

PURCHASE AND SALEAGREEMENTOFMINING CLAIMS

THIS AGREEMENT, made and entered into this 17th day of May, 1969, by and between Stanley Ebeltoft and Ted Monson, hereinafter referred to as "Seller" and Energy Producing Inc., a Nevada Corporation, hereinafter referred to as "Purchaser".

WITNESSETH

1. For and in consideration of the sum of Three Hundred Thirty One Thousand Two Hundred Dollars (\$331,200.00) to be paid in amounts and in the manner hereinafter set forth, Seller hereby agrees to transfer to Purchaser after total payment of the above amount, a good, clear and equitable title to certain mining claims known as Villanova #1 through #5 inclusive and any extension of claims #2 and #3 all located in Eureka County, Nevada and more particularly identified in Exhibit "A" attached hereto and made a part of this Agreement. It is stipulated that Sellers are filing five (5) claims to the North and East of Claims (1-4-5) and Purchaser has first option to acquire these additional claims on the same terms and conditions as the original acquisition.

2. The terms of such payment shall be: Purchaser agrees that total payment will be made to Seller in full by December 30, 1972. Upon the signing of this Agreement, Purchaser shall pay to Seller a sum of Twelve Hundred Dollars (\$1,200.00) and a minimum of Two Hundred Dollars (\$200.00) per month beginning May 30, 1969, up to the date of December 30, 1969, the estimated time mining and milling will begin. After date of December 30, 1969, Purchaser shall pay Seller 15% of all products mined, milled and sold from said mining claims which proceeds shall be defined to be gross royalties, until the time \$45,000.00 has been paid, \$30,000.00 of which shall have been paid to Peter Demale and Sons. After above stated time, payments shall revert to an agreed monthly amount to make full payment by December 30, 1972, or 10% gross royalties, whichever is greater, until the balance of \$283,800.00 has been paid. Either course of monthly or 10% gross royalties to be at the option of the Seller. Copies of gross receipt sales slips on the sales of all products sold from said mine shall be made available to Seller.

3. During the period of May 30, 1969, to December 30, 1969, if Purchaser deems it advisable, he shall be allowed to core drill the property to ascertain the extent of the deposit as well as furnish engineering information to more closely engineer the size

of the mining and milling operation. Purchaser agrees to furnish true copies of reports and information gathered by such exploration to Seller.

4. Seller shall prepare and deposit with the Trust Department of the First National Bank of Nevada, Main Branch, Third and Carson, Las Vegas, Nevada, good and sufficient deeds conveying five said claims to Purchaser, his designee or assigns, and the same shall remain with the Trust Department until such time as the Seller has received the net sum of \$330,000.00. Upon total payment the Seller shall release and transfer all right, title and interest in the (5) said mining claims to Purchaser or his designee.

5. Seller warrants that said claims are free of all encumbrances and that photostatic copies of original claim filings and annual assessment work from Eureka County Recorder will be furnished completely up to date at the time deeds to Purchaser are deposited with Trust Department. Seller further warrants he has full power of sale and assignment of said claims to Purchaser.

6. Succeeding annual assessment work after date of this agreement shall be done by Purchaser for so long a period of time as title of the claims remains with Seller and Seller agrees upon the presentations of the necessary proofs to file and record the proofs of labor of said claims at the sole cost and expense of Purchaser.

7. While it is contemplated that approximately six (6) months time may be required for engineering and development work along with the acquiring of necessary equipment before mining operations may be commenced, Purchaser does nevertheless warrant that mining and milling operations will begin on the property no later than December 30, 1969, and that mining and milling operations will continue on a minimum basis of 100 tons of ore per day, 300 days per year. If for some now unforeseen reason such operation shall be delayed due to strikes, weather, delivery of equipment or any Force Majeur item then Purchaser will be granted additional time to start mining and milling operation and Purchaser shall pay \$800.00 advance royalty per month, after December 30, 1969, instead of \$200.00 minimum called for in paragraph (2) of this Agreement until operations do start, at which time full royalty payments as per paragraph (2) shall then be followed.

8. "Gross Royalties" shall mean all sums of money received from the sale of any product mined, milled and sold from the property of said claims, and shall not have deducted therefrom any costs or expenses of the Purchaser in connection with the operation, and the 10% gross royalties shall be due and payable on receipt of monies from sale of products by Purchaser and paid to the account of Seller at said Trust Department, First National Bank of Nevada, Main Branch, Third and Carson, Las Vegas, Nevada. Seller

shall instruct the said Trust Department to pay the agreed claim payments not to exceed a total of \$30,000.00 to R. or Dazale and some legal claim owners, out of monies deposited by Purchaser to the Seller's account.

9. Production tax from extraction and sale of mine products from said five claims shall be sole obligation of Purchaser.

10. Purchaser shall not sublet or assign or transfer any of his interest to any part or parts of herein described said mining claims without consent of Seller and all conditions of this Agreement being met. Seller shall not unreasonably withhold his consent.

11. Purchaser will allow Seller, his agents or representatives to enter upon and into all parts of said mine and mill at any time for the purpose of inspection, and that all mining and milling operations shall be pursued according to all standards in the State of Nevada.

12. Purchaser agrees to keep said property free and clear of all labor, material, and State and Federal liens or attachments.

13. Seller is to keep posted in a conspicuous place on said property, notices of non-responsibility or liability as long as this Agreement is in effect, and to have copies of same recorded in Clark County, Nevada Courthouse within five days of posting said notices.

14. Purchaser agrees to a period of fifteen (15) days with notice to cure any default of the conditions of this Agreement and fifteen (15) days without notice to cure default, due to non-payment. In the event of such default, after fifteen days, this contract shall become null and void and said mining property shall revert immediately upon the sixteenth day to the Seller on demand.

15. If Purchaser elects not to continue operations he will forfeit all rights, title and interest in said claims on his demand and after obligations have been met to such date, shall have the right to remove within a thirty day period, buildings, machinery and other appliances which he has placed upon the property during the term of this Agreement.

16. This Agreement shall continue to the benefit of and be binding upon the heirs, administrators and executors of the respective parties hereto.

IN WITNESS WHEREOF, the parties hereto have set their hands this day and year
first above written.

PURCHASER:

ENERGY PRODUCING, Inc.,

by [Signature] President

1201 South 6th Street
Las Vegas, Nevada

ATTEST:



[Signature] H. Mason
Secretary

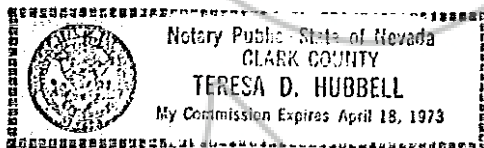
SELLER:

[Signature]
Stanley Ebeltoft

[Signature]
Ted Monson
1084 West Lawry Avenue
Las Vegas, Nevada

STATE OF Nevada }
COUNTY OF Clark } ss:

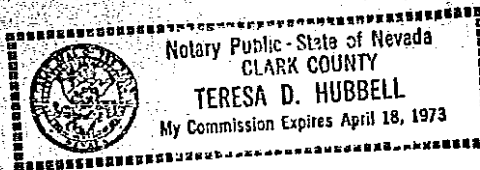
On this 19th day of May, 1969, personally appeared before me, a
Notary Public in and for said County and State, Stanley Ebeltoft, known to me to be
the person whose name is subscribed to the within instrument and acknowledged that
he executed the same.



[Signature]
Notary Public in and for
said County and State.

STATE OF NEVADA }
COUNTY OF CLARK } ss:

On this 19th day of May, 1969, personally appeared before me, a Notary Public in and for said County and State, Ted Konson, known to me to be the person whose name is subscribed to the within instrument and acknowledged that he executed the same.

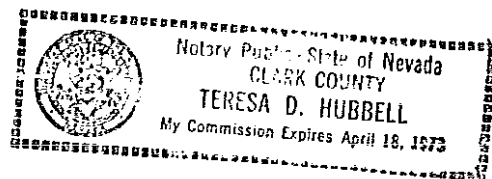


Teresa D. Hubbell
Notary Public in and for
said County and State.

STATE OF NEVADA }
COUNTY OF CLARK } ss:

On May 19, 1969
personally appeared before me, a Notary Public in and for said County and State,
W. J. Moore, Jr.
and Virge H. Mason
known to me to be the President
and Secretary respectively
of the Corporation that executed the foregoing instrument and upon oath, did depose
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.

Teresa D. Hubbell
Notary Public in and for
said County and State.



RECORDED AT THE REQUEST OF W. J. Moore
on Feb. 27, 19 70, at 45 - 11 A. M. In
Book 34 of OFFICIAL RECORDS, page 399-403 RECORDS OF
EUREKA COUNTY, NEVADA. Theresa D. Hubbell Recorder
File No. 52195 Fee \$ 7.00