

MINING LEASE AND PURCHASE OPTION

This Lease and Purchase Option agreement made and entered into this 12th day of March, 1968, by and between Charlie Corbett, of Salt Lake City, Utah, hereinafter designated as Lessors; and, Temple Mountain Uranium Company, hereinafter designated as Lessee,

## WITNESSETH:

That the said Lessors, for and in consideration of the sum of \$10.00 in hand paid by Lessee to Lessors, the receipt of which is hereby acknowledged, and in further consideration of royalties, rentals, covenants and agreements hereinafter reserved and/or by said Lessee to be paid, kept, and performed, do hereby lease, demise, and let to the said Lessee a full and undivided 100% more or less, interest in and to the following described property and mining claims situated and lying in the Lynn Creek Mining District, STATE OF Nevada, to-wit:

The following mining claims - Corbett No. 1-2-3-4; located April 10, 1967 in the Southeast quarter of Section 23 - Township 36N - Range 49E - Mt. Diablo meridian. More fully described in the County Records Office of Eureka County, State of Nevada in Book 18 - pages 513-514-515-516 of the official records of said County.

To have and to hold unto the said Lessee alone for a period not to exceed five (5) years, as may be necessary to pay the purchase price in the manner that is hereinafter provided, unless this lease and option is sooner forfeited or terminated as herein provided.

And in consideration of said demise and transfer of interest, the said Lessee does covenant and agree with the Lessors as follows:

1. To pay to said Lessors at Lessor's place of business in Salt Lake City, Utah, royalties and rentals, as hereinafter specified, during effective term of this agreement until the option price of the property as set forth in Section 12 of this agreement shall have been paid. All rentals, royalties and payments of any nature whatsoever, made by Lessee to Lessors under this agreement, shall apply and be credited to the option price herein set forth.
2. To take possession of said mining claims and perform the annual assessment work required by law on the unpatented claims described

herein and on any patented claims, to do geo-chemical work and drill at least three (3) holes, two hundred (200) feet deep, each year, and to furnish to the Lessors information thereon with the results thereof; and, to timely file for and obtain ~~proper~~ exemption from taxes, otherwise resulting possibly, on unpatented mining claims where \$100. or more work is done on any claim in the fiscal year, or to furnish Lessors in amply time to file, giving the amount and nature of work done, in affidavit or other required form as will satisfy the statutory requirements.

3. To keep proper books of accounting showing the amounts of gold, or other minerals or metals produced and sold from the said mining properties and, if possible, to deliver duplicate reports and statements of said sales to the Lessors at their place of business within reasonable time after consummation of sale. If products sold are commingled with ores or bullion or concentrate from other sources, Lessee should notify Lessors of any such commingling and, shall indicate to buyer or smelter or mill or other purchaser, the nature of and extent of Lessor's interest therein, so that it may not be impressed with liens or claims of other shippers and Lessee shall from time to time, provide Lessors with such proper assay reports and weight certificates as will establish the value of the mineral products that are extracted, processed, and sold from the leased premises.

4. To, during the term of this agreement and in periods when men are employed by Lessee, at Lessee's own risk and expense, carry adequate Workmen's Compensation Insurance, and to at all times keep Lessors and Lessor's title to the leased premises free and harmless from any and all damages for accidents to or injuries incurred by any person or persons upon, in, or about the premises, excepting the Lessors and those working directly under the Lessors, and to comply with all governmental laws, regulations and ordinances of said District, as applicable, with respect to matters to be done and performed.

5. To keep all bills and accounts for labor performed and supplies and materials furnished, and or for operations under this lease, paid in such manner as not to allow any claim or lien to be effectually made or asserted against the Lessor or its property.



6. Said Lessors or its agent may, from time to time, in company with Lessee or its agent, enter upon the said premises, and the whole thereof, for the purpose of general inspection of the same and for the purpose of posting upon said premises, notice of non-responsibility and other notices necessary, proper or convenient for the protection of said Lessors; and said Lessee shall respect and see that notices of "non-liability" posted by Lessors at working points are kept in good condition, and notify Lessors if same be damaged or destroyed by the elements, vandals, accidents, or any other like or unlike means.

7. Lessee shall keep and preserve reasonable records and maps to reflect the progress and results of work undertaken, and shall allow Lessors to inspect such records at reasonable times, and upon termination of this agreement and the request of Lessors, deliver duplicate copies of such records to said Lessors. However, Lessee shall not be obligated to interpret such records.

8. Said Lessee shall pay all taxes assessed by reason of the mining operations upon said premises, excepting so-called bullion tax upon the proportionate part royalty of the Lessors.

9. In the event Lessee shall fail to make any payment of royalty or rental or any other payment herein provided, at the time and in the manner stipulated, or shall fail to keep or perform any of the conditions, covenants or agreements herein contained on his part to be kept and/or performed, said Lessors may give to said Lessee a notice in writing of such default, and if such default is not corrected within thirty (30) days after the giving of such notice, this lease shall terminate and become forfeited. It is specifically understood and agreed that subject to the obligation of the Lessee to pay rents and royalties with relation to the sale of ores and minerals extracted from the mining claims or the concentrates produced therefrom to the date of such termination, and subject to Lessee's obligations to Lessors under Paragraphs 3 and 4 hereof, the sole liability of Lessee for any default under the terms of this mining lease shall be the loss of the rights granted to them hereby in and to the mining claims with relation to which the default occurred; and Lessee shall, under no circumstances

have any liability to Lessors by way of damages, or otherwise.

10. To pay to said Lessors at their place of business at Salt Lake City, Utah, ~~the sum of One hundred dollars~~ (100.00) per month, and, the following royalties on all mineral products extracted and sold from the premises, during the life of this lease until the option price for the property, as defined in Paragraph 12 below, shall have been paid, to-wit:

Six and one half percent ( $6\frac{1}{2}$ ) of net smelter or mill returns.

"Net smelter or mill returns" as hereinabove mentioned is defined as the gross proceeds of the ore, bullion, precipitate or concentrate sold, less the smelter, mint, or other purchasing agency charges, transportation charges, sampling charges and other charges as are customarily assessed by the buyer or ores against the seller.

Charges from the mine or mill to the railroad are included under "transportation charges" and as far as practicable such charges should be jointly approved by the parties in advance of payment calculation according to the formula above.

11. Royalty payments from the sale of mineral products shall be made directly to the Lessors by the buyer of ores, in accord with the buyer's established custom, provided such payment is conveniently possible for Lessee.

12. Upon demand of said Lessee, said Lessors agree to execute a quit-claim deed to their interest in the above described mining claims encompassed herein, providing for conveyance of property to Lessee, and Lessors shall provide for and deposit such deed with a bank, Trust company or Escrow service, mutually satisfactory to both Lessors and Lessee, accompanied with Escrow instructions to deliver said deed to Lessee upon satisfactory proof of the payment of \$Fifty Thousand dollars (\$ 50,000.00) in rental, royalty, or in any other manner, as the agreed option price of the above described property of the Lessors, and with further instructions to return said deed to the Lessors upon satisfactory evidence of failure of Lessee to comply with the terms of this agreement. Cost of said escrow shall be borne equally by the Lessors and Lessee.



13. Upon any termination of this agreement, by default or otherwise, said Lessee shall surrender to said Lessors the said properties, but any machinery, tools, equipment or buildings thereon placed by the Lessee or its agents, shall belong to Lessee and it or its agents shall be allowed to remove same within a reasonable time after date of termination, not to exceed twelve (12) months. And, upon forfeiture, surrender, or other termination of the Lease, Lessee shall upon request of Lessors, make and record a release of same, and at his (Lessee) expense provide for recording of same.

14. Lessee shall have the right and option to terminate this agreement at any time upon fifteen (15) days written notice to the Lessors.

15. All covenants and conditions contained herein, expressly or impliedly, shall extend to the successors, personal representative, heirs, executors and assigns to the parties hereto:

IN WITNESS WHEREOF, the parties have set their hands this 12th day of March, 19 68 at Salt Lake City, Utah.

LESSORS:

Charles Anderson

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LESSEE:

Don H. Kestner

President

By order of its Board of Directors

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STATE OF UTAH )  
County of Salt Lake) ss.

On this the 12th day of March, 19 68 personally appeared before me, a Notary Public commissioned by the State of Utah and residing in Salt Lake County, Tom P. Costas, known to me to be the person who executed the foregoing instrument, who did under oath, acknowledge to me that he is President of Temple Mountain Uranium, the Lessee therein, and that he did execute the foregoing instrument freely and voluntarily as the act of, and under proper authority of said Corporation, for the uses and purposes indicated in the instrument.

SEAL  
Affixed

*Rodney B. Jenkins*  
Notary Public

My commission expires:

March 25, 1971

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STATE OF UTAH )  
County of Salt Lake) ss.

On this 12th day of March, 19 68 personally appeared before me, a Notary Public for the State of Utah, and for Salt Lake County, George Corbett, and \_\_\_\_\_ personally known to me to be the same, who did under oath duly given, acknowledge to me that he/she did freely and voluntarily execute the foregoing instrument for the uses and purposes indicated therein.

SEAL  
Affixed

*Rodney B. Jenkins*  
Notary Public

My commission expires:

March 25, 1971

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RECORDED AT THE REQUEST OF  
Tom P. Costas  
on December 12, 19 69  
of 55 mins, cost 10 A. M.  
in Book 33 of OFFICIAL  
RECORDS, page 545-550 RECORDS  
OF ENERKA COUNTY, NEVADA  
*Theresa A. O'Neil*  
Recorder  
File No. 51848 Fee \$ 8.00