

December 3, 1991

138831

PURCHASE OPTION AGREEMENT
(ELLCO - NEWMONT)

THIS AGREEMENT, made the 3rd day of December, 1991, by and between ELKO LAND & LIVESTOCK COMPANY, a Nevada corporation, hereinafter called "ELLCO" (or Grantor); and NEWMONT GOLD COMPANY, a Delaware corporation, hereinafter called "NEWMONT" (or Grantee).

R E C I T A L S:

WHEREAS, ELLCO is the owner of certain ranching properties in northern Eureka and southwestern Elko counties, Nevada, in the area of Boulder Valley, and Little Boulder Valley; and

WHEREAS, NEWMONT has extensive mining operations in and about Boulder Valley, and Little Boulder Valley, that are constantly expanding and require surface uses for mine waste disposal, tailings disposal facilities, leach pads, mill facilities, equipment areas, mine dewatering facilities and areas, as well as the exploration of the underlying mineral estates; and

WHEREAS, even though ELLCO and NEWMONT have in the past cooperated in providing mine use of ELLCO lands for NEWMONT's mine and mining expansions in the area, NEWMONT is now desirous of obtaining an option to purchase and possibly to purchase the lands and appurtenant rights thereto to be used for mine and related uses now and in the future; and

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NOW, THEREFORE, for and in consideration of the sum of TEN DOLLARS (\$10.00) and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by ELLCO, and for the covenants and conditions hereinafter contained, the parties hereto agree as follows:

1. PROPERTY: Pursuant to the option contained herein NEWMONT agrees to purchase, if it so elects, and ELLCO agrees to sell the real property ("Subject Property") or any part thereof, described below, including mineral rights, together with all buildings (including, fences, corrals, growing crops, water rights, water distribution systems (including windmills, pumps and pipelines) and grazing rights associated with, and appurtenant to, the Subject Property. Specifically not included are mobile equipment and livestock which are to be retained upon Closing of purchase by ELLCO.

Subject Property:

All that real property now owned or hereinafter acquired by ELLCO within Township 36 North, Range 49 East, Township 36 North, Range 50 East, Township 35 North, Range 49 East, and Township 35 North, Range 50 East, M.D.B.&M.

TOGETHER WITH all right, title, and interest in and to the improvements, rights, privileges, royalties, easements, reversions, remainders, rents, issues, and profits which are appurtenant to or obtained from such real property, including without limitation, all water, water rights, ditches, ditch rights, timber rights, and mineral rights appurtenant to such real property.

2. PURCHASE OPTION: ELLCO hereby grants to NEWMONT the sole and exclusive option to elect to purchase the Subject Property, or any part thereof, at any time, in any amount, pursuant to the terms and conditions of this Agreement at any

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time during the period commencing with the date of this Agreement and ending at 11:59 p.m. on June 30, 2011. NEWMONT shall have the right during such period to make the election to purchase separate parcels at separate times during the term of the option, and Closing(s) on any parcel(s) of the Subject Property shall not extinguish the option on the remainder of the Subject Property. Notice of such election shall be given in writing by the means set forth below for notices. In consideration for such option to purchase, NEWMONT, upon execution of this Agreement shall pay to ELLCO the amount of FIFTY THOUSAND DOLLARS (\$50,000.00). Should NEWMONT not timely elect to exercise the option to purchase any parcel of the Subject Property during the term hereof, such option consideration shall be retained by ELLCO, however, should NEWMONT timely elect to exercise the option to purchase such option consideration shall be applied to the purchase price of any parcel or parcels.

3. PURCHASE PRICE: Upon NEWMONT's election to purchase the any parcel or parcels of the Subject Property it agrees to pay to ELLCO an appraised value for said parcel or parcels subject of that Closing.

4. TITLE: At the Closing of any parcel or parcels of the Subject Property, ELLCO shall, by Grant, Bargain and Sale Deed, approved as to content and form by NEWMONT's counsel, convey to NEWMONT fee title to the parcel or parcels of the Subject Property subject of that Closing, which is marketable, free and clear of tenancies or leases granted by ELLCO, liens and encumbrances, except those of record as of the date of this

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Agreement, insured with a standard form CLTA owner's policy in the amount of the purchase in favor of NEWMONT.

5. TRANSFER OF WATER RIGHTS: ELLCO shall have properly executed documents, in recordable form approved by counsel for NEWMONT, at the pertinent Closing so that all water rights appurtenant to, and part of, the Subject Property subject of that Closing may be transferred to NEWMONT in accordance with the regulations of the Nevada State Engineer.

6. CLOSING - ESCROW: Immediately upon the notice of NEWMONT to ELLCO that it has elected its option to purchase as to a parcel or parcels of the Subject Property, ELLCO and NEWMONT shall cause an escrow to be opened at Frontier Title company at its escrow office located at 445 Fifth Street, Elko, Nevada to effectuate that Closing. ELLCO and NEWMONT shall agree on an appraiser to appraise the parcel or parcels in question, and NEWMONT agrees to pay ELLCO the appraisal price for purchase. ELLCO and NEWMONT agree to execute escrow instructions which may be necessary to consummate the transactions contemplated hereby and to deposit into escrow all sums and documents which the escrow instructions shall call upon them to deposit periodically. Escrow fees shall be divided equally between the parties.

7. CLOSINGS: Closings under this Agreement, if the purchase option is exercised as to any parcel or parcels of the Subject Property, shall take place at Frontier Title Company as soon after NEWMONT gives notice of its election to exercise the purchase option as is reasonably practical, with the parties hereto seeking to accomplish such within 90 days of such notice,

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subject to the parties obtaining an appraisal to determine the purchase price. Any Closing or Closings, on any parcel or parcels of the Subject Property, shall not extinguish the purchase option during the term hereof (unless such is a Closing on the remainder of the Subject Property).

8. APPORTIONMENTS: At any Closing, the escrow officer of Frontier Title Company will prorate, as of Closing date, all ad valorem real estate taxes and assessments affecting the respective properties for the tax and assessment years in which the Closing takes place.

9. TRANSFER TAXES/RECORDING COSTS: All realty transfer and other similar taxes payable with respect to the deeds of conveyance shall be paid by the party executing and delivering the same. Each party shall cause the documents which are to be executed and delivered by such party to be prepared at its own expense. The party to whom the deed of conveyance is delivered shall bear the expense of recording the same.

10. TRANSFER OF POSSESSION: ELLCO shall transfer possession and control of the purchased parcel or parcels of the Subject Property to NEWMONT immediately upon the Closing pertinent thereto. However, ELLCO shall be allowed an additional 60 days to effectuate the removal of all livestock and equipment.

11. DEFAULT: If, for any reason, a party fails, neglects or refuses to perform such party's obligations under this Agreement, the other party shall have remedies for breach of contract as may be available under applicable law, including, without limitations, the remedy of specific performance.

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12. CHOICE OF LAW: All terms and conditions of this Agreement shall be governed and controlled by the applicable laws of the State of Nevada.

13. ASSIGNMENT: This Agreement, and any right or obligation hereunder, shall not be assigned by either party without the prior written consent of the other. Subject to the foregoing, this Agreement shall bind and inure to the benefit of the parties hereto and their respective successors and assigns.

14. REPRESENTATION BY PARTIES: This is the entire and complete agreement of the parties and there are no representations or warranties by the parties except as expressly set forth in this Agreement and any instrument required to be delivered pursuant to this Agreement.

15. FURTHER ASSURANCES: In addition to executing any documents required at any Closing, as approved by counsel for NEWMONT, ELLCO will execute any additional documents and take any additional actions which may be required to carry out the intent of this Agreement. This provision will survive any Closing.

16. BROKERS: NEWMONT and ELLCO each acknowledges and represents to the other, that it has not entered into any brokerage, listing or sales agency agreement with any real estate broker or agent with respect to the Subject Property. If any real estate broker or agent subsequently claims any fee or commission with respect to the sale of the Subject Property by ELLCO to NEWMONT, the party through whom the broker claims the fee will indemnify the other party and hold that party harmless against all claims by the broker or agent.

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17. REPRESENTATIONS AND WARRANTIES:

A. NEWMONT hereby represents and warrants to ELLCO that all parties who are obligated to execute this Agreement have been duly authorized to do so, and that all documents delivered at Closing will be executed by a duly authorized person.

B. ELLCO hereby represents and warrants to NEWMONT that all parties who are obligated to execute this Agreement have been duly authorized to do so, and that all documents delivered at Closing will be executed by a duly authorized person.

C. ELLCO represents and covenants to NEWMONT that ELLCO has no knowledge of any suit, action, arbitration, claim, administrative proceeding, governmental investigation or other proceeding pending or threatened, affecting the property (Subject Property) to be conveyed by the party, except as disclosed in writing to NEWMONT prior to the execution of this Agreement.

D. NEWMONT, upon executing this Agreement, together with any amendments hereto, acknowledges that NEWMONT has agreed to purchase the real property to be conveyed and transferred herein as a result of NEWMONT's own inspection and investigation of the property and not on reliance upon any representation made by ELLCO, or any representative or agent of ELLCO. Accordingly, NEWMONT acknowledges that ELLCO, and ELLCO's agents and representatives, neither makes nor has made any express or implied warranties or representations concerning the agricultural productivity, livestock carrying capacity, or the condition or fitness of the subject property, improvements and fixtures sold. NEWMONT has relied upon NEWMONT's own inspection and

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investigation and accepts the property and rights appurtenant thereto "AS IS", including the physical and environmental condition thereof, exact acreage and boundary lines, location of easements and rights of way, access, water supply, drainage and extent of needed repairs, in any, and approves and waives any and all objections to the property's physical, environmental and economic condition. For purposes of this paragraph, Frontier Title Company is not an agent or representative of either ELLCO or NEWMONT.

18. TIME OF ESSENCE: Time is of the essence of this Agreement and each and every provision hereof.

19. PRIOR AGREEMENTS: All prior agreements, if any, between the parties concerning the Subject Property are revoked and superseded by this Agreement.

20. NOTICES: All notices and other communications given hereunder shall be in writing and either hand delivered or sent by certified mail, postage prepaid, return receipt requested, addressed as follows:

To NEWMONT: Newmont Gold Company
Attention: Graham M. Clark
1700 Lincoln Street, Suite 2800
Denver, Colorado 80203

With a copy to: John C. Miller, Esq.
Blohm Building, Suite 210
Elko, Nevada 89801

To ELLCO: Elko Land & Livestock Company
Attention: President
555 Fifth Street
Elko, Nevada 89801

or at such other address or addresses or to such other persons as

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the parties may indicate by notice. Notices and communications shall be effective on the date received, or five (5) days after mailing, whichever occurs first.

21. ATTORNEY FEES: Each party shall bear the attorney fees incurred through their respective attorneys.

22. CONSTRUCTION: Each party and counsel for each party has reviewed, or has had the opportunity to review, this Agreement and, accordingly, the normal rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of the Agreement.

23. SURVIVAL: The provisions of this Agreement shall survive close of sale and shall not merge in the Deed and other transfer documents.

24. CAPTIONS: The captions or headings of the sections hereof are for convenience only and shall not control or affect the meaning or construction of any of the terms or provisions of this Agreement.

IN WITNESS WHEREOF, this Agreement is executed on the day and year first hereinabove written.

ELLCO:

ELKO LAND & LIVESTOCK COMPANY

By: Kenneth A. Bauak

Title: PRESIDENT

Print Name: Kenneth A. Bauak

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NEWMONT:

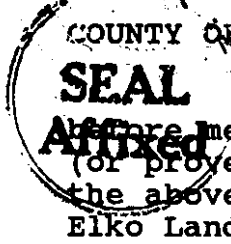
NEWMONT GOLD COMPANY

By: Graham M. Clark, Jr.

Title: Sr. Vice President & General Counsel

Print Name: Graham M. Clark, Jr.

STATE OF Colorado)
COUNTY OF _____) SS.



On December 3, 1991, personally appeared before me, a Notary Public, Kenneth A. Bruck, personally known (or proved) to me to be the person whose name is subscribed to the above instrument, a duly qualified and authorized officer of Elko Land & Livestock Company, who acknowledged to me that he executed the above Mining Deed.

Diane M. DeBar
NOTARY PUBLIC

My Commission expires
Nov. 18, 1992



STATE OF Colorado)
COUNTY OF _____) SS.

On December 3, 1991, personally appeared before me, a Notary Public, Graham M. Clark, Jr., personally known (or proved) to me to be the person whose name is subscribed to the above instrument, a duly qualified and authorized officer of Newmont Gold Company, who acknowledged to me that he executed the above Mining Deed.

Diane M. DeBar
NOTARY PUBLIC

My Commission Expires
Nov. 18, 1992

BOOK 229 PAGE 132
OFFICIAL RECORDS
RECORDED AT THE REQUEST OF

Newmont Gold
91 DEC 17 P4 02

EUREKA COUNTY, NEVADA
M.N. REBALCATEL. RECORDER
FILE NO. FEES 14.00

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