

AGREEMENT OF LEASE, made this 21st day of June, 1977
between MOUNT HOPE MINING CORPORATION, a Nevada Corporation,
having its principal place of business at One W. Red Oak Lane,
White Plains, New York, hereinafter referred to as Lessor, and
OXBOW TUNGSTEN MINES, INC., a Nevada Corporation, having its
principal place of business at Mountain City, Nevada, hereinafter referred to as Lessee.

W I T N E S S E T H

Demised Premises

1. Lessor hereby leases to Lessee and Lessee hereby leases from Lessor all of the millsite, patented and lode claims as described in exhibit "A" attached hereto and made a part hereof together with all equipment and buildings as described in exhibit "B" which is attached hereto and made a part hereof, all such claims being in Eureka County, Nevada.

Term

2. The term of this lease shall commence on August 15, 1977 and terminate on August 14, 1987, unless sooner terminated as provided herein.

Right of Termination

3. a) Lessee is hereby granted the right to terminate this lease on August 14, 1982 by giving Lessor written notice of Lessee's intention to terminate no later than 5:00 PM, December 31, 1981. If as of said time Lessor has not received in its office said notice of intention to terminate, then this lease will continue in full force and effect providing Lessee is not in default, until the end of the Lease Term, as described in Section 2 above. Lessee's right to terminate is expressly conditioned upon Lessee's executing an affidavit stating that it is no longer mining any of its claims and that its minable reserves at Mountain City, Nevada have been exhausted. If Lessor so demands, a mutually acceptable mining engineer will be hired to verify whether or not said minable reserves at Mountain City, Nevada have been exhausted. If Lessor and Lessee are unable to agree on the selection of an engineer, then each party shall choose an engineer who will then choose the engineer to be used. If said engineers are unable to agree on a mutually acceptable engineer, then the matter will be submitted

to binding arbitration.

b) The Lessee has additional right to terminate this lease on July 15, 1978 by giving Lessor written notice of Lessee's intention to terminate no later than 5:00 PM February 15, 1978.

Rent

4. a) Base Rental

Lessee covenants and agrees to pay Lessor in advance a base minimum rental of Twenty-Three Thousand (\$23,000.00) per month, in lawful money of The United States which is due at Lessor's office no later than 5:00 PM on the first day of each month during the term of this agreement.

b) Additional Rent

In addition to the base minimum rental as described in Section 4 (a) above, Lessee will pay to Lessor additional rental in amounts and on terms as follows:

(i) Lessee will pay to Lessor by the 10th day of each month \$5.50 per ton processed at Mount Hope's Mill in excess of 4,167 short tons during the previous calendar month. Accompanying said payment shall be certified weight tickets for all shipments made by truck to the Mount Hope Mill plus daily mill sheets for said month, each signed by the shift Foreman and countersigned by the Mill Manager. Lessee shall request that smelter send copies of all settlement sheets pertaining to ore processed at The Mount Hope Mill to Lessor.

(ii) If and when Lessee has processed through The Mount Hope Mill during any year beginning ~~July 1~~^{Aug. 15} and ending ~~June 30~~^{Aug. 14}, 50,000 dry short tons, then said additional rental rate shall be reduced to \$5.00 per short ton also payable by the 10th day of each month for ore processed in excess of 4,167 tons during the previous month. When 100,000 dry short tons have been processed and paid for during any year beginning August 15 and ending August 14, then the additional rental rate shall be terminated for that year.

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- (iii) Commencing August 15, 1982, both the base minimum rental and the additional rental shall be increased by that percentage by which the mean LMB/STU (short ton unit) equivalent quotation in Metals Week for Tungsten for the first Metals Week edition for the following month exceeds \$160.00 per STU. Said percentage increase shall be retroactive to the prior month's base minimum rental and additional rental. The additional rental payment due on the 10th of each month shall be computed by adding the base minimum rental for the previous month times the percentage increase in the Tungsten Quotation as per above plus the additional rental which shall also be adjusted to reflect the current Tungsten price as above. If Lessee has not processed more than 4,167 tons for said prior month, then said additional base minimum rental caused by ~~increases~~^{increases} in the Tungsten price shall be paid by the 10th of the following month.

- (iv) During the term of this lease, Lessee will make available to Lessor for its examination all Lessee's books and records pertaining to delivery and milling of ore which is delivered

Rider for Paragraph 4 (c)

In the event that water required for operating the Mount Hope Mill cannot be reasonably obtained in volume so as to operate the said Mill on an operational basis, then the monthly base rental required to be paid pursuant to Paragraph 4 (a) hereof, shall be reduced by \$1,100 for every weekday that the Mount Hope Mill cannot run because of a shortage of reasonable water supplies.

made an order or determination that milling operations at The Mount Hope Mill cease, then any payments required to be made pursuant to Paragraph 4 hereof, shall be deferred until such time as such governmental order or determination has been revoked provided, however, that Lessor is reasonably satisfied that Lessee is making diligent efforts to comply and conform to such governmental order.

- e) In the event such deferral continues for a period of four months, then the Lessor shall have the right to terminate this lease.

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Option to Purchase

5. Provided that Lessee is not in default under any of the terms and conditions of this lease, then Lessee shall have the option to purchase the demised property as follows:

- a) If Lessee gives written notice of its intention to exercise said option on or before December 31, 1981, then the purchase price is \$1,200,000.00 payable in cash on or before June 30, 1982. This price is expressly contingent upon Lessee's having processed through The Mount Hope Mill during the period July 1, 1977 - June 30, 1982, 500,000 dry short tons of ore. For every 50,000 dry short tons of ore or fraction thereof less than 500,000 tons processed during this period, the purchase price shall be increased by \$100,000.00.
- b) If Lessee gives Lessor written notice of its intention to exercise said option after December 31, 1981 but on or before December 31, 1986, then the purchase price shall be \$700,000 payable in cash on or before June 30, 1987. This option is expressly contingent upon Lessee's having processed through the Mount Hope Mill during the term of this lease 1,000,000 dry short tons of ore.

Supplies

6. An inventory of all supplies on hand including belts, replacements parts, chemical reagents, laboratory supplies, diesel fuel, lubricating oil, grinding balls, etc., shall be taken prior to the commencement of the term of this lease and Lessee shall purchase from Lessor said items at Lessor's cost, as set out in exhibit "a" hereto.

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Equipment

7. All motorized movable equipment such as trucks, loaders, tractors, etc., are expressly excluded from exhibit "B" attached hereto.

Maintenance

8. In addition to all other terms and provisions of this lease relating to repairs and maintenance, Lessor shall have the right to approve of management of maintenance of the property until the expiration of the Lease. Lessee's operation of the property with management not approved by Lessor in writing shall be deemed a default of this Lease.

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Additional Security

9. As additional security for the faithful performance of all the terms herein relating to rental payments, Lessee hereby grants to Lessor a lien on inventory of processed ore. In addition, Lessee hereby agrees to notify its smelter or refinery to assign to Lessor portions of the smelter or refinery proceeds to satisfy unpaid claims of the Lessor.

Net Lease

10. This is a net lease, it being the intention of the parties hereto that, in addition to complying with all of the other covenants and conditions herein on Lessee's part to be performed, Lessee will make payment of and comply with the following:

- a) Pay and discharge, before any fine, penalty, interest or cost may be added thereof, all taxes, charges for public utilities, excises, levies, license and permit fees and other governmental charges, general and special, ordinary and extraordinary of any kind or nature whatsoever which at any time during the term of this lease may be assessed, levied, confirmed, imposed or become due and payable or become a lien on the demised premises, other than income taxes and taxes on transmission of estates by deed or by inheritance.
- b) Take out and pay for (i) fire insurance, with all available extended coverage, in an amount sufficient to prevent Lessor or Lessee from being a co-insurer within the terms of the policy or policies in question and in no event less than 100% of the replacement value of the building, exclusive of the costs of foundations, and (ii) rent insurance against loss of gross rental income from the demised premises for a period of two (2) years, in an amount sufficient to prevent Lessee from being a co-insurer within the terms of the policy or policies in question, but in any event in an amount not less than the net rent and the estimated additional rent hereunder for eighteen (18) months. All of said insurance as aforesaid shall be with a company or companies approved by Lessor, such approval not to be unreasonably withheld, and shall name Lessor as an insured, with loss payable to any fee mortgages as its interest may appear pursuant to a standard mortgage clause.

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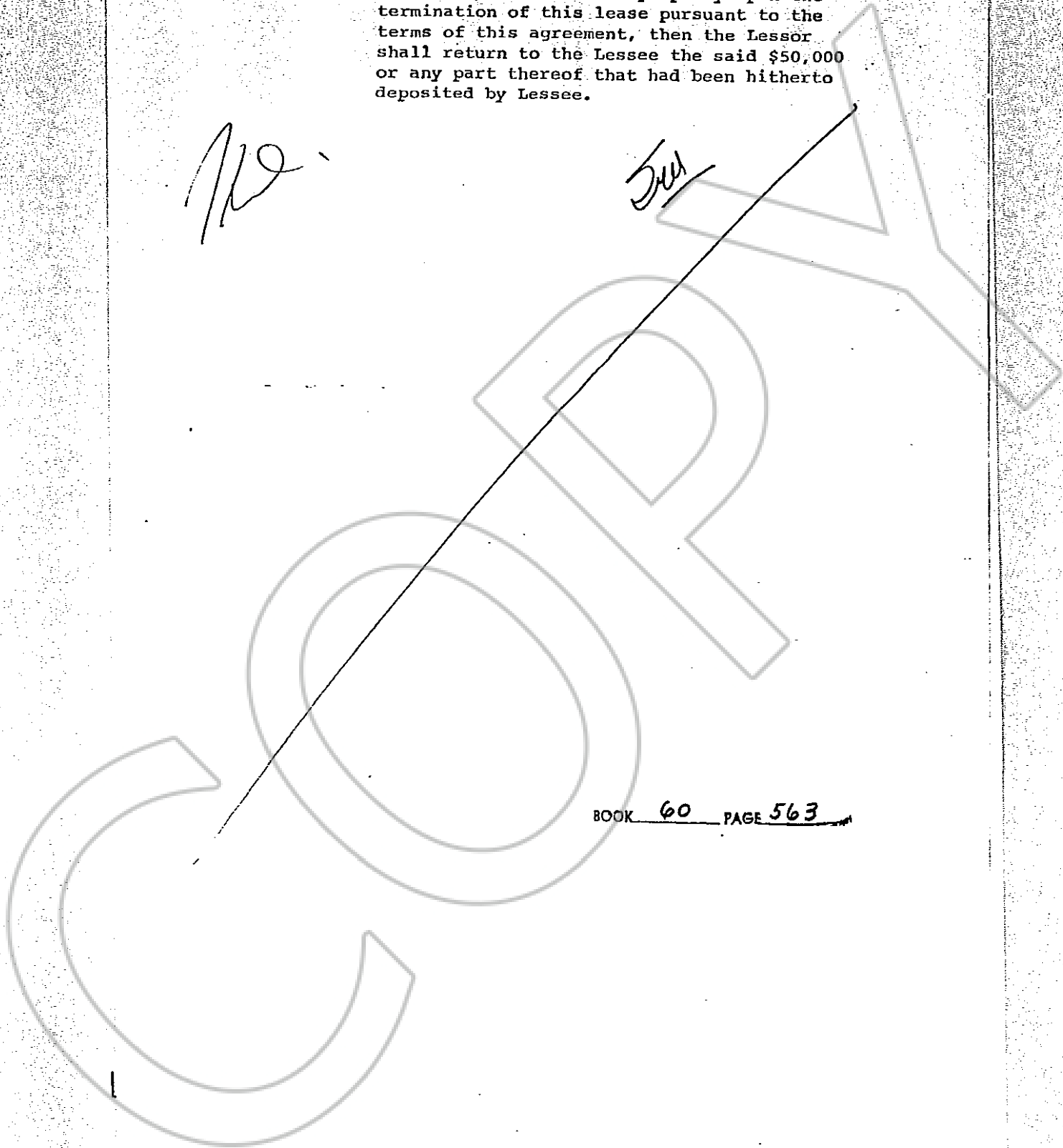
- c) Maintain and pay for general liability insurance protecting Lessor to the limit of not less than \$1,000,000 in respect of bodily injury or death to any one person and \$3,000,000 in respect of any one accident or occurrence. Said insurance shall be placed with a company or companies approved by Lessor, such approval not to be unreasonably withheld.
- d) Lessee is to do all things and make all payments connected with or arising out of any use or occupation of the demised premises, or any part thereof, and under no condition or contingency (except as herein otherwise specifically provided), is Lessor to be called upon during the term of this lease to do, make or pay for any repairs or replacements of any nature whatsoever, or be subject to any liabilities or responsibilities, including but not limited to any latent defect in the demised premises, or make any payments with respect to the demised premises or any part thereof, or its appurtenances, and Lessee affirmatively covenants and agrees to keep the demised premises, and the appurtenances, in good order and repair during the term of this lease, and to make all repairs therein whatsoever at Lessee's cost and expense, and to comply with all Municipal, State and Federal rules, regulations, ordinances, laws or statutes applicable to or affecting said premises in connection with the making of such repairs or in connection with the use and occupancy of said premises by Lessee. Lessee shall not make any major alterations or changes to the demised premises without having first obtained Lessor's prior written consent, such consent not to be unreasonably withheld.
- e) As security for the proper maintenance and preservation of the condition of the property, Lessee shall deposit on the 10th day of each month with the Lessor \$1.50 per ton processed at The Mount Hope Mill during the previous month until a total of \$50,000 has been accumulated. After the termination of this lease, Lessor will make all necessary repairs and replacements to the property and remit the balance of the \$50,000 deposit, if any, to Lessee. If Lessee exercises its option to purchase said property, then Lessor will return said \$50,000 to Lessee at the closing. Said fund will also be used as security for the faithful performance by Lessee of all of

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the terms and conditions of this lease. Upon the Lessee delivering to the Lessor a performance or fidelity bond, which in form and substance is satisfactory to the Lessor, in the amount of \$50,000 guaranteeing that the Lessee will make all necessary repairs and replacements to the property upon the termination of this lease pursuant to the terms of this agreement, then the Lessor shall return to the Lessee the said \$50,000 or any part thereof that had been hitherto deposited by Lessee.

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f) If Lessee defaults in making any of the payments above provided, or in complying with any of the terms and conditions hereinabove set forth, Lessor may make such payments or cure such defaults and the payments made by Lessor in curing such defaults shall be deemed additional rent and shall become due from Lessee to Lessor on the 15th day of the month immediately following the making of such payment or expenditure by Lessor and Lessor shall have (in addition to all other rights and remedies herein provided) all of the rights and remedies provided for herein or by law in the case of non-payment of rental or other charges.

Use

11. Lessee shall use and occupy the demised premises as a flotation mill and metallurgical laboratory and mill offices and other similar uses not inconsistent with the character of the premises or prohibited by competent authority.

Assignment

12. Lessee shall not assign this lease to or underlet or use or permit the demised premises or any part thereof without first having obtained the written consent of Lessor, such consent not to be unreasonably withheld.

Compliance with Law

13. Lessee shall comply with all requirements of laws, orders, ordinances and regulations of the federal, state, county and municipal authorities, and with any direction, pursuant to law, of any public officer or officers, which shall impose any duty upon Lessor or Lessee with respect to the demised premises, or the use and occupation thereof; and shall comply with all rules, orders, regulations or requirements of the National Board of Fire Underwriters, or any other similar body.

Subordination

14. This lease is subject and subordinate to all mortgages which may now or hereafter affect the real property of which demised premises form a part, and to all renewals, modifications, consolidations, replacements and extensions thereof, it being understood that any future mortgage to which this lease becomes subject and subordinate shall provide that Lessee shall not be named as a defendant in any action to foreclose such mortgage.

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This clause shall be self-operative and no further instruments of subordination shall be required by any mortgages. In confirmation of such subordination, Lessee shall execute promptly any certificate that Lessor may request. Lessee hereby constitutes and appoints Lessor Lessee's attorney-in-fact to execute any such certificate or certificates for and on behalf of Lessee. However, the Lessor shall not encumber the demised premises by a mortgage which shall require total annual debt service charges in excess of the base rental.

Destruction--Fire or other Cause

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15. If the demised premises shall be partially damaged by fire or other cause, Lessee will promptly give written notice thereof to Lessor. Lessee shall, at its own cost and expense, and whether or not the insurance proceeds, if any, shall be sufficient for the purpose, restore, repair, replace, rebuild or alter the same as nearly as possible to its value, condition and character immediately prior to such damage or destruction. All insurance money paid to Lessor on account of such damage or destruction, less the actual cost and expense incurred by the Lessor in connection with the collection of the same, shall be applied by Lessor to the cost of said restoration, repairs, replacement, rebuilding or alterations, and shall be paid out from time to time as the work progresses upon the written request of Lessee and its certification that the sum so requested has either been paid by Lessee or is justly due to contractors, subcontractors or other persons who have rendered services or furnished materials for the restoration therein specified.

If the demised premises are totally damaged or are rendered wholly untenable by fire or other cause, and Lessor shall decide not to rebuild the same, or if the buildings be so damaged that Lessor shall decide to demolish it or to rebuild it, then or in any of such events, Lessor may, within ninety (90) days after such fire or other cause, give Lessee a notice in writing of such decision, which notice shall be given as in Article 26 hereof provided, and thereupon the term of this lease shall expire by lapse of time upon the third day after such notice is given and Lessee shall vacate the demised premises and surrender the same to Lessor, and Lessor shall have the right to retain all proceeds of insurance in connection therewith.

15(a)

In order to terminate the lease pursuant to Paragraph 3 (a) hereof, the Lessee shall have delivered to The Mount Hope Mill 50,000 tons of ore and in the event the said 50,000 tons of ore have not been so delivered by Aug. 14, 1978, then the said lease shall continue until at least such time as the said 50,000 tons of ore are so delivered.

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Eminent Domain

16. If the whole or any part of the demised premises shall be taken or condemned by any competent authority for any public or quasi public use or purpose, then, and in that event, the term of this lease shall cease and terminate from the date when the possession of the part so taken shall be required for such use or purpose and the entire award shall belong to Lessor. The current rental, however, shall in any such case be apportioned.

Access to Premises

17. Lessor shall have the right, at reasonable times, and during reasonable hours, to enter the demised premises to examine the same and to show them to prospective purchasers or lessees of the demised premises. During the one year prior to the expiration of the term of this lease, Lessor may exhibit the premises to prospective tenants.

Bankruptcy

18. a) If at any time prior to the date herein fixed as the commencement of the term of this lease there shall be filed by or against Lessee in any court pursuant to any statute either of the United States or of any State a petition in bankruptcy or insolvency or for reorganization or for the appointment of a receiver or trustee of all or a portion of Lessee's property, or if Lessee make an assignment for the benefit of creditors, or petition for or enter into an arrangement, this lease shall ipso facto be cancelled and terminated and in which event neither Lessee nor any person claiming through or under Lessee or by virtue of any statute or of an order of any court shall be entitled to possession of the demised premises and Lessor, in addition to the other rights and remedies given by (c) hereof and by virtue of any other provision herein or elsewhere in this lease contained or by virtue of any statute or rule of law, may retain as liquidated damages any rent, security, deposit or monies received by them from Lessee or others in behalf of Lessee upon execution hereof.

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- b) If at the date fixed as the commencement of the term of this lease or if at any time during the term hereby demised there shall be filed by or against Lessee in any court pursuant to any statute either of the United States or of any State a petition in bankruptcy or insolvency or for reorganization or for the appointment of a receiver or trustee of all or a portion of Lessor's property, and within thirty (30) days thereof Lessee fails to secure a discharge thereof, or if Lessee make an assignment for the benefit of creditors or petition for or enter into an arrangement, this lease, at the option of the Lessor exercised within a reasonable time after notice of the happening of any one or more of such events, may be cancelled and terminated and in which event neither Lessee nor any person claiming through or under Lessee by virtue of any statute or of an order of any court shall be entitled to possession or to remain in possession of the premises demised but shall forthwith quit and surrender the premises, and Lessor, in addition to the other rights and remedies Lessor has by virtue of any other provision herein or elsewhere in this lease contained or by virtue of any statute or rule of law, may retain as liquidated damages any rent, deposit or monies received by them from Lessee or others in behalf of Lessee.
- c) It is stipulated and agreed that in the event of the termination of this lease pursuant to (a) or (b) hereof, Lessor shall forthwith, notwithstanding any other provisions of this lease to the contrary, be entitled to recover from Lessee as and for liquidated damages an amount equal to the difference between the rent reserved hereunder for the unexpired portion of the term demised and the then fair and reasonable rental value of the demised premises for the same period. In the computation of such damages the difference between any installment of rent becoming due hereunder after the date of termination and the fair and reasonable rental value of the demised premises for the period for which such installment was payable shall be discounted to the date of termination at the rate of four per cent (4%) per annum. If such premises or any part thereof be relet by the Lessor for the unexpired term of said lease, or any part thereof, before presentation of

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proof of such liquidated damages to any court, commission or tribunal, the amount of rent reserved upon such reletting shall be prima facie to be the fair and reasonable rental value for the part or the whole of the premises so relet during the term of the reletting. Nothing herein contained shall limit or prejudice the right of the Lessor to prove for and obtain as liquidated damages by reason of such termination, an amount equal to the maximum allowed by any statute or rule of law in effect at the time when, and governing the proceedings in which, such damages are to be proved, whether or not such amount be greater, equal to, or less than the amount of the difference referred to above.

Default of Tenant and Remedies

19. If Lessee shall default in the performance of or compliance with any of the terms, conditions and covenants of this lease other than its obligation to make all rental payments when due and such other defaults shall continue for a period of ^{thirty} ~~ten~~ (30) days after written notice thereof from Lessor to Lessee, provided, nevertheless, that if Lessee proceeds with due diligence during such ^{thirty} ~~ten~~ day period to cure such default and is unable by reason of the nature of the work involved to cure the same within said ^{thirty} ~~ten~~ (30) days, its time to do so shall be extended for such additional period as may be required under the circumstances, taking into consideration the nature and character of the work, and provided further that such extension of time shall not subject Lessor to any liability, civil or criminal, Lessor may give to Lessee not less than thirty (30) days' written notice of termination of this lease and at the expiration of the time set forth in such notice (if said default continues to exist), this lease shall expire, and Lessee shall surrender the premises to the Lessor. If Lessee defaults in the timely payment of rent or if the notice above provided for has been given and the period elapsed, or if the premises become vacant or deserted, the Lessor, may resume possession by any lawful means and remove the Lessee or other occupants and their effects by dispossession or other proceedings; Lessor may, at its option, in any such case, relet the premises as agent of the Lessee for a term which may exceed the present letting, and apply the first rent received to payment of expenses, fees, and commissions

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(including attorney's fees, disbursements, broker's commissions and expenses of preparing the premises for reletting) but Lessee shall be liable and pay to Lessor as liquidated damages the deficiency between the rent reserved in this lease and the net amount, if any, of rents collected by the Lessor from such re-renting, the same to be paid by Lessee on the successive rent days specified in this lease. Lessee shall remain liable for the foregoing until the time when this lease shall have expired but for such termination. Lessee hereby expressly waives any and all right of redemption in case the Lessee shall be dispossessed by judgment or warrant of any Court or Judge. There is no grace period of any kind or nature with respect to non-timely payment of the base rental, additional rentals, or security deposit.

Lessee hereby expressly waives, so far as permitted by law, the service of any notice of intention to re-enter provided for in any statute, or of the institution of legal proceedings to that end, and Lessee, for and on behalf of itself and all persons claiming through or under Lessee (including but not limited to a leasehold Mortgagee or other creditor) also waives any and all right of redemption or re-entry or re-possession or to restore the operation of this lease in case Lessee shall be dispossessed by a judgment or by warrant of any court or judge or in case of re-entry or re-possession by Lessor or in case of any expiration or termination of this lease, Lessor and Lessee, so far as permitted by law, waive and will waive trial by jury in any action, proceeding or counterclaim brought by either of the parties hereto against the other on any matters whatsoever arising out of or in any way connected with this lease, the relationship of Lessor and Lessee, Lessee's use or occupancy of said premises, or any claim of injury or damage. The terms "enter", "re-enter", "entry" or "re-entry", as used in this lease are not restricted to their technical legal meaning.

No failure by Lessor to insist upon the strict performance of any covenant, agreement, term or condition of this lease or to exercise any right or remedy consequent upon a breach thereof, and no acceptance of full or partial rent during the continuance of any such breach, shall constitute a waiver of any such breach or of such covenant, agreement, term or condition. No covenant, agreement, term or condition of this lease to be performed or complied with by Lessee, and no breach thereof, shall be waived, altered or modified except by a written instrument executed by Lessor. No waiver of any breach shall affect or alter this lease, but each and every covenant, agreement, term and condition of this lease shall continue in full force and effect with respect to any other than existing or subsequent breach thereof.

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If Lessee permits any judgment entered against it in any court, tribunal or regulatory agency of competent jurisdiction to remain unsatisfied for more than 30 days after notice is given to the Lessee to remove said judgment, then Lessee shall be in default and this lease is immediately terminable at Lessor's option by giving written notice to Lessee.

In the event of any breach or threatened breach by Lessee of any of the covenants, agreements, terms or conditions contained in this lease, Lessor shall be entitled to enjoin such breach or threatened breach and shall have the right to invoke any right and remedy allowed at law or in equity or by statute or otherwise as though re-entry, summary proceedings, and other remedies were not provided for in this lease.

Each right and remedy of Lessor provided for in this lease shall be cumulative and shall be in addition to every other right or remedy provided for in this lease or now or hereafter existing at law or in equity or by statute or otherwise, and the exercise or beginning of the exercise by Lessor of any one or more of the rights or remedies provided for in this lease or now or hereafter existing at law or in equity or by statute or otherwise shall not preclude the simultaneous or later exercise by Lessor of any or all other rights or remedies provided for in this lease or now or hereafter existing at law or in equity or by statute or otherwise.

~~In addition to all remedies hereinabove provided, if Lessor is dissatisfied with the businesslike quality of Lessee's operation, repair and maintenance of the demised premises or its accurate reporting or weighing procedures, or its crushing or hauling operations, then Lessor may give written notice of same to Lessee. Thereupon, Lessee shall have thirty (30) days to improve or commence to substantially improve that aspect of its operation, etc., of which Lessor disapproves. If after said thirty days,~~

In the event the Lessee does not carry out its operations in a businesslike manner with respect to the quality of the operation, repair and maintenance, accuracy and timeliness of reporting and weighing procedures, or its crushing or hauling operations, then the Lessor may give written notice of same to Lessee. Thereupon, Lessee shall have thirty (30) days to improve or commence to substantially improve that aspect of its operation, etc., of which Lessor disapproves. If after said thirty days, the Lessee is not conducting the above mentioned operations in a businesslike manner, then the Lessor may give

~~Lessor is still dissatisfied as to the above, then it shall give~~ Lessee, written notice of same, after which Lessee shall have sixty (60) days to process all ore on hand and remove any of its property. This lease will terminate at the end of said sixty (60) day period and Lessor will re-enter said demised premises, remove at its option any and all of Lessee's property and enforce any of its rights and remedies, including those regarding Lessee's security deposits, under this Article or any other Article(s) of this Lease.

Fees and Expenses

20. If Lessee shall default in the performance of any covenant on its part to be performed by virtue of any provision in any article in this lease contained, other than the payment of rent and the said default shall continue or thirty (30) days after notice by the Lessor to the Lessee, then the Lessor may immediately correct the said default for the account and at the expense of Lessee. If Lessor at any time is compelled to pay or elects to pay any sum of money, or do any act which will require the payment of any sum of money, by reason of the failure of Lessee to comply with any provision hereof, or, if Lessor be compelled to incur any expense including reasonable attorney's fees in instituting, prosecuting and/or defending any action or proceeding instituted by reason of any default of Lessee hereunder, the sum or sums so paid by Lessor with all interest, costs and damages, shall be deemed to be additional rent hereunder and shall be due from Lessee to Lessor on the 15th day of the month following the incurring of such respective expenses.

No Representations by Lessor

21. Lessor or Lessor's agents have made no representations or promises with respect to the demised premises or any building and equipment thereon except as herein expressly set forth. The taking possession of the demised premises by Lessee shall be conclusive evidence, as against Lessee, that Lessee accepts same "as is" and that said premises and the building of which the same form a part were in good and satisfactory condition at the time such possession was so taken.

End of Term

22. Upon the expiration or other termination of this lease, Lessee shall quit and surrender to Lessor, the demised premises,

in good order and condition ^{/equal to its present condition.} If the last day of the term of this lease or any renewal thereof falls on Sunday, this lease shall expire on the business day immediately preceding. Lessee shall remove all property of Lessee as directed by Lessor and failing so to do said property will either be considered as abandoned and become the property of Lessor or Lessor may cause all of the said property to be removed at the expense of Lessee and Lessee hereby agrees to pay all costs and expenses thereby incurred. Lessee's obligation to observe or perform this covenant shall survive the expiration or other termination of the term of this lease.

Quiet Enjoyment

23. Lessor covenants and agrees with Lessee that upon Lessee paying said rent, and performing all the covenants and conditions aforesaid, on Lessee's part to be observed and performed, Lessee shall and may peaceably and quietly have, hold and enjoy the premises hereby demised, for the term aforesaid, subject, however to the terms of the lease and of the mortgages hereinbefore mentioned. The Less understands that the demised premises occupies patented and unpatented lode claims.

Failure to Give Possession

24. If Lessor fails to give possession of the demised premises on the date of the commencement of the term hereof for any reason whatsoever, Lessor shall not be subject to any liability for the failure to give possession on said date. Under such circumstances, the rent reserved and covenanted to be paid herein shall not commence until possession of the demised premises is given, and such failure to give possession on the date of the commencement of the term shall not in any wise affect the validity of this lease or the obligations of Lessee hereunder nor shall the same be construed in any wise to extend the term of this lease.

Waiver of Trial by Jury

25. It is mutually agreed by and between Lessor and Lessee that the respective parties hereto shall and they hereby do waive trial by jury in any action, proceeding or counterclaim brought by either of the parties hereto against the other on any matters whatsoever arising out of or in any way connected with this lease, the Lessee's use or occupancy of said premises, and/or any claim of injury or damage.

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Bills and Notices

26. Except as otherwise in this lease provided, a bill, statement, notice or communication which Lessor may desire or be required to give to Lessee, including any notice of expiration, shall be deemed sufficiently given or rendered, if in writing delivered to Lessee personally or sent by registered mail addressed to Lessee at Mountain City, Nevada, addressed to Lessee, and the time of the rendition of such bill or statement and of the giving of such notice or communication shall be deemed to be the time when the same is delivered to Lessee, mailed, or left at the premises as herein provided. Any notice by Lessee to Lessor must be served by registered mail addressed to Lessor at the address where the last previous rental hereunder was paid.

Arbitration

27. Any dispute arising under this lease which cannot be resolved between the parties shall be determined by arbitration, such arbitration to be conducted pursuant to the rules and regulations of the American Arbitration Association.

Definitions

28. The term "Lessor" as used in this lease means only the owner of the demised premises, so that in the event of any sale or sales of said demised premises, the said Lessor shall be and hereby is entirely freed and relieved of all covenants and obligations of Lessor hereunder, and it shall be deemed and construed without further agreement between the parties or their successors in interest or between the parties and the purchaser, at any such sale, that the purchaser of the demised premises has assumed and agreed to carry out any and all covenants and obligations of Lessor hereunder.

Captions

29. The captions are inserted only as a matter of convenience and for reference and in no way define, limit or describe the scope of this lease nor the intent of any provision thereof.

Successors and Assigns

30. The covenants, conditions and agreements contained in this lease shall bind and inure to the benefit of Lessor and Lessee and their respective heirs, distributees, executors, administrators, successors and, except as otherwise provided in this lease, their assigns.

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IN WITNESS WHEREOF, the Lessor and Lessee have respectively signed and sealed this lease as of the day and year first above written.

OXBOW TUNGSTEN MINES, INC.

By: Sankar Ramani
Sankar Ramani, President

MOUNT HOPE MINING CORPORATION

By: Harold Drimmer
Harold Drimmer, President

State of New York
County of Westchester

On August 15, 1977, before me, the undersigned, a Notary Public in and for said County and State, personally appeared Sankar Ramani, known to me to be the President of Oxbow Tungsten Mines, Inc. who executed the within instrument on behalf of the Corporation therein named, and acknowledged to me that such Corporation executed the same.



Marjorie P. Lane

MARJORIE P. LANE
Notary Public, State of New York
Appointed for Westchester County
Commission Expires March 30, 1979
No. 60-2247000

State of New York
County of Westchester

On August 15, 1977, before me, the undersigned, a Notary Public in and for said County and State, personally appeared Harold Drimmer, known to me to be the President of Mount Hope Mining Corporation, who executed the within instrument on behalf of the Corporation therein named, and acknowledged to me that such Corporation executed the same.



Marjorie P. Lane

MARJORIE P. LANE
Notary Public, State of New York
Appointed for Westchester County
Commission Expires March 30, 1979
No. 60-2247000

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Kue Ken 12"x24" simplex jaw crusher SN#5610102
with Westinghouse 15hp electric motor style 1261070 A
SN# 3544

Symons 2' standard cone crusher SN#2230 with
20hp Westinghouse electric motor style 1077387
SN#6-3V398. Complete with Steel Base

122' 24" Channel frame conveyor complete with
motor, belting, drive etc.

71' long 24" Channel frame conveyor complete

84' long 30" channel frame conveyor complete
including 30hp motor

Narcy model 75 Ball Mill SN#286 complete with-
Falk speed reducer, Cutler Hammer 125hp motor
controller SN#933756, Westinghouse 165hp
electric motor SN#2560795, extra set of grates
and endliners, spare trunion, spare bearing for
trunion and misc. spare parts

6' x 20' pan feeder with 10hp Westinghouse motor-
style 1455919 SN#149V46 and 10hp Westinghouse
gear motor Style 613882 SN#1-49V464

Wemco 42"x22'4" Series 150 fine materials spiral
classifier - triple pitch with 30 new flight
shoes SN#57-30948 with G.E. 5hp electric motor
SN#0L16665

Six cell bank of Denver 38"x38" Sub A Float cells
with 3 7.5hp electric motors. SN#JE45700

Two cell bank of Denver 38"x38" Sub A float cells
with 7.5 hp electric motor. SN#LE54177

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Eight cell bank of Galigher 36"x36" Float Cells
with 4 7.5hp Westinghouse electric motors. <sup>21" Denver Float
Cells with 2 Electric Motors</sup>

14'diam. x5' steel thickener tank (stainless)
complete on steel legs with Denver thickener
mechanism (VIRO 955) with G.E. 1.5hp motor
SN#(motor) SK204E844

20'diam. x 8' steel tank with Denver mechanism
charge (12 tons) of forged steel ball mill balls
Zimco 4'diam. x6 leaf disc filter SN#V9-OE with
Wagner 3hp electric motor Model 142E5-J613
SN#Z3D-51813

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NASH CL-402 VACUUM PUMP # 76U-0904

Wortington 1 1/2" CNC74 Filtrate Pump with 7hp. motor
2'x5' stainless steel receiver tank

Denver 5"x5" SLR Sand pump - (a) SN#SW81356-A
with 15hp Alis Chalmers rotor SN#51-460-320-52
(b) SN#PW-72170-2 with 20hp Alis Chalmers motor
SN#51-433-839-355

Galigher 2 1/2" sump pumps Model D25SR300. (a) SN#
64-2112 (b) ?

- 1 Denver Duplex pump Model 3EC SN#01-13950-001-1 with Reliance 2hp motor SN#P14C1401P HW
- 1 Denver 1" vertical pump SN#JW44949 with Westinghouse 5hp motor Style 773B6466-45 SN# 05-5H45BFC-SKB
- 2 Flight Model BIBO 5 submersible pumps
- 1 Flight Submersible pump 2066 170-44248 & 3.7hp. motor B2066-232
- 6 Clarkson EI Stainless reagent feeders complete
- 2 Atlas Copco Dodel BBC35 Drill machines with pusher legs BMT90 and lubricators BLG30
- ~~Screen Equipment Co. Vibrating Screen Model 238 SN# 304 with Fairbanks Morse 10hp motor SN#296484~~
- ~~Appleton Blower Co. Blower Size 6104hp SN#20300~~
- ~~Walt Wagon 10hp motor Model 1603557668 SN#548137~~
- ~~1000' 4" pvc pipe~~
- ~~1000' 3" pvc pipe~~
- ~~1000' 2" pvc pipe~~
- 4 Fuel Tanks - 1,000 gal. 6000 gal. 5,000 gal. 288 gal
- 1 32,000 gal. steady head water tank
- 2 Lynx 23 (Pearce Simpson Div. of Gladding Corp) Base Station Tranceivers. One at Mt. Hope SN#410450 One at Eureka, Nev. SN# ?
- ~~330' 2" pvc pipe SN# 405201 405202~~
- ~~2 1/2" 1/2" pvc pipe SN# 4113780 and 5 Plastic Poles~~
- ~~5' 6" 6" Broffing Table~~
- ~~1 1/2" 1/2" pvc pipe SN# 4113780~~
- ~~1 1/2" 1/2" pvc pipe SN# 4113780~~
- ~~1 1/2" 1/2" pvc pipe SN# 4113780~~
- ~~1 1/2" 1/2" pvc pipe SN# 4113780~~
- 1 Cincinnati Time Clock Model 3051 SN#856213
- 6 Gen. Electric 50KVA 2400/4160y - 240/480 volt transformers. SN#s 9917267, 9917269, D127107, C541642, C566296, C573404
- 1 Line MATERIAL 5 KVA 2400/4160y - 120/240 volt transformer SN# 906927
- 3000' 10-4 SO Electrical cable
- Misc. Heavy electrical cable
- 15 New #1 Magnetic switches (Square D) with 3 heaters
- 12 start stop switch boxes
- Misc. power poles
- misc. aluminum power transmission cable (5,000' min.)
- Misc. Small 440/110 volt transformers
- misc. switches
- misc. toilets, sinks, shower heads, water line etc.
- misc. fittings, spare parts etc.
- misc. misc.
- 6 new Square D #2 Magnetic switches with 3 heaters

SM

TOTAL Equipment

Mill BUILDING 100'x40'
Filter Building 20'x30'

~~Reagent Building 12'x30'~~

~~Dry Room~~

Building (wood frame) 17'x32' (LAB. COMBINE)

Generator Building 20'x30'

~~LABORATORY BUILDINGS~~ SHOP BUILDING.

LABORATORY BUILDINGS MACHINERY (STATIONARY)

1 ✓ Fairbanks Morse 238KW Generator Set. Engine Mod. 38E54
SN#970001 Gen. SN#B7579

1 ✓ Caterpillar 175kw generator SN#48C6751

1 ✓ International 15kw Generator Set. Engine SN#UDBK10712
Palmer Generator Model S SN#R15

1 ✓ Youngs Radiator Mod. 231 SN#YM9469

1 ✓ Electric Panel Board for Fairbanks Morse Gen.

1 ✓ Gen. Electric Dual Panel Board

1 ✓ Quincy Starting Compressor Mod. 22 SN#478981-L
with G.E. 3h.p. induction motor SN#ND 24507 with
air receiver tank

~~_____~~
CATERPILLAR 375 Diesel Electric
Generating set # 55J171046

Laboratory Equipment to be inventoried as soon as possible.

[Handwritten signature]

EXHIBIT "A"

DM

49,500E

49,700E

DIXON
NO. 2
M.S. 4704

10,500N

M.S. 4704
1500'

DIXON NO. 2
N. 25° E

10,400N

METAL
BLDG.

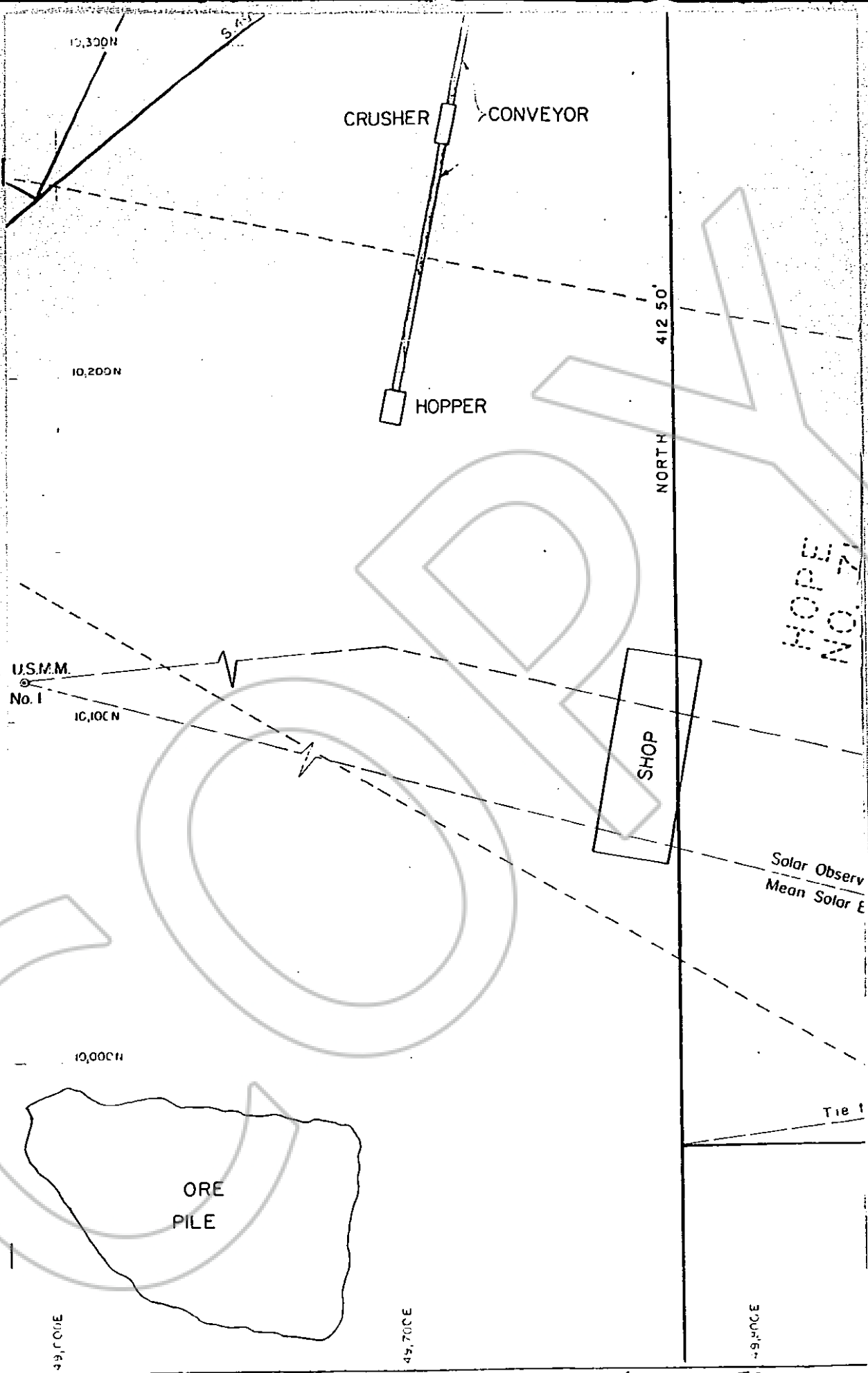
304.60'

S. 49° 55' W

10,300N

CRUSHER

CONVEYOR



42.80CE

49.90CE

50.10CE

POWER
BLDG.

CARPENTER
SHOP

MILL

TAILINGS

POND

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 on September 12, 1977 at 57 mins. past 10 A.M. in
 Book 60 of OFFICIAL RECORDS, pages 557-581 RECORDS OF
 EUREKA COUNTY, NEVADA. WILLIS A. DePAOLI Recorder
 File No. 63603 Fee \$ 26.00

63603

BOOK 60 PAGE 581 A

412.50'