

AGREEMENT

THIS MINING AGREEMENT, made and entered into this 9 day of MAY, 1980, by and between MAYNARD BISONI and MARY BISONI (man and wife), P.O. Box 152 and LESTER BISONI and GENEVE BISONI (man and wife), P.O. Box 184, Eureka, Nevada 89316, parties of the first part, and hereinafter called Optionors and CUSTOM MILLING & SUPPLY, 746 Everett Avenue, Salt Lake City, Utah 84116, party of the second part, hereinafter called Optionee;

W I T N E S S E T H:

That the optionors, for and in consideration of the payments, covenants and agreements herein contained and agreed to be kept and performed by the optionee, do hereby grant, demise and sell unto the optionee, for the purposes herein set forth, and the optionee does hereby buy and take from the said optionors those certain mining claims situate in Eureka County, Nevada, more particularly described as follows:

Bar #1	File 59135	Book 49	Page 386
Bat #1	File 59136	Book 49	Page 387

TOGETHER with all mines, minerals, mineral rights, ores, roads and other improvements, rights or privileges pertaining to, appurtenant or otherwise held in connection with said mining claims, including all rights of ingress and egress to said claims.

This Agreement is made upon the following terms and conditions:

1. RIGHT GRANTED TO OPTIONEE: The optionee shall have the exclusive right to go upon the above described claims for the purpose of exploring, developing, prospecting and mining said claims, and the optionee

-1-

ROSS P. EARDLEY
ATTORNEY AT LAW
469 IDAHO STREET - P.O. BOX 391
ELKO, NEVADA 89801

(702) 738-4046

BOOK 81 PAGE 223

shall have the right to take samples, drill, mine and remove ore from said property and mining claims and in connection therewith, the right to remove, transport, store, stockpile, sell or otherwise dispose of all minerals or ores that may be found on said property or mining claims or in connection therewith, and the right to do all other things necessary, reasonable or incidental to the mining of said property.

The optionee hereby agrees to diligently explore said property and to actively carry out its mining operations on said property.

2. TITLE: The optionors hereby represent and warrant that they are the owners of said mining claims pursuant to the mining laws of the United States of America; that said claims are and have been validly located and are presently in good standing; that the optionors have not made any sale, lease or other agreement affecting the rights herein granted nor have the optionors created any lien or other encumbrance thereon and that the optionors have the right, power and authority to execute this Agreement.

The optionors further represent that all assessment work on said claims has been done to date and the proofs thereof duly filed with the County Recorder of Eureka County, Nevada. Optionors further warrant and represent that they have complied with all laws and regulations of the United States Bureau of Land Management or other federal agencies and have filed with such federal agencies all maps, certificates, reports or other documents to keep said claims in good standing as required by said agencies and the rules and regulations thereof.

The optionors hereby warrant that the optionee, performing the terms of this Agreement shall have the right to the peaceful possession of all of said property and claims, which possession the optionors shall protect and defend against all claims other than

BOOK 81 PAGE 224

those caused by the optionee. To the best knowledge of the optionors these claims are not located within the BLM wilderness study area.

When the total purchase price as hereinafter set forth has been paid in full, the optionors shall immediately execute and deliver to the optionee a good and sufficient grant, bargain and sale Deed conveying said property and mining claims to the optionee free and clear of any and all liens, encumbrances or other title defects.

3. TERMS OF AGREEMENT: The term of the Agreement shall commence with the date hereon and shall continue for a period of time in accordance with the terms set forth as follows: Purchase Price - The purchase price is \$500,000.00, payable as follows:

- A. Optionee shall pay to optionors a down payment of \$3,000.00 upon signing this Agreement. In addition optionee shall pay to optionors \$1.00 per ton for the first 1000 tons of barite shipped. After the first 1000 tons of barite is shipped, optionee shall pay to optionors \$4.00 per ton for every ton of barite shipped thereafter.
- B. Optionee shall pay to optionors \$2,500.00 at the beginning of the second year of this Agreement.
- C. Optionee shall pay to optionors \$5,000.00 at the beginning of the third year of this Agreement.
- D. Optionee shall pay to optionors \$7,500.00 at the beginning of the fourth year of this Agreement.
- E. Optionee shall pay to optionors \$10,000.00 at the beginning of the fifth year of this Agreement, and \$10,000.00 each year thereafter until the purchase price of \$500,000.00 is paid in full.
- F. In the event that ores or minerals other than barite are mined and shipped from said property, optionors shall receive ten percent (10%) of the "net smelter return."

All payments from barite and other minerals produced for shipment shall be credited to the purchase price, and shall also be credited toward any future due annual payments in the order that said annual payments fall due. All production payments as set

forth above shall be paid on a monthly basis and shall be paid to the optionors on or before the twentieth. (20th) day of the month following the shipment of the ore. The optionee shall keep complete and accurate records of all ore shipped from said property and shall permit the optionors and/or their agents to examine, at their own expense, all such records and accounts for any reasonable time and on reasonable notice. The payments are to be paid on railroad weights or printed truck weight tickets. All payments will be made by checks being made to each of the optionors separately - Fifty percent to Maynard and/or Mary Bisoni and fifty percent to Lester and/or Geneve Bisoni.

It is understood that if this Agreement is cancelled or terminated for any reason prior to the due date of any of the above payments, the optionee shall not be obligated to make the payments which may have a due date after any such cancellations or termination of this Agreement except payments due for minerals shipped.

4. MANNER OF EXPLORATION AND MINING: Optionee shall conduct all operations on the property in accordance with good mining practice, and with a view toward the development of the premises for permanent mining purposes and so as to develop the property as a workable mine. Optionee agrees that in so far as practicable and consistent with good mining practice it will not leave valuable ore in inaccessible places nor otherwise conduct its operations so as to waste ore.

Optionee shall in the conduct of its mining operations on said property comply with all federal, state, local and other applicable laws, statutes, rules and regulations applicable to said mining operations. It shall, at its own expense, post all bonds and pay all expenses required by any governmental agency pertaining to the work on said property. The expense and responsibility of restoring, relandscaping, seeding or otherwise cleaning up said property

as may be required by law or regulations shall be the obligation of the optionee.

5. INSPECTION: The optionors shall have the right to enter upon the said property and inspect the same or the work carried out thereon at all reasonable times. Such inspection shall be at the risk of the optionors and shall not interfere with any of the operations or activities of the optionee.

6. OPERATING EXPENSE: Optionee agrees to pay for all labor, materials, supplies, equipment, services and other expenses that may be incurred by the optionee in connection with its exploration, use or operation of said property or mining claims. Optionee shall not, by its own acts or omissions, allow any claim or lien to be effectually made or asserted against the said property or mining claims. Optionee hereby agrees to indemnify and hold the optionors harmless against all expenses, liabilities, costs or other obligations arising from the optionee's exploration, occupation or operation of said property and mining claims.

Optionors may record in the office of the County Recorder of Eureka County, Nevada, a Notice of Non-Responsibility relieving the optionors of any and all liability or responsibility for mining operations conducted on the said property, for any materials furnished in connection therewith and for injuries to persons or damage to property occurring on the said premises as a result of the operations conducted by the optionee or its agents.

7. INJURIES OR DAMAGES: The optionors shall not be liable for any injuries, death or property damage to any person or persons on or about said mining claims arising out of or resulting from the exploration, mining operation and use of said premises by the optionee, including the agents, servants, employees or guests of the optionee,

and the optionee hereby agrees to indemnify and hold the optionors free and harmless from all such injuries, death or property damage. In this connection, the optionee agrees to comply with all laws pertaining to workmen's compensation and occupational disease within the State of Nevada, and to comply with and abide will all state, federal or other governmental rules and regulations pertaining to the safety, working conditions and other employer-employee relationships.

8. TAXES: Optionee during the term of this Agreement, shall pay all taxes which may be due in connection with said mining claims, including all taxes which may be levied against any improvements, structures or other facilities used or erected by the optionee on said property. It is agreed that the optionors shall pay their prorata share of the Nevada Net Proceeds of Mines tax.

9. ASSESSMENT WORK: Optionee agrees to do and perform within the time required by law all assessment work and labor necessary to maintain and protect title to the unpatented mining claims herein described. Optionee shall assume the responsibility of preparing and recording the necessary affidavits or proof of labor and doing assessment work as required by law, however, optionors shall cooperate with optionee in this regard. In the event optionee terminates this Agreement, optionee shall do assessment work, prepare and record the necessary documents for that year.

10. RIGHT TO INFORMATION: Upon any termination of this Agreement, the optionee agrees to furnish the optionors with copies of all drilling and sampling data or reports of metallurgical tests and copies of any and all geological maps relating to said premises prepared by the optionee during the term of this Agreement.

11. TERMINATION: The optionee may at any time surrender and terminate this Agreement after giving the optionors thirty (30) days written notice of intention to terminate, and by delivering to the optionors a quitclaim deed duly executed and acknowledged releasing all of optionee's interest in and to said property and mining claims. Upon any such termination, the optionee shall pay all sums due to the optionors to the effective date of such termination and shall comply with all laws, rules and regulations pertaining to the restoration of said property.

12. DEFAULT: This Agreement is made on the condition that optionee shall perform all covenants and conditions herein contained. If optionee shall fail to make any payment due hereunder, or shall fail to comply with any other covenant or condition of this Agreement, optionors may give optionee thirty (30) days written notice thereof, and thereafter if optionee fails to cure such default within the thirty day period from and after the receipt of the written notice, then at optionors option, all further rights and privileges granted optionee hereunder may be terminated and optionee will peaceably surrender possession of the premises to the optionors. Time is of the essence hereof. Upon any such termination of this Agreement, the optionors reserve the right to pursue any remedy at law or equity for the collection of damages, or payments due from the optionee or for the possession of said mining claims. In the event of any lawsuit or other legal action by either party against the other growing out of this Agreement, the court may award such costs and attorney fees to the prevailing party as it deems proper.

13. RIGHT TO REMOVE EQUIPMENT: Upon any termination of this Agreement the optionee shall have ninety (90) days from the date of said termination to remove from said property all tools, equipment,

machinery, building, structures and other property of every nature and description owned by the optionee or placed by the optionee on said property, so long as removal of said improvements does not structurally damage said mining claims. If said property is not removed within the said 90 days, the same shall revert to the optionors.

14. ADDITIONAL CLAIMS: Any additional claims located during the term of this Agreement by either the optionors or the optionee, or any person, firm, partnership or corporation, substantially acting in their behalf, within three thousand (3000) feet of the outer boundaries of any of the claims herein described shall be deemed part of this Agreement and subject to all of the terms and conditions hereof and upon the termination of this Agreement the same shall revert to the optionors.

15. NOTICES: All notices given pursuant to this Agreement shall be in writing and shall be deemed given when deposited in the United States Mail, postage prepaid, as Certified Mail, addressed to the parties at the addresses set forth below:

Optionors: Maynard and/or Mary Bisoni
P.O. Box 152
Eureka, Nevada 89316
and
Lester and/or Geneve Bisoni
P.O. Box 184
Eureka, Nevada 89316

Optionee: Custom Milling & Supply
746 Everett Avenue
Salt Lake City, Utah 84116

16. AMENDMENTS: This Agreement sets forth the entire understanding between the parties hereto and any and all modifications, amendments, additions or changes shall be in writing and signed by all parties.

17. BINDING: This Agreement shall be in full force and effect from the date hereinabove written, and thereafter shall be binding upon the parties hereto and the successors and assigns of the parties hereto, subject to the terms and conditions contained herein. This Agreement shall inure to the benefit of the optionee and its successors and assigns, and the optionee may assign this Agreement at any time without the consent of the optionors.

18. SOLE AGREEMENT: This Agreement shall constitute the sole understanding of the parties with respect to the subject matter hereof and no modification or alteration of the terms hereof shall be binding unless such modification or alteration shall be in writing executed subsequent to the date hereof by all of the parties hereto.

IN WITNESS WHEREOF, Optionee and Optionors have executed this Agreement effective as of the date first above set forth.

Maynard Bisoni
MAYNARD BISONI

Lester Bisoni
LESTER BISONI

Mary Bisoni
MARY BISONI

Geneve Bisoni
GENEVE BISONI

CUSTOM MILLING & SUPPLY

By C. P. Webster

STATE OF NEVADA)
)
) SS.
COUNTY OF EUREKA)

On this 28th day of April, 1980, personally appeared
before me MAYNARD BISONI and MARY BISONI, who acknowledged that
they executed the above instrument.

Joel Shangle
NOTARY PUBLIC COUNTY CLERK
EX-OFFICIO CLERK of the THIRD JUDICIAL COURT

STATE OF NEVADA)
)
) SS.
COUNTY OF EUREKA)

SEAL
Affixed

On this 28th day of April, 1980, personally appeared
before me LESTER BISONI and GENEVE BISONI, who acknowledged that
they executed the above instrument.

Joel Shangle
NOTARY PUBLIC COUNTY CLERK
EX-OFFICIO CLERK of the THIRD JUDICIAL COURT

STATE OF)
)
) SS.
COUNTY OF)

SEAL
Affixed

On this 9 day of May, 1980, personally appeared
before me C. P. WEBSTER, known to me to be the
MANAGER of CUSTOM MILLING & SUPPLY, who acknowledged
that he executed the above instrument.

RECORDED AT REQUEST OF
Ross P. Eardley
BOOK 81 PAGE 232

May B. Webster
NOTARY PUBLIC

80 MAY 28 A10:24

OFFICIAL RECORDS
EUREKA COUNTY, NEVADA
WILLIS A. DERAGLI-RECORDER
FILE NO. 73618
FEE \$ 12.00

-10-

BOOK 81 PAGE 232