

LEASE AND PURCHASE AGREEMENT

DATED: This Lease and Purchase Agreement shall be deemed to be fully executed and effective from and after the 24th day of August, 1969.

PARTIES:

OF THE FIRST PART;

LESTER A. BISONI and his wife,
GENEVE G. BISONI
P.O. Box 184
EUREKA, NEVADA 89316

MAYNARD E. BISONI and his wife,
MARY M. BISONI
P.O. BOX 152
EUREKA, NEVADA 89316

RICHARD W. MC KAY and his wife,
ANNA M. MC KAY
P.O. BOX 166
EUREKA, NEVADA 89316

referred to as Lessors and/or Sellers

OF THE SECOND PART;

E. L. CLEVELAND
1201 SHADOW LANE
LAS VEGAS, NEVADA 89102

C. H. HALL
79 VISTA DEL GOLFO
LONG BEACH, CALIFORNIA 90803

referred to as Lessees and/or Buyers

W I T N E S S E T H:

WHEREAS, The Parties of the First part, represent and warrant that they are the owners of TEN unpatented mining claims known as the BISONI-MC KAY VANADIUM PROPERTY located in an Unknown Mining District in Section 17, 18 and 19, T14N, R52E, MDB&M, Nye County, Nevada and appearing on the Nye County records as follows:

| <u>NAME OF CLAIM</u> | <u>DATE LOCATED</u> | <u>RECORDED IN BOOK</u> | <u>PAGE</u> |
|----------------------|---------------------|-------------------------|-------------|
| Jeanette | May 25, 1955 | 113 | 303 |
| Jeanette No. 1 | " " " | 113 | 303 |
| Jeanette No. 2 | " " " | 113 | 304 |
| Jeanette No. 3 | " " " | 113 | 305 |
| Kitty No. 4 | " " " | 113 | 316 |
| Nan No. 1 | January 15, 1958 | 23 | 512 |
| Nan No. 2 | " " " | 23 | 513 |
| Nan No. 3 | " " " | 23 | 514 |
| Nan No. 4 | " " " | 23 | 515 |
| Nan No. 5 | " " " | 23 | 516 |

NOW, THEREFORE, it is mutually agreed between the Parties hereto as follows, to wit:

1. For and in consideration of the sum of NINE THOUSAND (\$9,000.00) DOLLARS receipt of which is hereby acknowledged and for other good and valuable considerations, the Lessee is to have for other good and valuable considerations, the Lessee is to have immediate possession of the aforesaid claims to discover, mine, remove ore, or in any other way perform upon said claims as provided in the following provisions hereto.

2. The Lessees are hereby granted a TEN year lease with option to purchase said claims at any time during said Agreement, at a total purchase price of SEVEN HUNDRED AND FIFTY THOUSAND (\$750,000.00) DOLLARS payable as follows:

\$ 9,000 on August 24th, 1969
\$ 9,000 on or before August 24, 1970
\$12,000 on or before August 24, 1971
\$12,000 on or before August 24, 1972
\$24,000 on or before August 24, 1973
\$24,000 on or before August 24, 1974
\$48,000 on or before August 24, 1975
\$48,000 on or before August 24, 1976
\$96,000 on or before August 24, 1977
\$96,000 on or before August 24, 1978
Balance of \$372,000 on or before August 24, 1979

It is further understood and agreed that Sellers will accept the sum of THREE HUNDRED THOUSAND (\$300,000.00) DOLLARS as purchase price in full if said sum is paid by Buyers to Sellers on or before August 24, 1974.

The Lessors and Sellers hereto agree that in the event such option is exercised that they will immediately convey said mining claims by good and sufficient deed. If such option is not exercised, Lessees agree to re-convey the property back to Lessors by Quit Claim Deed.

3. The parties hereto agree that in the event ore is sold and shipped from said claims that a Royalty of \$0.10 (Ten Cents) per ton is to be paid and that such Royalty payments will be applied to reduce the purchase price of said claims any ROYALTY payments from production shall be paid Lessors by the 20th day of the month following the sale of the ore.

4. It is further agreed that should this Agreement be terminated for any reason that Lessees will furnish Lessors with copies of any engineering data, developed during their operations, such as maps, assays, drill hole data and/or geologic information.

5. The Lessee agrees to keep accurate books of account of the business, and of the tonnage shipped from said claims under this Agreement, and the Lessee agrees to permit an inspection of such account books to the Lessors or to anyone designated by them at all reasonable times or places. The Lessee further agrees that all work done hereunder shall be performed in a good and minerlike fashion with a view to preservation of the premises as a workable mine, timbering wherever the same shall be or become necessary, and maintaining all drifts, shafts, levels and other workings well drained, free from loose rock, waste and rubbish and in condition for continued mining, unless prevented from so doing by strikes, labor troubles, accidents, breakdowns or other causes beyond the reasonable control of the Lessee.

6. The Lessees hereby agree to do and perform upon said unpatented mining claims the annual labor and improvements required by law of the United States and the State of Nevada to keep and maintain said claims in good standing as unpatented lode mining claims beginning with the assessment year of 1970. Such work shall be done and the annual affidavits of work done shall be filed in the proper office by June 15th of each year and Lessors so notified.

7. The Lessees shall comply with the provisions of the Workmen's Compensation Act of the State of Nevada and Federal Regulations pertaining to mining operations and shall make all payments, returns and reports required by such acts and shall at all times protect and save harmless said premises and Lessors of any and all claims, actions, suits, liabilities for damages or compensation for any matter or thing arising out of the work and operation conducted in or upon said premises.

8. The Lessee shall promptly pay all labor, services and material costs done, performed, or furnished to or for said premises or for the work done therein and shall not allow any claim or lien for any such thing to be effectually made or asserted against said premises or the Lessors, and shall keep said premises at all times posted with notices against liens in accordance with the statutes of the State of Nevada in that behalf.

9. The Lessors, or their agent authorized in writing, shall have the right at all reasonable times to enter into and upon said premises and the workings therein for the purpose of examining and inspecting the same.

10. It is mutually agreed between the parties hereto that any and all machinery, equipment, and implements placed upon the premises by the Lessee during the life of this agreement, shall be and remain the property of the Lessee and that in case of termination of this agreement for any cause, the Lessee may, within NINETY (90) days thereafter, remove the same, but this shall in no event apply to any rails, ties, ladders, timbers and pipes in place beneath the surface.

11. If the Lessee shall at any time be in default in the performance of any of the terms and conditions hereof upon him made incumbent, including the monthly minimum payment, such default shall not operate to or give the Lessors the right to cancel, forfeit or terminate this agreement, unless the Lessors shall notify the Lessees at their addresses, in writing specifying the exact nature of such default and allowing them THIRTY (30) days thereafter to cure such default, and if such is not done within that period, this agreement shall terminate automatically and all proceeds paid to the Lessors shall remain their property as liquidated damages and not as a penalty.

12. The Lessees may terminate this agreement at any time upon thirty days written notice, served upon the Lessors or an agent designated by said Lessors or such notice of termination may be given in writing to the Lessees at the addresses above or by delivering such notice in person. It is mutually agreed that all notices will be sent and all payments, or Royalties will be paid to the Lessors individually, to be distributed in and to their respective shares and addresses as directed through an escrow to be opened in the Security National Bank of Reno, Nevada. Escrow fees are to be shared equally by Sellers and Buyers.

13. This agreement and all the provisions thereof shall be binding upon the heirs, assigns, and representatives of the parties hereto.

IN WITNESS HERETO, we have placed our signatures hereon this 20th day of August, 1969.

LESSORS:

Lester A. Bisoni
Lester A. Bisoni
Geneve G. Bisoni
Geneve G. Bisoni
Maynard E. Bisoni
Maynard E. Bisoni
Mary M. Bisoni
Mary M. Bisoni
Richard W. McKay
Richard W. McKay
Anna M. McKay
Anna M. McKay

LESSEES:

E. L. Cleveland
E. L. Cleveland
C. H. Hall
C. H. Hall

STATE OF NEVADA) ss.
COUNTY OF CLARK)

On the 15th day of August, 1969, personally appeared before me, the undersigned E. L. Cleveland and C. H. Hall known to me to be the same persons whose names are subscribed to the within instrument and acknowledged that they executed the same for the purposes therein contained.

In Witness Whereof, I have hereunto set my hand and official seal



JEAN BRUMETT
Notary Public - State of Nevada
COUNTY OF CLARK
My Commission Expires Jan. 28, 1973

Jean Brumett
Jean Brumett, Notary Public

My Commission Expires:

Jan. 28, 1973

STATE OF NEVADA)
) ss.
County of Eureka)

On this 20th day of August, 1969, personally appeared before me, a Notary Public, LESTER A. BISONI, GENEVE G. BISONI, MAYNARD E. BISONI, MARY M. BISONI, RICHARD W. MCKAY and ANNA M. MCKAY, WHO Acknowledged that they executed the above instrument.



WILLIS A. DePAOLI
Notary Public - State of Nevada
Eureka County, Nevada
My commission expires Oct. 14, 1969

Willis A. DePaoli
Notary Public

My commission expires: Oct. 14, 1969.

RECORDED AT THE REQUEST OF E. L. Cleveland
on Oct. 9, 1969, at 55 mins. past 10 A. M. In
Book 33 of OFFICIAL RECORDS, pgs. 63-67, RECORDS OF
EUREKA COUNTY, NEVADA. Willis A. DePaoli Recorder.
File No. 31476 Fee \$ 7.00