

Lester A. Bisoni, Geneve G. Bisoni, and Maynard E. Bisoni)
)
 and) OPTION AGREEMENT
)
 Union Carbide Corporation)

OPTION AGREEMENT

THIS OPTION AGREEMENT, made and entered into this 27th day of Sept., 1960 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, location certificates for which are recorded in the records of the Auditor and Recorder of said county as indicated below, to-wit:

<u>Name of Claims</u>	<u>Location Certificate Recorded</u>	
	<u>Book</u>	<u>Page</u>
Base	K of Outside Mining District	200
Base No. 1	K of Outside Mining District	200
Spar	K of Outside Mining District	207
Tan	K of Outside Mining District	213
Contact	K of Outside Mining District	207
Ion	K of Outside Mining District	213
Ion No. 1	K of Outside Mining District	214
Ion No. 2	K of Outside Mining District	215
Ion No. 3	K of Outside Mining District	215
Ion No. 4	K of Outside Mining District	216

(The above references to book and pages may not embrace all documents of record relating to the location, re-location and amendment of said mining claims. Without waiver of any rights existing under any of the documents to which reference is made above, it is the intent of the parties hereto to include in the description of each of said claims those descriptions appearing in any further documents of record in said county relating thereto, and said claims are hereby described according to the documents referred to above and such further documents of record as though all recording data with respect to such further documents were specifically set forth herein.) which claims are hereinafter referred to as the "original claims";

WHEREAS, Union Carbide and/or Sellers have heretofore located or may hereafter locate additional unpatented lode mining claims in the vicinity of the original claims, and such claims and portions thereof, to the extent, and only to the extent, such claims or portions thereof lie within a radius of three thousand feet of the exterior boundaries of the said original claims, are hereinafter referred to as "additional claims";

WHEREAS, said additional claims cannot at this time be described with particularity;

WHEREAS, Sellers desire to sell the above described original claims and additional claims, hereinafter collectively referred to as "said 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 are 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 said claims at any time during the option period for the sale and purchase price of Five Thousand Dollars, which shall also be deemed the Five Thousand Dollar advanced royalty payment set forth in the Mining Deed and Indenture to

which reference is hereinafter made. The term "option period" as used herein shall mean the period between the date hereof and midnight of the thirty-first day of December, 1960. Said option may be exercised by Union Carbide by paying the said sum of Five Thousand Dollars at any time during the option period. In the event Union Carbide fails to make such payment within the option period, this option shall automatically terminate, and Union Carbide shall execute, acknowledge and deliver unto Sellers an instrument in recordable form reciting that this option was not exercised and that it therefore has terminated. The said payment to exercise this option shall be made as hereinafter provided.

2. From and after the day of this agreement and during the option period, Union Carbide shall have: the right and privilege of exclusive possession of the said claims; the right to conduct geological investigations thereon; and the right to mine and remove up to fifty tons of ore therefrom for testing purposes; provided, however, that ore so mined and removed during the option period shall be subject to the royalty as defined and limited in Exhibit A which is attached hereto and incorporated herein by this reference.

3. If Union Carbide shall elect to exercise this option, it shall pay the said Five Thousand Dollar payment to the First National Bank of Nevada, Eureka Branch, Eureka, Nevada, for the account of the Sellers, and said bank shall pay such amount to Sellers upon the delivery to the said bank by Sellers of the executed and acknowledged ribbon and one carbon copy of a mining deed and agreement substantially in the form of the Mining Deed and Agreement attached hereto as "Exhibit A", which deed shall convey said claims to Union Carbide which shall execute and acknowledge such copies of the mining deed and agreement and shall deliver the carbon copy so executed and acknowledged to Lester A. Bisoni, Eureka, Nevada. Sellers shall, without additional consideration, execute, acknowledge and deliver to Union Carbide such supplementary deeds conveying to Union Carbide any and all additional claims, as that term is hereinbefore defined, located by Sellers or in their name at any time subsequent to the delivery of the Mining Deed and Agreement referred to above as may be required to include the said additional claims within the provisions and agreements contained in the said Mining Deed and Agreement theretofore delivered to the same extent as if said additional claims were expressly described therein. The tender of the payment referred to above shall for all purposes hereunder be considered as an exercise of this option if such tender is made within the option period. The right of Union Carbide to have the Sellers execute, acknowledge and deliver said Mining Deed and Agreement and to the manner in which the said payment is to be divided between or distributed among the Sellers.

4. Sellers, jointly and severally, warrant: that they are the owners of each of the said claims free and clear of all liens, leases, royalty interests, encumbrances and adverse claims of any nature; that the said original 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 unpatented mining claim have been performed with respect to each of said original claims.

5. In the event Union Carbide does not exercise its option to purchase the said claims, or in the event Union Carbide exercises its option and thereafter reconveys the above described claims to the Sellers, Union Carbide covenants and agrees to deliver, upon request by the Sellers, all maps, drilling records and other exploratory data obtained by Union Carbide during the term of this Option Agreement and relating to said claims; provided, however, Union Carbide shall not be obligated to make any information relative to processing or treatment of ores available at any time, nor shall it be obligated to make such exploratory data available until this agreement has been terminated as herein provided.

6. In the event Union Carbide shall locate any additional claims, as that term is hereinbefore defined, other than in the name of Sellers during the option period, and in the event Union Carbide does not exercise this option, Union Carbide at the expiration of the option period shall quitclaim all its rights, title and interest in such additional claims unto Sellers.

7. 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, Grant Junction, Colorado; and to Sellers notice may be given by mailing the same by United States registered mail, return receipt requested, to Lester A. Bisoni, 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.

8. If the interest herein of any party hereto is assigned or otherwise 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.

9. 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

ATTEST:

T. A. Moore
Assistant Secretary

(Corporate Seal)

STATE OF NEVADA)
COUNTY OF EUREKA) ss.

On this 19th day of Oct., 1960, 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.

My commission expires: 10-14-61 (Notarial Seal)

Willis A. DePaoli
Notary Public

STATE OF NEVADA)
COUNTY OF EUREKA) ss.

On this 19th day of Oct., 1960, personally appeared before me, a Notary Public in and for said county and state, Maynard E. Bisoni, a single man, 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.

My commission expires: 10-14-61 (Notarial Seal)

Willis A. DePaoli
Notary Public

STATE OF NEW YORK)
COUNTY OF NEW YORK) ss.

On this 27th day of Sept., 1960, 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 27th day of Sept., 1960.

My commission expires: March 30, 1961
(Notarial Seal)

E. Madelyn Carpenter
Notary Public, State of New York
No. 60-0574900
Qualified in Westchester County
Cert. Filed in New York County
My Commission Expires March 30, 1961.

"EXHIBIT A" to Option Agreement between
Lester A. Bisoni, Geneve G. Bisoni
and Maynard E. Bisoni, Sellers, and
Union Carbide Corporation

MINING DEED AND AGREEMENT

THIS MINING DEED AND AGREEMENT, made this _____ day of _____, 1960, by and between LESTER A. BISONI and GENEVE G. BISONI, his wife, and MAYNARD E. BISONI, a single man, of Eureka, Nevada, parties of the first part, hereinafter referred to as "Grantors", and UNION CARBIDE CORPORATION, a New York corporation, party of the second part, hereinafter referred to as "Grantee",

WITNESSETH:

That the said Grantors, for and in consideration of the sum of Five Thousand Dollars as an advanced royalty to them in hand paid by the said Grantee, the receipt and sufficiency of which are hereby acknowledged,

have granted, bargained, sold, remised, released and forever quitclaimed, and by these presents do grant, bargain, sell, remise, release and forever quitclaim unto the said Grantee, its successors and assigns, the following described unpatented lode mining claims situate, lying and being in Eureka County, Nevada, location certificates for which are recorded in the official records of the Auditor and Recorder of said county in the books and at the pages as indicated below, to wit:

<u>Name of Claim</u>	<u>Book</u>	<u>Page</u>
Base	K of Outside Mining District	200
Base No. 1	K of Outside Mining District	200
Spar	K of Outside Mining District	207
Contact	K of Outside Mining District	207
Tan	K of Outside Mining District	213
Ion	K of Outside Mining District	213
Ion No. 1	K of Outside Mining District	214
Ion No. 2	K of Outside Mining District	215
Ion No. 3	K of Outside Mining District	215
Ion No. 4	K of Outside Mining District	216

which ten claims are hereinafter sometimes referred to as the "original claims".

(Description of "additional claims")

(The above references to books and pages may not embrace all documents of record relating to the location, relocation and amendment of said mining claims. Without waiver of any rights existing under any of the documents to which reference is made above, it is the intent of the parties hereto to include in the description of each of said mining claims those descriptions appearing in any further documents of record in said county relating thereto, and said mining claims are hereby described according to the documents referred to above and such further documents of record as though all recording data with respect to such further documents were specifically set forth herein.) All of the above described mining claims are hereinafter collectively referred to as the "said claims".

TOGETHER WITH all the dips, spurs and angles, and all minerals, 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 Grantors of, in or to the said claims and every part and parcel thereof, with the appurtenances.

Grantors jointly and severally warrant: that they are the owners of each of the said claims free and clear of all liens, leases, royalty interests, encumbrances and adverse claims of any nature; that said original claims are valid and 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 unpatented mining claim have been performed with respect to each of said original claims.

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

When used herein, the following shall be the definitions for the terms hereinafter set forth:

- a. "Adjoining area" shall mean the area as to which the Grantee shall have possessory mining rights, either at the time of the execution of this Mining Deed and Agreement or thereafter, within three thousand feet (measured horizontally) of any portion of the said original claims as now located upon the ground;
- b. "Mining premises" shall mean the said claims and the adjoining area;
- c. Ore shall be deemed to have been "mined and removed" when, but not until, it shall have been weighed and sampled by the Grantee either on or off the mining premises;
- d. "Initial processing" shall mean all processing of ore prior to the time that the residue thereof shall be first deposited in the tailings pile;
- e. The term "by Grantee", when used with respect to mining and removal of ore or processing thereof, shall include wholly owned subsidiaries of Grantee and any person acting by, through, or under Grantee.

THERE IS RESERVED, however, to Grantors a royalty of five per cent of the gross value of ore mined and removed by Grantee from the mining premises. Royalty shall be computed monthly and royalties payable for ores mined and removed from the mining premises during any calendar month shall be paid on or before the twentieth day of the next succeeding month. "Gross value of ore", as that term is used herein, shall be

calculated by multiplying the average monthly mean quotation per applicable unit of measurement for such ore (whether such applicable unit of measurement is expressed in terms of ore containing mineral or in terms of the mineral contained in ore) by virtue of its content of the minerals or mineral contained in such ore in its crude state, before milling, treatment or beneficiation, as reported in the weekly publication known as "E. & M. J. Metals and Minerals Market" (Issued by the publisher of the "Engineering and Mining Journal"), for the month during which such ore is mined and removed from the mining premises, by the appropriate number of such applicable units of measurements for such ore as are mined and removed from the mining premises during such month; provided that gross value of ore which contains Beryllium Oxide (BeO) shall, as to the value derived by virtue of its content of Beryllium Oxide, be computed by dividing the average monthly mean quotation in the said "E. & M. J. Metals and Minerals Market" for the month during which such ore is mined and removed listed under the section "Metallic Ores", captioned "Beryllium Ore: 5 t u BeO, 10-12% Dom. (c (f.o.b. mine or mill)) dep. on quan." by 20 (the number of pounds of Beryllium Oxide contained in one short tone unit of ore), and by multiplying the quotient so obtained by the total number of pounds of Beryllium Oxide contained in the ore mined and removed from the mining premises during such month for which royalty is being computed. If ores mined and removed from the mining premises are processed by Grantee, the "gross value of ore" shall be, and shall be only, computed based upon the mineral content of those minerals which are recovered in initial processing and marketed by Grantee. If ore is sold in its crude state, no value shall be assigned to such ore in the computation of "gross value of ore" except the value based upon the mineral content of those minerals for which payment is made by the purchaser thereof. It is the intent of this provision that no royalty shall be payable upon any particular mineral, including Beryllium Oxide unless Grantee recovers such mineral in processing and markets the same or the third person purchasing the ore makes payment for such ore by virtue of its content of such mineral. If ore is processed by the Grantee, whether or not a mineral is present in sufficient quantities to justify its recovery in initial processing shall be a matter to be determined within the sole discretion of Grantee. No royalty shall become payable by reason of the mining and removal from the mining premises of earth and stone not containing minerals in commercial quantities, commonly referred to as "waste rock", and the Grantors covenant and agree that such waste rock can be removed without obligation of Grantee to replace the same upon the mining premises; and upon such removal, the Grantor shall have no further right, title or interest therein. The determination by the Grantee that material removed is waste rock shall be conclusive and binding upon the parties hereto. In the event that ore is processed other than on the mining premises, all tailings shall be the property of the Grantee, and the Grantors shall have no right, title or interest whatsoever therein or thereto. In case Sellers own an interest in the said claims less than the entire and undivided fee simple mineral estate therein, then the royalties herein provided for shall be paid the Grantors only in the proportion which their interest bears to the whole and undivided fee mineral estate. If at any time it appears that one or more persons who are not parties to this Deed and Agreement may be entitled to any part of the royalties hereunder, Grantee may withhold such payments until such person or persons, together with the parties hereto, shall, in a recordable instrument to be filed with Grantee, consent to the terms of this Deed and Agreement and designate a mutually acceptable person or bank as agent to receive all payments hereunder, and to execute division and transfer orders on behalf of all of said parties and persons and their respective successors in title. Anything to the contrary notwithstanding, any royalty paid or payable by the Grantee to any third person with respect to possessory mining right to the adjoining area shall be deducted from the above described royalty otherwise payable to the Grantors by reason of the mining and removal of ores from such adjoining area by the Grantee; and, in the event that Grantee shall have made a payment or payments other than royalty payment to any such third person with respect to the acquisition of possessory mining rights to the adjoining area, no royalty shall be payable to Grantors by reason of the mining and removal of ores from the adjoining area until the Grantee shall have recovered, by reason of the nonpayment of the royalty provided for above with respect to ores removed from the adjoining area, such amount paid to any such third person.

Until the royalty interest herein reserved shall expire and terminate as hereinafter provided either by termination by Grantee or by payment of the aggregate sum of Four Hundred Thousand Dollars in royalties or

otherwise, as hereinafter provided, Grantee shall make the following advance royalty payments to Grantors:

On or before July 1, 1961, Five Thousand Dollars.

On or before January 1, 1962, Five Thousand Dollars.

On or before July 1, 1962, Five Thousand Dollars.

On or before January 1, 1963 and on or before the first day of January in each succeeding year thereafter, the sum of Twenty Thousand Dollars.

All such advanced royalty payments, including the Five Thousand Dollar advanced royalty payment made contemporaneously with the delivery hereof, the receipt of which has hereinbefore been acknowledged, shall be credited against all royalties payable by reason of the mining and removal of ore from the mining premises during the calendar year in which such advanced royalty payment is payable but not against royalties payable by reason of the mining and removal of ore thereafter, and royalty payment shall be made only to the extent that the total of royalties otherwise payable during each calendar year exceeds the total of the advanced royalties paid in such calendar year. All royalties shall expire and terminate at the time Four Hundred Thousand Dollars in the aggregate (including the Five Thousand Dollars advanced royalty paid to Grantors coincident with the delivery of this Mining Deed and Indenture, all other advanced royalties hereafter paid, and all other royalties hereafter paid) shall have been paid hereunder, and thereafter the Grantors, their heirs, representative and assigns shall have no right, title or interest in the said mining premises or the proceeds derived therefrom. Grantee shall have the right, at any time, to pay the portion of the said Four Hundred Thousand Dollar payment then remaining unpaid, and thereafter the Grantors, their heirs, representative and assigns shall have no right, title or interest in the said mining premises or the proceeds derived therefrom. At such time as the said Four Hundred Thousand Dollars has been paid by Grantee to Grantors, Grantors shall deliver to Grantee an instrument in recordable form acknowledging the receipt of such payment and the termination of Grantors' rights hereunder.

Anything to the contrary notwithstanding, the obligation of the Grantee to make payments of royalty and advanced royalty shall cease and terminate at the time the Grantee delivers to Grantors or places of record in Eureka County, Nevada, a quit claim deed conveying all of the said claims to the herein named Grantors; provided, however, that upon such reconveyance the Grantee shall not be entitled to any repayment of royalty or advanced royalty theretofore paid by it, and the Grantee shall be liable for any unpaid royalty payable or which may become payable by reason of removal of ore from the mining premises prior to the time of such reconveyance. The Grantee also shall execute and deliver unto Grantors a quit claim deed conveying unto the Grantors all rights of the Grantee within the adjoining area. In the event Grantee exercises its right to terminate this Mining Deed and Agreement as herein provided, the Grantee shall not have an obligation to convey or reconvey to Grantors those portions of any mining claims which are without the "adjoining area." Grantee's right of termination may be exercised only with respect to all of the said original claims and adjoining area. In the event that such reconveyance occurs within ninety days prior to the expiration of any assessment year, Grantee covenants to perform and record the performance of the annual assessment work required by the laws of the United States and the State of Nevada for such assessment year expiring within said ninety-day period. Upon such reconveyance, the Grantee shall have the right and privilege within ninety days after such reconveyance or the completion of such assessment work, whichever occurs last, to remove from the mining premises 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.

Until such time as there shall be a reconveyance by the Grantee as herein provided, the Grantee shall perform and record the performance of annual assessment work required by the laws of the United States and the State of Nevada with respect to said claims for each assessment year commencing with the assessment year ending September 1, 1961.

Payment of all royalties hereunder shall be made to The First National Bank of Nevada, Eureka Branch, Eureka, Nevada, or the successor to such bank, as agent of the Grantors, their heirs, representative and assigns. If such bank, or any successor thereof, shall cease to exist or should refuse or fail to serve as agent of the Grantors hereunder, such royalties shall be paid thereafter to any bank in the United States that the holders

of a majority interest in such royalties shall designate in a written notice given to the Grantee in care of its division, Union Carbide Nuclear Company, at Grand Junction, Colorado, and recorded in the public records of Eureka County, Nevada. In the event said holders of a majority interest shall fail to so designate a bank within thirty days, Grantee may designate a bank and such action by Grantee shall be binding and conclusive on the parties hereto, their heirs, representative, successors and assigns. Grantee shall not be responsible for the division and distribution of said royalty payments among and to those entitled thereto and said bank is authorized to withhold the disbursements of royalty payments until Grantors, their heirs, representative and assigns, have executed such division orders as the bank may require. Grantors hereby acknowledge and agree that payment by Grantee to any bank specified herein shall constitute and be payment in full to the Grantors of each such payment. No change or transfer of ownership of Grantors' royalty interest shall be binding upon the Grantee or any such bank until a recordable instrument causing such change or transfer of ownership, or a certified copy of such instrument which has been recorded in the office of the recorder of said county has been delivered to such bank.

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

Lester A. Bioni

Geneve G. Bioni

Maynard E. Bioni
GRANTORS.

EXECUTED this _____ day of _____, 1960.

UNION CARBIDE CORPORATION
By _____
Vice President

ATTEST:

Assistant Secretary

STATE OF NEVADA)
) SS.
COUNTY OF EUREKA)

On this _____ day of _____, 1960 personally appeared before me _____, a Notary Public in and for _____ County, LESTER A. BIONI, GENEVE G. BIONI, his wife and MAYNARD E. BIONI, 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 at my office in the County of _____ the day and year in this certificate first above written.

My Commission expires: _____
Notary Public in and for the
County of _____,
State of Nevada.

STATE OF NEW YORK)
) SS.
COUNTY OF NEW YORK)

On this _____ day of _____, 1960 personally appeared before me _____, a Notary Public in and for New York County, _____, known to me to be the Vice President executing the same on behalf of the corporation that executed the foregoing instrument, and upon oath did depose that he is the officer of said corporation as above designated, that he is acquainted with the seal of the said corporation and that the seal affixed to said instrument is the corporate seal of said corporation; that the signatures to said instrument were made by officers of said corporation as indicated after said signatures; and that the said corporation executed the said instrument 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 at my office in the County of _____ the day and year in this certificate first above written.

My Commission expires: _____
Notary Public in and for the
County of _____,
State of New York.

Recorded at the request of William H. Nelson November 7, A.D., 1960 At 05 minutes past 1 P. M.

Willis A. DePaoli, Recorder.