

Lester A. Bisoni, Maynard E.)
Bisoni of Eureka, Nevada)
and)
Chessher & Co, a Nevada)
Corporation)

LEASE AND OPTION TO PURCHASE

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THIS INDENTURE, made and entered into this 22nd day of November, 1961, by and between LESTER A. BISONI and MAYNARD E. BISONI, residents of Eureka, Nevada, the parties of the first part, hereinafter called "First Parties," and CHESSHER & CO., a Nevada corporation, the party of the second part, hereinafter called "Second Party";

W I T N E S S E T H: THAT

WHEREAS, under date of October 12, 1961, First Parties executed and delivered to Second Party that certain option agreement, a copy of which is attached hereto, marked Exhibit "A" and made a part hereof; AND

WHEREAS, First Parties have heretofore received from Second Party the first payment of \$500.00 as is described and set forth in said option agreement of October 12, 1961; AND

WHEREAS, the references to, and description of, a "standard lease and option agreement" and a "regular standard form of lease and option", as are contained in said option agreement of October 12, 1961, are hereby made applicable and perttainable to, and shall include and identify, this "Lease and Option To Purchase" agreement, and it is mutually agreed by and between First Parties and Second Party that this "Lease and Option To Purchase" agreement is the same option agreement referred to and described in said option agreement of October 12, 1961.

NOW, THEREFORE, in and for the consideration of the sum of Ten Dollars (\$10.00) this day in hand paid by Second Party to First Parties, and for other good and valuable considerations received by First Parties from Second Party, receipt whereof First Parties hereby

acknowledge, and in consideration of the said sum of \$500.00 paid to First Parties on October 12, 1961, and in consideration of the covenants and agreements of Second Party hereinafter set forth, First Parties hereby grant and give to Second Party the exclusive right and option to purchase upon the terms and conditions and for the total purchase price hereinafter set forth and specified, those certain ten (10) unpatented lode mining claims situated in T15N, R52E, MDB&M, Eureka County, Nevada, described as follows, to wit:

<u>NAME OF UN-PATENTED LODE MINING CLAIM:</u>	<u>DATE OF LOCATION CERTIFICATE</u>	<u>LOCATION NOTICE OR CERTIFICATE FOR EACH OF SAID MINING CLAIMS IS RECORDED AS DOCUMENT NO. AND AT BOOK AND PAGE NOS. AS FOLLOWS:</u>
Van No. 1	5/6/57	Document No. 32992, *Book J, Page 468
Van No. 2	5/6/57	Document No. 32993, *Book J, Page 468
Van No. 3	5/6/57	Document No. 32994, *Book J, Page 468
Van No. 4	5/6/57	Document No. 32995, *Book J, Page 469
Van No. 5	5/6/57	Document No. 33019, *Book J, Page 475
Van No. 6	7/9/57	Document No. 33246, *Book J, Page 493
Van No. 7	7/9/57	Document No. 33247, *Book J, Page 493
Van No. 8	7/9/57	Document No. 33248, *Book J, Page 493
Van No. 12	7/24/57	Document No. 33252, *Book J, Page 494
Van No. 13	7/25/57	Document No. 33253, *Book J, Page 494

*Each Book J, as hereinabove designated and used for above ten mining claims, refers to and identifies the Official Book for Recording Notices and/or Certificates of Location "For Outside District Mining Records" in the office of the County Recorder of Eureka County, Nevada. By aforesaid references to said book and page numbers, each of said ten location notices are made a part hereof as if copied verbatim herein.

Together with any and all right, title and interest of said First Parties in or to any and all veins, lodes or mineral deposits extending into or contained in said ten lode mining claims, together with the dips, spurs, angles, and variations thereof and in or to any and all rights-of-way, easements, water, water rights, waste and ore dumps, tenements, hereditaments, privileges, appropriations and appurtenances of every kind and nature belonging to First Parties and located at or in the vicinity as hereinafter defined in Paragraph V. of said ten lode mining claims or either of them in any way appertaining to said lode mining claims or either of them.

The preceding references to each of said ten lode mining claims, and to the places where the respective location notice or certificate is recorded, expressly pertain and relate to the Official Records of Eureka County, Nevada, in the office of the County Recorder of said County of Eureka, and aforesaid references pertain and relate to the Document Recording No. of each of said location notices or certificates, and the Book and Page Nos. where each of said locations or certificates is respectively recorded, and by references aforesaid each of said ten location notices or certificates is hereby made a part hereof as if each was duly copied verbatim herein.

First Parties hereby covenant and agree, for the considerations hereinabove designated and described, as follow, to wit:

- That the total purchase price of and for the above described ten lode mining claims is Two Hundred Thousand Dollars (\$200,000.00), payable in installments payments without interest at times and in amounts as follows:
 - \$ 500.00 heretofore paid on October 12, 1961;
 - \$ 2,500.00 to be paid on or before November 27, 1961;
 - \$ 3,000.00 to be paid on or before November 1, 1962;
 - \$ 3,000.00 to be paid on or before November 1, 1963;
 - \$ 5,000.00 to be paid on or before November 1, 1964;
 - \$ 5,000.00 to be paid on or before November 1, 1965;
 - \$10,000.00 to be paid on or before November 1, 1966;
 and a like payment of \$10,000.00 to be paid on the first day of November of each succeeding year (after 1966) until November 1, 1976, at which date any balance due hereunder on said \$200,000.00 purchase price, shall be paid in full.
- That all payments of every kind and description made by Second Party to First Parties hereunder shall apply as payments and credits upon said \$200,000.00 purchase price. First Parties represent that they have good and marketable title to each of said ten lode mining claims, free and clear of all liens and encumbrances, subject only to the paramount title of the United States of America, to the above described mining claims; they (first Parties) further represent that they have staked and located said above described claims in a manner which meets all requirements for valid locations in the State of Nevada, that if there are any corrections to be made whether in the staking and posting on the ground or in the filing of amended locations that they will do so at their own expense.
- That First Parties at any time on or before the 27th day of November, 1961, upon demand of Second Party, and upon the payment into escrow of said \$2,500.00 due hereunder on or before November 27, 1961, will duly execute and deposit in escrow with said First National Bank of Nevada, Trust Department, Main Office, Reno, Nevada, a grant, bargain and sale deed conveying the above described ten lode mining claims to Second Party, or to the order of Second Party, free from any liens, encumbrances or prior transfers of title caused or permitted by any act or

omission of First Parties, with instructions to said bank to deliver said deed to Second Party, or its order, successors, or assigns, when the payments made hereunder for and on account of the said purchase price shall aggregate and total the said sum of Two Hundred Thousand Dollars (\$200,000.00), including the first two payments of \$500.00 and \$2,500.00, totalling \$3,000.00, heretofore and herewith paid to First Parties hereunder by Second Party.

4. That if any payment herein specified to be made by Second Party to First Parties is not made within the time herein provided or within thirty (30) days thereafter, said bank shall upon written request of First Parties and after expiration of thirty (30) days after written notice of such written request is given to Second Party, return said deed to First Parties after expiration of thirty (30) days from date said notice is served upon Second Party unless Second Party pays said delinquent payment to said bank before expiration of said thirty (30) days after date of said notice.
5. That in consideration of the payments made by Second Party to First Parties, and of the covenants and agreements of Second Party herein contained, First Parties hereby grant and give unto Second Party the right to forthwith enter upon and in, and to take exclusive possession of, said mining claims and each of them, and while this Indenture remains in force and effect to carry on such exploration work and mining operations there-in and thereon to such extent as to Second Party may seem desirable, and Second Party may mine, extract, concentrate, mill or otherwise treat any ore or minerals lying beneath or on the surface of said mining claims or any of them or stored below or upon the surface thereof and to ship and sell any ore, concentrates or other material extracted or produced from said claims in the course of said mining or milling operations. Provided, however, and Second Party hereby agrees, that in consideration of the right given Second Party to so enter upon and work said mining claims, and to mine, produce and to sell the ore therefrom, Second Party will pay to First Parties, to be applied as credits upon the next installment on said \$200,000.00 purchase price then to become due hereunder, a royalty upon all ore mined, produced and sold by Second Party from said premises; said royalty to be calculated and payable as follows:
- (a) A royalty of \$0.20 (twenty cents) per dry ton on all ore milled, processed and sold by Second Party during any calendar month when the average assay value of said ore for said calendar month is determined to be less than 0.40% V_2O_5 per 2000 Lb. ton; AND
 - (b) A royalty of \$0.30 (thirty cents) per dry ton on all ore milled, processed and sold by Second Party during any calendar month when the average assay value of said ore for said calendar month is determined to be from 0.40% V_2O_5 up to 0.50% V_2O_5 ; AND
 - (c) A royalty of \$0.40 (forty cents) per dry ton on all ore milled, processed and sold by Second Party during any calendar month when the average assay value of said ore for said calendar month is determined to be 0.50% V_2O_5 , or more.
6. That if at anytime hereafter during the term of this agreement any mineral, metal and/or ore, other than V_2O_5 mineral, V_2O_5 metal and V_2O_5 ore, is mined, produced and sold by Second Party from said premises, then Second Party shall pay to First Parties a royalty or royalties equal to the following amounts, towit:
- A royalty of five percentum (5%) upon the net mill or smelter returns received by Second Party if the amount received by Second Party averages less than \$20.00 per ton; AND
 - A royalty of Ten percentum (10%) upon the net mill or smelter returns received by Second Party if the amount received by Second Party averages \$20.00 or more per ton; AND
- Net mill or smelter returns are hereby defined to be the net amount received by Second Party from sale of all ores, minerals and metals, excepting V_2O_5 ore, V_2O_5 metals and V_2O_5 minerals, remaining after deducting all assaying, sampling, and treatment charges, and after deducting all trucking and railroad charges assessed against each shipment. Said royalty to be paid to First Parties on or before the 20th of the month following the month during which settlement is received by Second Party.
7. That all royalty payments due to First Parties hereunder shall be made to First Parties by payment by Second Party to said First National Bank of Nevada, Reno, Nevada, the escrow agent hereunder, for the account of First Parties for and covering all ores mined, milled, processed and concentrated during each calendar month; said royalty

payments to be made on or before the 20th day of the month following the month during which said concentrates were produced and sold or stored. In the event the total of any such royalty payments, during any 12 months preceding the date of any installment payment due hereunder upon said \$200,000.00 purchase price, shall exceed the amount of said installment payment, the excess from said royalty payments shall be applied upon the then last installment or installments then to become due hereunder upon said \$200,000.00 purchase price.

8. That a royalty shall be paid hereunder to First Parties on and for all ore mined, sold and shipped by or for Second Party from any mining property located within 1000 feet of the exterior boundary line of any of said ten lode mining claims, and said royalty shall apply, and shall be credited as a payment upon the said \$200,000.00 purchase price EXCEPT it is expressly agreed and understood that Second Party is not, and shall never be, obligated hereunder to pay a royalty of any kind to First Parties upon any ore mined, produced, or sold which ore originated on, or was mined from, any of the Gibellini group of 60 or more lode mining claims which are now held by Chessher & Co., and/or Siskon Corporation under an agreement, dated October 10, 1961, which agreement is recorded as Document File No. 35647, in Liber H of Miscellaneous, Page 198, in the Office of the County Recorder of Eureka County, Nevada; said Gibellini group of 60 or more mining claims is located in T15&16N, R52E, MDB&M, Eureka County, Nevada; said agreement having been executed by Louis Gibellini and Josephine Gibellini in favor of Chessher & Co.

IT IS EXPRESSLY UNDERSTOOD AND AGREED:

- (a) That during each annual assessment year in which this agreement remains in force for the first nine (9) months thereof, Second Party shall at his own cost do and perform upon or for the benefit of said ten unpatented lode mining claims any annual labor and improvements required by the laws of the United States and the State of Nevada, necessary to hold, keep and maintain such unpatented lode mining claims in good standing as unpatented lode mining claims.
- (b) That all work or mining operations carried on by Second Party shall be conducted in a good and minerlike fashion; that Second Party will comply with all laws of the State of Nevada relative to workmen's compensation insurance or the conduct of such operations; that Second Party will promptly pay all wages of his employees and all bills for supplies, material and equipment purchased by or for Second Party, and that Second Party will not permit any liens or encumbrances to be made upon said mining claims by reason of any act or default on his part.
- (c) That Second Party shall maintain and keep posted on said property continuously during the term of this agreement such notice of non-responsibility as First Parties may prepare for work, labor, materials or supplies or any of them, and immediately after such posting Second Party shall cause an affidavit of such posting when furnished to him by First Parties to be recorded as required by law to make the same effective.
- (d) Second Party agrees to indemnify and save First Parties harmless against any and all claims for taxes assessed against the above described property including bullion taxes during the period while Second Party is in possession thereof or arising by reason of Second Party's operations thereon or therein during the period while this Indenture is in force and effect or by reason of any default on the part of Second Party in failing to comply with any State or Federal law relative to work or operations carried on by Second Party in or upon said property, including Workmen's Compensation and Social Security laws, or existing by reason of any tort or other wrongful act committed by Second Party in the course of his operations in or upon said property.
- (e) That Second Party shall keep open and accessible all underground workings used by Second Party for mining, development or exploration purposes during the term of this Agreement.

IT IS MUTUALLY UNDERSTOOD AND AGREED:

- I. That subject to the limitations and provisions of the next succeeding Paragraph No. II, Second Party may at any time hereafter, by payment to First Parties of a consideration of Ten Dollars, terminate and cancel this "Lease and Option To Purchase" agreement and be freed from any and every obligation and liability hereunder or in any manner arising out of any term, covenant or condition hereof, excepting and subject to only the obligations of Second Party to make the royalty payments on account of ore or concentrates theretofore shipped by or for Second Party to mill, smelter or other reduction works, the obligation of Second Party to keep said property free of any lien or encumbrance occasioned by an act or default of Second Party and the obligation of Second Party to indemnify First Parties as hereinabove

expressly provided. In the event Second Party elects so to terminate and cancel this agreement, Second Party shall deliver and give to First Parties said Ten Dollar consideration and written notice thereof by letter signed by or in behalf of Second Party, accompanied by a quitclaim deed to be executed by Second Party in favor of First Parties, embracing said ten lode mining claims, and said letter and quitclaim deed are to be delivered personally to one of First Parties or deposited in the United States mail in a sealed envelope with postage prepaid and addressed to First Parties at Eureka, Nevada.

- II. That it is expressly agreed that Second Party has acquired a "Lease and Option to Purchase" agreement, dated November 22nd, 1961, from Lester A. Bisoni, Maynard E. Bisoni and Richard W. McKay, known therein as First Parties, and in said agreement Chessher & Co., a Nevada corporation, is the Second Party, and said agreement embraces a group of ten unpatented lode mining claims named and located as the Jeanette, Jeanette Nos. 1, 2 and 3 lode mining claims; Nan Nos. 1, 2, 3, 4 and 5 lode mining claims, and Kitty No. 4 lode mining claim, all in one contiguous group of claims, and said group of ten lode mining claims are situated in T14N, R52E, MDB&M, Nye County, Nevada, and it is expressly agreed and provided that if this agreement is cancelled, terminated, surrendered or made null and void, such action shall likewise and simultaneously be extended to, and it shall embrace and include, the aforesaid agreement, dated November 22, 1961, of which Lester A. Bisoni, Maynard E. Bisoni and Richard W. McKay are the First Parties, and aforesaid agreement contains an option price of \$300,000.00, and the cancellation and termination of this agreement by Second Party automatically will terminate and cancel aforesaid agreement.
- III. That in the event this agreement is terminated either by Second Party while exercising his right so to do or by forfeiture by First Parties on account of any default on the part of Second Party, Second Party may remove any of his buildings, tools, machinery, equipment, supplies and personal property placed by Second Party upon the above described ten lode mining claims, or any of them, such removal to be at the cost of Second Party and to be completed within six months following his surrender of possession of said mining claims, except that all mine timbers shall be left in place.
- IV. That First Parties, or their agents authorized in writing, shall, at their own risk, have the right, at all reasonable times, to enter into and upon said premises or workings therein for the purpose of examining and inspecting the same and ascertaining whether the terms and conditions of this agreement are being carried out and performed by Second Party; and First Parties, or their agents so authorized, shall at all reasonable time have access to the records of production from said premises and such records as will show compliance on the part of Second Party with the provisions of this agreement.
- V. That First Parties agree that all mining claims now owned, or hereafter located or acquired, by First Parties which are situated within one mile of the exterior boundary line of any of said ten lode mining claims, shall be included herein and automatically shall become a part of said group of ten lode mining claims hereby made the subject of this agreement.
- VI. That First Parties agree they will sign an Owners Consent of lien with the United States of America, in the event that the Government approves and grants an exploration loan providing First Parties approve and accept in writing the terms and conditions of said Government loan; it being further understood that this type of lien is the only type of lien which can be left against the ground.
- VII. That in event this agreement is cancelled, terminated or surrendered, Second Party will return and deliver to First Parties copies of all maps, assay maps, drill logs, soil sample data, aerial photos and spectrographic analyses which Second Party may have had prepared for its files and records, and which pertain and relate to said ten lode mining claims or to any ore or mineral mined therefrom.
- VIII. That if Second Party surrenders, cancels or terminates this agreement within ninety (90) days prior to end of the year for which annual assessment work is due in accordance with the laws of the United States of America and State of Nevada, then Second Party shall be obligated and bound to perform said annual assessment work for said ten lode mining claims, however, if Second Party surrenders, cancels or terminates this agreement prior to ninety (90) days before the end of the annual assessment year, Second Party shall not be bound or obligated to perform said annual assessment work.
- IX. That Second Party will maintain all posts, monuments and mining claims in as good order as they are at the time this agreement is executed.

X. That Second Party agrees to furnish the First Parties with copies of all drilling logs and assays which Second Party obtains from these claims while this agreement is in force.

XI. That within fifteen (15) days from date hereof, First Parties warrant, guarantee and represent that the wife of each member of First Parties, if any, will execute, approve, accept, confirm and ratify this agreement in writing; that only one member of First Parties is married and the name of his wife is-as follows:

Geneve G. Bisoni, wife of Lester A. Bisoni;

that Maynard E. Bisoni is a single man and is not married; that Geneve G. Bisoni will approve, accept, confirm and ratify the escrow instructions to be made and entered into hereunder with the First National Bank of Nevada.

XII. Time is of the essence of this agreement and in the event Second Party fails to make any payment of money due hereunder to First Parties at the time and in the manner herein provided, and if such default continues for a period of thirty (30) days after the date written notice is served by First Parties upon Second Party stating said payment has become due and is unpaid, all of the rights of Second Party hereunder except its right to remove its property from said ten lode mining claims, as hereinabove provided, shall terminate and become forfeited and all money theretofore paid to First Parties shall be by them kept and retained as liquidated damages for any and every breach hereof by Second Party.

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals as of the day and year first hereinabove written, at Reno, Nevada.

Lester A. Bisoni
(Lester A. Bisoni)

Maynard E. Bisoni
(Maynard E. Bisoni)

Parties of the First Part
(First Parties)

CHESSHER & CO., (a Nevada corporation)

By H. B. Chessher, President

Party of the Second Part
(Second Party)

STATE OF NEVADA)
County of Washoe) ss.

On this 22nd day of November, A.D. one thousand nine hundred and sixty one (1961), personally appeared before me Glen C. Latourrette, a Notary Public in and for said County of Washoe, LESTER A. BISONI AND MAYNARD E. BISONI, known (or proved) to be the persons described in and who executed the annexed 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 Washoe, State of Nevada, the day and year in this Certificate first above written.

(Notarial Seal)

Glen C. Latourrette
Notary Public in and for the County of Washoe, State of Nevada.
My commission expires 4-3-64

STATE OF NEVADA)
County of Washoe) ss.

On this 22nd day of November A.D. one thousand nine hundred and sixty one (1961), personally appeared before me Glen C. Latourrette, a Notary Public in and for said County of Washoe, H. B. CHESSHER, known to me to be the President 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 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 Washoe, State of Nevada, the day and year in this certificate first above written.

(Notarial Seal)

Glen C. Latourrette
Notary Public in and for the County of Washoe, State of Nevada.
My Commission Expires 4-3-64.

E X H I B I T "A"

Eureka, Nevada October 12, 1961

RECEIVED FROM H. B. CHESSHER the sum of Five Hundred and 00/100*** dollars, as part payment for the following described V₂O₅ mining property situated in T. 15 N., R. 52 E., M.D.B. & M., County of Eureka, State of Nevada, to wit:

VAN Nos. 1, 2, 3, 4, 5, 6, 7, 8, 12 and 13 lode mining claims in one contiguous group.

The entire price to be paid for said above described V₂O₅ mining property is Two Hundred Thousand and 00/100***** dollars (\$200,000.00**), payable as follows: \$500.00 cash, as per above receipt; \$2,500.00 on or before 45 days from date hereof, and a minimum royalty of \$3,000.00 on or before Nov, 1, 1962; \$3,000.00 on or before Nov. 1, 1963; \$5,000.00 on or before Nov.1, 1964; \$5,000.00 on or before Nov. 1, 1965; \$10,000.00 on or before Nov. 1, 1966, and a like payment of \$10,000.00 on the first day of November of each succeeding year until Nov. 1, 1976 at which date any balance due on said \$200,000.00 purchase price is paid in full.

Title to be good and merchantable. A mining deed to be executed and delivered by the undersigned to H. B. Chessher or order and assigns, on or before the 1st day of November, 1976, together with legal opinion showing a good merchantable title vested in the undersigned. If the said \$2,500.00 is paid on or before 45 days from date hereof then a regular standard lease and option agreement shall be prepared and entered into by the undersigned and H. B. Chessher.

provided, however, that the sum of \$2,500.00, due on or before 45 days from date hereof is paid at said date; but if said sum is not paid on or before the said 45 days from October 12, 1961, then this contract is to be of no effect, and in that event the said sum of \$500.00 is to be retained by the undersigned as rental and liquidated damages.

Time is of the essence of this contract. This is a temporary option. A standard form of lease and option as agreed upon by both parties hereto shall be executed when the \$2,500.00 is paid within 45 days from date hereof.

Lester A. Bisoni

Maynard E. Bisoni

A S S I G N M E N T

FOR AND IN CONSIDERATION of the sum of Ten Dollars (\$10.00), and for other good and valuable considerations, H. B. Chessher, the undersigned, does hereby assign, sell and transfer to CHESSHER & CO., a Nevada corporation, all of his right, title and interest in and to the within and foregoing option agreement, dated October 12, 1961, to which this assignment is attached; said option agreement having been executed by Lester A. Bisoni and Maynard E. Bisoni in favor of H. B. Chessher, and said option agreement is for the total purchase price sum of \$200,000.00 embracing the sale of ten unpatented lode mining claims named and located as Van Nos. 1, 2, 3, 4, 5, 6, 7, 8, 12 and 13 lode mining claims, situated in T15S, R52E, MDB&M, Eureka County, Nevada.

EXECUTED this the 20th day of November, 1961.

H. B. Chessher
(H. B. Chessher)

STATE OF NEVADA)
) ss.
County of Washoe)

On this 20th day of November, A.D. one thousand nine hundred and sixty-one (1961), personally appeared before me, Anne L. Chadek, a Notary Public in and for said County of Washoe, H. B. CHESSHER, resident of Reno, Nevada, known to me to be the person described in and who executed the annexed 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 at my office in the County of Washoe, the day and year in this Certificate first above written.

Anne L. Chadek
Notary Public in and for the County of Washoe, State of Nevada
My commission expires December 8th, 1962.

Recorded at the request of H. B. Chessher December 21, A.D. 1961 At 40 minutes past 3 P.M.

Willis A. DePaoli- Recorder.