and to keep posted at all times during the life of this agreement upon said mining claims a notice in writing to the effect that the Lessor is not responsible for any debt contracted for labor performed or for materials furnished in or upon said mining claims or any part thereof and to hold said property free and clear from any and all claims for damages which may result from the operation thereof.

The Lessee further agrees during the term of this lease to do or cause to be done upon

each of said claims the amount of assessment work required by law to be performed on each of said claims during the term of this lease.

Said Lessee hereby agrees to pay the Lessor advance royalties in the amount of Five Hundred Dollars (\$500.00) upon signing of this agreement.

Said Lessee agrees to pay the lessor a royalty of One Dollar (\$1.00) per ton on all barium ore mined from said property or any part thereof, payable in lawful money of the United States, on the 15th day of each and every month hereafter for ore shipped from said property to and including the last day of the preceding calendar month. All monies due the Lessor hereunder shall be paid to Knud Nelson, mailing the same, postage prepaid, to him at Mountain City Nevada.

All royalty payments are to be applicable to purchase price.

Said Lessor hereby agrees to convey by grant deed said property and all thereof to Lessee, or any person, persons, or corporation whom it may designate, upon demand at any time during the life of this lease for the sum of One Thousand Dollars (\$1,000.00) lawful money of the United States, full purchase price, payable when said deed is delivered properly executed and acknowledged, free and clear of all liens and encumbrances of every kind, nature and description.

IT IS FURTHER AGREED by and between the parties hereto that should the Lessee fail to pay the amounts afore mentioned which may hereafter become due in accordance with the terms hereof and such failure shall continue for a period of thirty (30) days after the service of written notice thereof upon the said Lessee by registered mail addressed to it at 836 Gilman Street, City of Berkeley, County of Alameda, State of California, or upon its superintendent, agent or representative on said premises, then the said Lessor shall be released and relieved of and surrender to the said Lessor said mining claims and the property and the right of the said Lessee therein and thereto shall thereupon terminate and cease.

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

K.C. Nelson

INDUSTRIAL MINERALS & CHEMICAL COMPANY

By L.R. Moretti

STATE OF NEVADA)
COUNTY OF ELKO) ss

On this 23rd day of May 1938, before me Russel Nethery a Notary Public in and for the County of Elko, State of Nevada, residing therein duly commissioned and sworn, personally appeared KNUD NELSON known to me to be the person described in and whose name is subscribed to the within instrument, and he acknowledged to me that he executed the same freely and voluntarily.

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

(Notarial Seal)

My commission expires January 28, 1939.

Russel Nethery

NOTARY PUBLIC

in and for the County of Elko State of Nevada

STATE OF CALIFORNIA)
COUNTY OF ALAMEDA) ss

On this 31st day of May, 1938, before me a Notary Public in and for the County of Alameda, State of California, residing therein, duly commissioned and sworn, personally appeared L.R. MORETTI known to me to be the Secretary of the Corporation that executed the within instrument and the officer who executed the instrument on behalf of the Corporation therein named, and acknowledged to me that such Corporation 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.

(Notarial Seal)

My commission expires November 7, 1941.

Edith G. Bell

NOTARY PUBLIC

in and for the County of Alameda State of California.

Recorded at the request of H.C.Riggs July 14, A.D. 1938 At 40 minutes past 10 A.M.

Peter Merialdo--- Recorder.