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BOOK 266 PAGE 305

EXPLORATION LICENSE AND ACQUISITION OPTION

THIS AGREEMENT is made and entered into as of this 7th day of May, 1986 by and between ELKO LAND AND LIVESTOCK COMPANY, a Nevada corporation, as "GRANTOR"; and NEWMONT GOLD COMPANY (formerly Carlin Gold Mining Company), a Delaware corporation, P.O. Box 669, Carlin, Nevada 89822, as "GRANTEE";

W I T N E S S E I H:

WHEREAS the GRANTOR represents itself to be the substantial owner of the TS Ranch in Lander, Eureka and Elko counties, Nevada, which TS Ranch consists of surface estates, mineral estates or partial mineral estates, and surface and mineral estates or partial mineral estates, in combination, such interests and estates (subject to prior dispositions by GRANTOR appearing of record) being more particularly described in that certain Grant, Bargain, and Sale Deed, dated as of the 20th day of August, 1982, with the GRANTOR herein being the Grantee therein, which Deed was recorded in the Official Records of Eureka County, Nevada, on August 20, 1982, in Book 104, at Pages 349-374, in the Official Records of Elko County, Nevada, on August 20, 1982, in Book 399, at Pages 380-405, and in the Official Records of Lander County, Nevada, on August 20, 1982, in Book 215, at Pages 291-316; and

WHEREAS the GRANTOR specifically represents and warrants itself to be the owner of the surface estate overlying

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BOOK 144 PAGE 250

those lands described in Exhibit A attached hereto, said surface estate hereinafter referred to as the "Surface Lands"; and

WHEREAS the GRANTEE had previously acquired the entire mineral estate (excepting certain oil, gas, hydrocarbon and geothermal rights) to the Surface Lands, including most recently the acquisition of all the right, title and interest of the GRANTOR by that certain Mineral Warranty Deed dated as of the 16th of April, 1986, which Deed was duly recorded in the Official Records of Eureka County, Nevada, on April 17, 1986, in Book 143, at Pages 345-347, and in the Official Records of Elko County, Nevada, on April 17, 1986, in Book 521, at Pages 118-120; and

WHEREAS the GRANTOR has no claim to any minerals of any kind or nature in, on or under the Surface Lands, no matter how such minerals may be recovered by others;

NOW THEREFORE, for and in consideration of the sum of TEN AND 00/100 DOLLARS (\$10.00) and other good and valuable consideration, in hand paid by the GRANTEE to the GRANTOR, the receipt and sufficiency of which is hereby acknowledged by the GRANTOR, the GRANTOR hereby grants to the GRANTEE the licences and options set forth below in and to the TS Ranch lands generally, and specifically as to said Surface Lands:

1. EXPLORATION LICENSE: The GRANTOR hereby grants and issues to the GRANTEE, for the term hereof, a license to enter and cross the lands of the TS Ranch, presently owned or acquired in the future, in order for the GRANTEE to access areas within the exterior boundaries of the TS Ranch being explored by the

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GRANTEE for mineral potential and development, whether such areas of mineral interest underlay the TS Ranch lands, or are other lands or mining claims within the exterior boundaries of the TS Ranch.

Said license shall include the right to use all existing roads, ways and surface of the TS Ranch lands, and shall include the right to construct new roads, ways or drill pads to facilitate exploration. Further the GRANTEE may undertake reasonable exploration activities upon the surface of the TS Ranch lands necessary to explore and develop the minerals that may be contained in, on or under said lands, including, but not limited to, surface sampling, trenching, drilling, and bulk sampling.

2. OPTION TO PURCHASE THE SURFACE LANDS: The GRANTOR hereby grants to the GRANTEE an exclusive option (options) to purchase, in fee, all or any part of the Surface Lands at any time during the term hereof. Such option may be exercised by the GRANTEE as to different parcels of the Surface Lands at different times during the term hereof, provided that such selection be made by the GRANTEE by aliquot parts of the rectangular survey system in nominal 40 acre parcels. The option granted hereby shall continue to survive as to the remaining parcels of the Surface Lands.

The GRANTEE may purchase all or part of the Surface Lands at a reasonable and equitable price to be negotiated with the GRANTOR on a parcel by parcel basis, taking into consideration the GRANTOR's obligations under the TS Ranch Joint

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Venture. In the event the parties are unable to reach a negotiated purchase price, the GRANTEE shall provide, at the GRANTEE's expense, an appraisal from a qualified appraiser, appraising the portion of the Surface Lands to be purchased as similar agricultural (grazing) lands, surface estate only, with no claim to minerals of any kind or nature, in the surrounding locale. Said appraisal shall then be the purchase price.

Each time the GRANTEE elects to purchase all or a portion of the Surface Lands from the GRANTOR, the GRANTOR shall convey said Surface Lands to the GRANTEE by a good and sufficient Warranty Deed, in recordable form, and in a form approved by counsel for the GRANTEE.

3. OPTION TO ACQUIRE OTHER TS RANCH LANDS: The GRANTOR hereby grants to the GRANTEE an exclusive option (options) to acquire any real property interests of the GRANTOR in and to the lands of the TS Ranch, or any part thereof, other than the Surface Lands described in Exhibit A, be such surface estates, mineral estates or partial mineral estates, or combined surface and mineral estates or partial mineral estates (excepting oil, gas, hydrocarbons and geothermal rights), hereinafter referred to simply as "Other Ranch Lands".

As with the Surface Land option (options) discussed above, the GRANTEE shall have the right to exercise its option (options) to acquire the Other Ranch Lands at any time during the term hereof, any number of times, to any or all of the Other Ranch Lands, so long as such election is to acquire said lands or

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estates in lands by aliquot parts of the rectangular survey system in nominal 40 acre parcels.

If the lands elected under the option or options of the GRANTEE to be acquired from the GRANTOR include surface estates, said surface estate shall be purchased by the GRANTEE from the GRANTOR under the same terms and conditions as for the Surface Lands as discussed in Section 2 above.

If the lands elected under the option or options of the GRANTEE to be acquired from the GRANTOR include mineral estates or partial mineral estates, the parties shall negotiate a purchase price for said mineral estate that properly recognizes and reflects the partial mineral interest of the GRANTEE, if any, the exploration expenditures of the GRANTEE, and the costs of developing and mining the interest to be acquired. Upon agreement of the purchase price, said mineral interest shall be conveyed by the GRANTOR to the GRANTEE by a good and sufficient Mineral Warranty Deed, in recordable form, free of liens and encumbrances, and in a form approved by counsel for the GRANTEE.

In the event that the parties hereto are unable to agree to any purchase price for the acquisition by the GRANTEE of the mineral estate of any parcel to which the GRANTEE elects its option to acquire within 120 days from the effective date of the GRANTEE's notice of election, then, as of that date, the GRANTEE is deemed, if it so further elects, to have a "Mining Lease" as to that mineral estate. Such Mining Lease shall be drafted by counsel for the GRANTEE and contain terms standard in the mining

industry for similar operations, including but not limited to: a term of not less than twenty-five (25) years; no advance royalty payments; production royalty payments of ten percent (10%) net mint or smelter returns (NSR) paid only on the mineral estate interest owned by the GRANTOR; freely assignable, and including a recordable memorandum of such Mining Lease. Even though such Mining Lease shall be deemed effective as the 121st day following the effective day of the GRANTEE's notice of election of its option to acquire, the GRANTOR shall have an additional thirty (30) days to comment upon and approve the Mining Lease form after presentment by the GRANTEE. Failure by the GRANTOR to cooperate with, and eventually approve the Mining Lease form, within said thirty (30) day period shall be deemed approval by the GRANTOR. Under such circumstances the GRANTEE may record, in the records of the pertinent county, appropriate documents indicating the existence and terms of such Mining Lease.

4. ELECTION OF OPTIONS AND CLOSINGS: All options to purchase or to otherwise acquire any or all of the real property interests of the GRANTOR hereunder shall be exercised by the GRANTEE by giving written notice, as provided for below, to the GRANTOR, stating specifically the land parcels and type of estate or estates in such lands that are to be acquired.

All purchase transactions contemplated hereby shall close within a reasonable time after notice of election to so purchase is given by the GRANTEE to the GRANTOR. The full purchase price of the parcel being purchased shall be made by the

GRANTEE to the GRANTOR at the time the GRANTOR conveys the property interest to the GRANTEE.

5. TERM: This Agreement, and the license and options granted hereunder, shall terminate as of January 1, 2036, at 12:00 noon, unless extended in writing by the parties hereto. However, all options elected prior to said date, shall be honored and this Agreement shall survive to accomplish a closing as to said options.

6. NOTICES: Any notice or demand which is required to be given hereunder by either party hereto which either party may desire to give to the other hereunder shall be given in writing by mailing the same by United States mail, registered or certified, return receipt requested, postage prepaid, addressed to the other party at his respective address shown below and, to be effective, must be made to all those designated to receive copies set forth below. A notice hereunder shall be effective the second (2nd) day next following deposit thereof in the United States mail or, if made by personal or electronic delivery, the same shall become effective on the day of such delivery to the party as provided herein. A party's address, as set forth hereinbelow and/or the person to whose attention the notice is to be given, may be changed by such party by notice given as provided herein to the other party:

If the notice is to GRANTOR:

Elko Land and Livestock Company
Attention: President
P. O. Box 669
Carlin, Nevada 89822

7.

If the notice is to GRANTEE:

Newmont Gold Company
Attention: General Manager
P.O. Box 669
Carlin, Nevada 89822

7. CONSIDERATION: Upon the execution of this Agreement the the GRANTEE shall pay to the GRANTOR the sum of One-Thousand Dollars (\$1,000) as consideration for the license and options granted hereunder. In addition the GRANTEE shall pay to the GRANTOR the sum of One-Hundred Dollars (\$100) on January 1st of each year, commencing on January 1, 1988, to keep this Agreement in force and effect. Should the GRANTEE fail to timely make any such annual payment this Agreement shall not terminate unless and until the GRANTOR has given the GRANTEE written notice of such failure and allowed the GRANTEE sixty (60) days to make such required payment.

8. HYPOTHECATION OR ASSIGNMENT OF SUBJECT PROPERTY: Any sale of the fee of the Surface Lands or the Other Ranch Lands by the GRANTOR, its successors or assigns, shall be subject to the terms and conditions of this Agreement.

9. IS RANCH JOINT VENTURE: It is the GRANTOR's belief that entering into this Agreement is permitted under the TS Ranch Joint Venture Agreement, between the GRANTOR and Snake River Cattle Trucking Co., Paragraph 5.3. If for any reason GRANTOR shall be unable to complete the sale of the land interests described above, then the GRANTOR shall provide to the GRANTEE an exclusive license for a term of not less than fifty (50) years.

8.

BOOK 144 PAGE 257

in recordable form, to use the selected lands as specifically permitted under Paragraph 5.3 of said TS Ranch Joint Venture Agreement.

10. NON-PARTNERSHIP: This Agreement shall not constitute or be construed to constitute a partnership, mining partnership, joint venture or joint operation. The full control and determination as to manner, extent and character of mining operations shall be determined by GRANTEE without interference from GRANTOR.

11. ENTIRE AGREEMENT; AMENDMENTS: This Agreement contains the entire agreement between GRANTEE and GRANTOR, and no oral agreement, promise, statement or representation which is not contained herein shall be binding upon GRANTEE or GRANTOR. All amendments of this Agreement shall be in writing and executed by the parties.

12. BINDING EFFECT: All of the terms, conditions, warranties, covenants and agreements herein contained shall be binding on the parties hereto, their partners, heirs, successors and assigns.

13. RECORDATION: The parties hereto agree that this Agreement may be recorded by either party hereto.

14. SEVERABILITY: If any of the provisions of this Agreement is or becomes void or unenforceable by Force of Law, the other provisions shall remain valid and enforceable.

15. WAIVER: The failure to enforce at any time any of the provisions of this Agreement or to require at any time

performance by any party of any of the provisions hereof shall in no way be construed to be a waiver of such provisions or to effect either validity of this Agreement, or any part hereof, or the right of each party thereafter to enforce each and every provision in accordance with the terms of this Agreement.

16. NONRESPONSIBILITY: Nothing herein contained shall be construed as preventing the GRANTOR from duly posting and recording notices of nonresponsibility for liabilities incurred on the Surface Lands or Other Ranch Lands by the GRANTEE.

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

GRANTOR:

ELKO LAND AND LIVESTOCK
COMPANY, a Nevada corporation

BY: [Signature]

TITLE: PRESIDENT

GRANTEE:


NEWMONT GOLD COMPANY, a
Delaware corporation

BY: [Signature]

TITLE: V.P. & Gen. Mgr.

STATE OF Nevada)
COUNTY OF Elko) SS.

On May 7, 1986 personally appeared
before me, a Notary Public, Carmen Fumasi, known to me to
be a duly qualified and acting officer of ELKO LAND AND LIVESTOCK
COMPANY, who acknowledged to me that he executed the foregoing
instrument in that capacity.

John C. Miller
NOTARY PUBLIC
 JOHN C. MILLER
Notary Public - State of Nevada
Elko County, Nevada
Appointment Expires August 23, 1989

STATE OF Nevada)
COUNTY OF Elko) SS.

On May 7, 1986 personally appeared
before me, a Notary Public, Robert L. Berge, known to me to
be a duly qualified and acting officer of NEWMONT GOLD COMPANY,
who acknowledged to me that he executed the foregoing instrument
in that capacity.


John C. Miller
NOTARY PUBLIC
 JOHN C. MILLER
Notary Public - State of Nevada
Elko County, Nevada
Appointment Expires August 23, 1989

EXHIBIT A

Surface Lands

All of the right, title, and interest of the GRANTOR in the surface estate overlying those parcels, generally located in Eureka and Elko counties, Nevada, more particularly described as follows:

Township 36 North, Range 49 East, MDB&M

Section 2: N1/2SW1/4; SW1/4SW1/4

Section 3: E1/2SE1/4

Section 24: N1/2NE1/4

Township 36 North, Range 50 East, MDB&M

Section 19: NW1/4; NE1/4SW1/4; SE1/4

Section 30: E1/2NE1/4; NE1/4SE1/4

Section 31: All

Section 32: W1/2

Township 35 North, Range 50 East, MDB&M

Section 3: W1/2

Section 13: E1/2; SW1/4; S1/2NW1/4

Section 15: E1/2

Township 35 North, Range 51 East, MDB&M

Section 19: SW1/4

Township 34 North, Range 51 East, MDB&M

Section 25: Portion Southwesterly of the new drift fence as constructed in 1946 (Assumed to be Southwesterly of the Maggie Creek Road)

Section 36: NE1/4NW1/4; SW1/4NE1/4; and that portion of the NW1/4NE1/4 South and West of the new drift fence

REGISTERED AT REQUEST OF
John C. Miller
BOOK 144 PAGE 250

86 MAY 13 P 1:18

OFFICIAL RECORDS
EUREKA COUNTY, NEVADA
MIN. REBAL. & L. RECORDER
FILE NO. 102628
FEE \$16.00

12.

OFFICIAL RECORDS
LANDS BY
RECORD & L. RECORDER BY

John Miller

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FEE 16.00 C.E.P. *gt*

BOOK 144 PAGE 261