

Lester A. Bisoni and Geneve G. Bisoni,  
his wife,  
and Maynard E. Bisoni, a single man,

to

Union Carbide Corporation

OPTION AGREEMENT

OPTION AGREEMENT

THIS OPTION AGREEMENT, made and entered into this 12th day of September, 1957, by and between LESTER A. BISONI and his wife GENEVE G. BISONI and MAYNARD E. BISONI, a single man, of Eureka, Nevada, parties of the first part, hereinafter referred to as "Sellers", and UNION CARBIDE CORPORATION, a New York corporation, party of the second part, hereinafter referred to as "Union Carbide",

WITNESSETH:

WHEREAS, the Sellers are the owners of certain unpatented lode mining claims situate in Eureka County, Nevada, to-wit:

<u>NAME OF CLAIM</u>	<u>BOOK</u>	<u>PAGE</u>
Van 1	J of A Mining District	468
Van 2	J of A Mining District	468
Van 3	J of A Mining District	468
Van 4	J of A Mining District	469
Van 5	J of A Mining District	475
Van 6	J of A Mining District	493
Van 7	J of A Mining District	493
Van 8	J of A Mining District	493
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WHEREAS, Sellers desire to sell the above described unpatented lode mining claims and Union Carbide desires to obtain an option to purchase said claims;

NOW, THEREFORE, in consideration of the sum of Ten Dollars in hand paid to Sellers by Union Carbide, the receipt and sufficiency of which is hereby conclusively acknowledged, and in consideration of the premises and of other mutual covenants and agreements herein contained it is mutually agreed as follows:

1. Sellers hereby grant unto Union Carbide the exclusive right and option to purchase the above mentioned mining claims at any time during the option period for the sale and purchase price of \$16,000.00. This option shall commence on the date hereof and shall end at midnight on the first day of February, 1959. Said option may be exercised by paying the sum of \$6,000.00 on or before February 1, 1958 and the balance of said purchase price in the amount of \$10,000.00 on or before February 1, 1959. In the event Union Carbide fails to make either of the aforementioned installments of the purchase price on or before the day when the same shall be payable this option shall automatically terminate. All payments of

the sale and purchase price shall be made to the escrow agent as hereinafter provided.

2. From and after the date of this agreement and so long as the same shall remain in force and effect Union Carbide shall have the right and privilege of exclusive possession of the above described unpatented lode mining claims, subject to the provisions of paragraph numbered 5 hereof, and including the right to conduct geologic investigation thereon and the right to remove up to fifty tons of ore for testing purposes; provided, however, that all ore so mined and removed from the premises during the option period shall be subject to a 10% royalty as defined and limited in Exhibit A which is attached hereto and made a part hereof.

3. Immediately following the execution of this agreement the Sellers shall deposit with the First National Bank of Grand Junction, Grand Junction, Colorado, their mining deed conveying the above described mining claims to Union Carbide. Said deed shall be in the form of the mining deed which is attached hereto and marked Exhibit A. Union Carbide at any time within the option period may pay the sales and purchase price of \$16,000.00 as hereinabove provided to said escrow agent, in which event said escrow agent shall deliver said deed to Union Carbide and shall deliver to the Sellers said \$16,000.00. In the event such sales and purchase price is paid by Union Carbide to said escrow agent in installments as provided in paragraph numbered 1 above the said escrow agent shall upon receipt of such installments pay the same to the Sellers. Delivery of such deed to Union Carbide shall not be dependent upon the giving of instructions as to the payment of the \$16,000.00 or any installment thereof by the Sellers nor the division and distribution of such sum among the Sellers. In the event Union Carbide does not pay the \$6,000.00 installment on or before midnight February 1, 1958, or thereafter does not pay the \$10,000.00 installment on or before February 1, 1959 after having paid the \$6,000.00 installment within the time provided, the escrow agent shall deliver said deed to Sellers and this agreement shall thereupon terminate. Sellers shall pay one-half and Union Carbide shall pay one-half of such bank's fees as escrow agent.

4. Union Carbide covenants and agrees that it will sink a discovery shaft or construct an open cut, cross cut or tunnel upon each of the Van Nos. 9, 10, 11, 12, and 13 mining claims above described as provided by Section 4121, Nevada Compiled laws, 1929, as amended; provided, however, that in the event such discovery shafts, cuts, crosscuts or tunnels do not cut a ledge or lode (as such terms are used in Section 4121, Nevada Compiled Laws, 1929, as amended) therein Union Carbide shall not be responsible for such failure or the loss of any or all of such claims by reason of such failure. Union Carbide further covenants and agrees that it will, commencing with the assessment year ending July 1, 1958, perform and record the performance of the annual assessment work required by the laws of the United States and the State of Nevada for each of the aforementioned claims; provided, however, that after the completion of the discovery work by Union Carbide as provided in the paragraph above, Union Carbide may terminate this option agreement by giving written notice of such fact to Sellers and by recording in the office of the County Recorder of Eureka County, Nevada, a quit claim deed conveying to Sellers all of Union Carbide's interest in and to said claims and Union Carbide shall thereafter be relieved of all of its obligations hereunder, including the obligation to perform assessment work upon such claims; provided, however, in the event that such surrender occurs subsequent to April 1, 1958, Union Carbide shall be obligated to perform and record the performance of annual assessment work required by the laws of the United States and the State of Nevada for the assessment year ending on July 1, 1958. Upon such surrender Union Carbide shall have the right and privilege within ninety days to remove from the premises of the claims all machinery, equipment, supplies

and improvements, including without limitation underground and surface facilities, mine rails, ore bins, timbers not in place and fixtures; provided, however, that Union Carbide shall not remove from the premises of the claims buildings in place, mine rail in place and timber in place.

5. The Sellers warrant jointly and severally that said claims are free of any liens, leases, royalty interests or encumbrances granted or imposed by the said Sellers or their predecessors in title and that said claims were located in compliance with the laws of the United States and the State of Nevada and that all acts necessary to perfect and maintain a valid claim have been performed with respect to each of said claims; provided, however, and it is agreed and understood as of the date of this agreement discovery shafts, open cuts, crosscuts or tunnels have not been constructed upon each of said claims and in the event that, upon such construction, such discovery shafts, open cuts, crosscuts or tunnels fail to cut a lode or ledge therein as provided by law such failure shall not be deemed a breach of this warranty. Sellers covenant and agree that with respect to the Van Nos. 1, 2, 3, 4, 5, 6, 7 and 8 mining claims they will construct such discovery shafts, open cuts, crosscuts or tunnels as required by the laws of the State of Nevada within the time prescribed thereby.

6. In the event Union Carbide does not exercise its option to purchase the above described claims, or in the event Union Carbide exercises this option and thereafter reconveys the above described claims to the Sellers, Union Carbide covenants and agrees to deliver upon request by Sellers all maps, assays, drill records and other pertinent data obtained by Union Carbide during the term of this option agreement and relating to said mining claims; provided however, Union Carbide shall not be obligated to make such information available until this agreement has been terminated as herein provided.

7. In the event Union Carbide shall locate any additional mining claims in the vicinity of the above described claims, and in the event Union Carbide does not exercise this option, or exercises this option and thereafter reconveys said claims to the Sellers, Union Carbide shall convey to the Sellers by good and sufficient quit claim deed those portions of such additional claims which are within 1,000 feet of the closest boundary of any of the above mentioned claims.

8. Any and all written notices to be given hereunder to Union Carbide may be given by mailing the same by United States registered mail, return receipt requested, to Union Carbide Corporation in care of its division, Union Carbide Nuclear Company, Post Office Box 1049, Grand Junction, Colorado; and to Sellers notice may be given by mailing the same by United States registered mail, return receipt requested, to Lester A. Bioni, Box 1055, Eureka, Nevada. Any such notice shall be deemed given as of the day that the same is deposited in the mail with sufficient postage attached. The First National Bank in Grand Junction, Grand Junction, Colorado, or its successors, is hereby named as Sellers' agent to receive the royalty payments referred to in paragraph numbered 1 herein and all such royalty payments may be made by paying or tendering the same to Sellers' credit at said bank. Such bank shall continue as depository for all royalty payments hereunder during the term of this option agreement regardless of change in the ownership of said property.

10. In case Sellers own a less interest in the above described mining claims than the entire and undivided fee simple estate therein, then the royalties herein provided for shall be paid the Sellers only in the proportion which their interest bears to the whole and undivided fee. If at any time it appears that one or more persons who are not parties to this option agreement may be entitled to any part of the royalties hereunder, Union Carbide may withhold such payments until such person(s), together with the parties hereto,



shall in a recordable instrument to be filed with Union Carbide, consent to the terms of this option agreement and designate a mutually acceptable person or bank as agent to receive all payments due for the rights granted to Union Carbide hereunder, and to execute a division and transfer orders on behalf of all of said parties and persons and their respective successors in title.

11. If the interests herein of any party hereto are assigned or other wise transferred, the covenants and conditions hereof shall extend to and be binding upon the heirs, executors, administrators, successors and assigns of such party, but no transfer of ownership in the land or in the rights to royalties shall be binding on Union Carbide until after notice thereof is given in writing to Union Carbide.

12. In the event Sellers shall conclude that Union Carbide has not complied with its obligations hereunder, Sellers shall notify Union Carbide in writing setting out specifically in what respect Union Carbide may have failed. Union Carbide shall have sixty days after receipt of said notice within which to meet or commence to meet all or any part of the breaches alleged by Sellers. The service of said notice shall be a condition precedent to the bringing of any action by Sellers under this option agreement for any cause, and no action shall be brought until the lapse of sixty days after service of such notice on Union Carbide.

13. The provisions hereof shall inure to the benefit of and be binding upon the heirs, successors, representatives and assigns of the parties hereto.

IN WITNESS WHEREOF, the parties hereto have executed this agreement as of the day and year first above written.

Lester A. Bisoni  
Lester A. Bisoni

Geneve G. Bisoni  
Geneve G. Bisoni

Maynard E. Bisoni  
Maynard E. Bisoni

UNION CARBIDE CORPORATION  
By Kenneth Rush  
Vice President

(Corporation Seal)  
ATTEST:  
T.A. Moore  
Asst. Secretary

STATE OF NEVADA            )  
COUNTY OF WHITE PINE    ) SS

On this 4th day of September, 1957, personally appeared before me, a Notary Public in and for said County and State, Lester A. Bisoni and his wife Geneve G. Bisoni, known to me to be the persons described in and who executed the foregoing instrument, who acknowledged to me that they executed the same freely and voluntarily and for the uses and purposes therein mentioned.

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

(Notarial Seal)  
My Commission Expires Oct. 10, 1960

E. R. Miller, Jr.  
Notary Public

STATE OF NEVADA            )  
COUNTY OF WHITE PINE    ) SS

On this 4th day of September, 1957, personally appeared before me, a Notary Public in and for said County and State, Maynard E. Bisoni, known to me to be the person described in and who executed the foregoing instrument, who acknowledged to me that he executed the same freely and voluntarily and for the uses and purposes therein mentioned.

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

(Notarial Seal)  
My Commission Expires Oct. 10, 1960

E. R. Miller, Jr.  
Notary Public

STATE OF NEW YORK )  
COUNTY OF NEW YORK ) SS

On this 13th day of September, 1957, before me appeared Kenneth Rush to me personally known, who being by me duly sworn, did say that he is the Vice President of Union Carbide Corporation, and that the seal affixed to said instrument is the corporate seal of said corporation and that said instrument was signed and sealed in behalf of said corporation by authority of its Board of Directors and said Kenneth Rush acknowledged said instrument to be the free act and deed of said corporation.

Given under my hand and seal this 13th day of September, 1957.

My commission expires: March 30, 1959.

(Notarial Seal)

Edw. Madelyn Carpenter  
Notary Public  
State of New York No. 60-0574900  
Qualified in Westchester County  
Cert. Filed in New York County

#### EXHIBIT A

#### MINING DEED

THIS INDENTURE, made this \_\_\_\_\_ day of \_\_\_\_\_, 1957, between LESTER A. BISONI and his wife GENEVE G. BISONI and MAYNARD E. BISONI, a single man, of Eureka, Nevada, parties of the first part (sometimes herein called "Grantors") and UNION CARBIDE CORPORATION, a New York corporation, party of the second part (sometimes herein called "Grantee"),

#### WITNESSETH:

That the parties of the first part for and in consideration of the sum of Ten Dollars and other valuable considerations, in hand paid by the party of the second part, the receipt of which is hereby acknowledged, have granted, bargained, sold, remised, released and forever quit claimed, and by these presents do grant, bargain, sell, remise and forever quit claim, unto the said party of the second part its successors and assigns, the following described unpatented lode mining claims situate and lying and being in Eureka County, Nevada, to-wit:

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TOGETHER with all the dips, spurs, and angles, and all the metals, ores, gold and silver-bearing quartz, rock and earth therein, and all the rights, privileges and franchises thereto incident, appendant and appurtenant, or therewith usually had and enjoyed; and all and singular the tenements, hereditaments and appurtenances thereto belonging or in anywise appertaining, and the rents, issues and profits thereof; and all the estate, right, title, interest, claim and demand whatsoever, as well in law as in equity, of the said parties of the first part, of, in or to the said premises, and every part and parcel thereof, with the appurtenances.

Grantors jointly and severally warrant that they are the owners of said claims free and clear of all liens, leases, royalty interests, encumbrances and adverse claims of any nature and that said claims were located in compliance with the laws of the United States and the laws of the State of Nevada and that all acts necessary to perfect and maintain a valid claim have been performed with respect to each of said claims.

TO HAVE AND TO HOLD, all and singular, the said premises, together with the appurtenances and privileges thereto incident, unto the said Grantee, its successors and assigns forever.

THERE IS RESERVED, HOWEVER, to Grantors a royalty interest of ten per centum (10%) of the gross value of the vanadium content of ore mined and removed from such claims. "Gross Value" as used above shall mean the total number of pounds V<sub>2</sub>O<sub>5</sub> contained in ore mined and removed from the premises multiplied by the bid price for V<sub>2</sub>O<sub>5</sub> contained in vanadium ore as quoted in E & JM Metal and Mineral Markets under the title "Vanadium Ore Per Pound V<sub>2</sub>O<sub>5</sub> Content, Domestic, F.O.B. the Mine". Royalties shall be computed on a calendar monthly basis. The current issue of E & MJ Metal and Mineral Markets at the end of such calendar month shall be used in the determination of gross value for such calendar month. Should said publication cease to be published or cease to publish the above described vanadium ore price, the average bid price for such ore, c.i.f. U.S. Ports, import duty excluded, export duty included, on the last business day of said calendar month shall be used in lieu of said publication. No royalty shall be paid with respect to any other mineral or thing of value which may be found in such ore except as herein provided for vanadium. Such vanadium content shall be determined in accordance with standard sampling and analysis procedures. Grantors upon request made to Grantee, at Grantors own expense, shall have the right to have a representative present at the time samples of ore are taken and to receive a portion of each sample taken. Grantors shall have the right, at their own expense, to have their sample assayed by an independent assayer. In case of disagreement on assays an umpire mutually acceptable to the parties shall be selected. Said umpire's assay shall be final and con-



clusive upon the parties hereto. The party whose assay is farthest from the umpire's assay shall pay the cost of the umpire's assay and if the umpire's assay is equally distant from the assay of each party the cost of the umpire's assay shall be paid one-half by each party. Royalties shall be computed monthly and royalties payable for ores mined and removed during any month shall be paid on or before the 20th day of the succeeding month.

Such royalty interest shall expire and terminate at the time \$134,000.00 in aggregate shall have been paid therefor and by reason thereof, and thereafter Grantors, their heirs, representatives and assigns shall have no right, title or interest in said claims or the proceeds derived therefrom; provided, however, in the event the reserved royalty in the sum of \$134,000.00 shall not have been paid to Grantors before January 31, 1961, Grantors shall be paid a minimum of \$22,333.33 in each year commencing with the year beginning on February 1, 1960 and ending on January 31, 1961, until Grantors shall have received said sum of \$134,000.00. All royalties paid to Grantors during any such year shall be considered as a portion of such minimum annual royalty to determine the balance, if any, due the Grantors which shall be due at the end of such year. Royalties paid in any such year in excess of the minimum annual royalty shall be cumulative and carried forward to succeeding years. The determination of the amount of royalties paid to the Grantors in any such year shall be based upon the date of payment of royalties to the Grantors and shall not depend upon the date that such ore was mined from the premises.

Payment of all royalties hereunder shall be made to the First National Bank of Ely, At Ely, Nevada or any successor to such bank as agent of the Grantors, their heirs, representatives and assigns. If such bank or any successor thereof shall cease to exist such royalties shall be paid thereafter to such bank within the United States as the holders of a majority of such royalty interest shall designate in a notice given to the Grantee at Grand Junction, Colorado, and recorded in the public records of Eureka County, Nevada. Grantee shall not be responsible for the division or distribution of royalty payments among and to those entitled thereto and said bank is authorized to withhold the disbursement of royalty payments until Grantors have executed such division orders as the bank may require.

Anything herein to the contrary notwithstanding, the obligations of the Grantee to make payments of royalty and annual minimum royalties shall cease and terminate at the time the Grantee delivers to Grantors or places of public record in Eureka County, Nevada, a quit claim deed conveying said claims to the herein named Grantors; provided that upon such reconveyance the Grantee shall not be entitled to any repayment of royalties or annual minimum royalties theretofore paid by it and the Grantee shall be liable for any unpaid royalties payable or which may become payable by reason of removal of ore from the claims prior to the time of such reconveyance. Upon such reconveyance the Grantee shall have the right and privilege within ninety days to remove from the premises of said mining claims all machinery, equipment, supplies and improvements, including without limitation underground and surface facilities, mine rails and ore bins, except timbers in place, mine rail in place and buildings in place; and further provided that in the event such reconveyance occurs subsequent to April 1st and prior to July 1st of any year Grantee shall perform and record the performance of annual assessment work required by the laws of the State of Nevada and the United States for the assessment year ending on the next succeeding July 1st.

IN WITNESS WHEREOF, the parties of the first part and Grantors have hereunto set their hands and seals the day and year first above written.

\_\_\_\_\_  
Lester A. Bisoni

\_\_\_\_\_  
Geneve G. Bisoni

\_\_\_\_\_  
Maynard E. Bisoni

STATE OF                    )  
                              ) SS  
county of                 0

On this \_\_\_\_\_ day of \_\_\_\_\_, 1957, personally appeared before me, a Notary Public in and for said County and State, Lester A. Bisoni and his wife Geneve G. Bisoni, known to me to be the persons described in and who executed the foregoing instrument, who acknowledged to me that they executed the same freely and voluntarily and for the uses and purposes therein mentioned.

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

\_\_\_\_\_  
Notary Public

STATE OF                    )  
                              ) SS  
COUNTY OF                )

On this day of \_\_\_\_\_, 1957 personally appeared before me, a Notary Public in and for said County and State, Maynard E. Bisoni, known to me to be the person described in and who executed the foregoing instrument, who acknowledged to me that he executed the same freely and voluntarily and for the uses and purposes therein mentioned.

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

\_\_\_\_\_  
Notary Public

Recorded at the request of W. H. Kohler, Sept. 23, A.D. 1957 At 55 minutes past 1 P.M.  
Marian Herrera ---- Recorder.