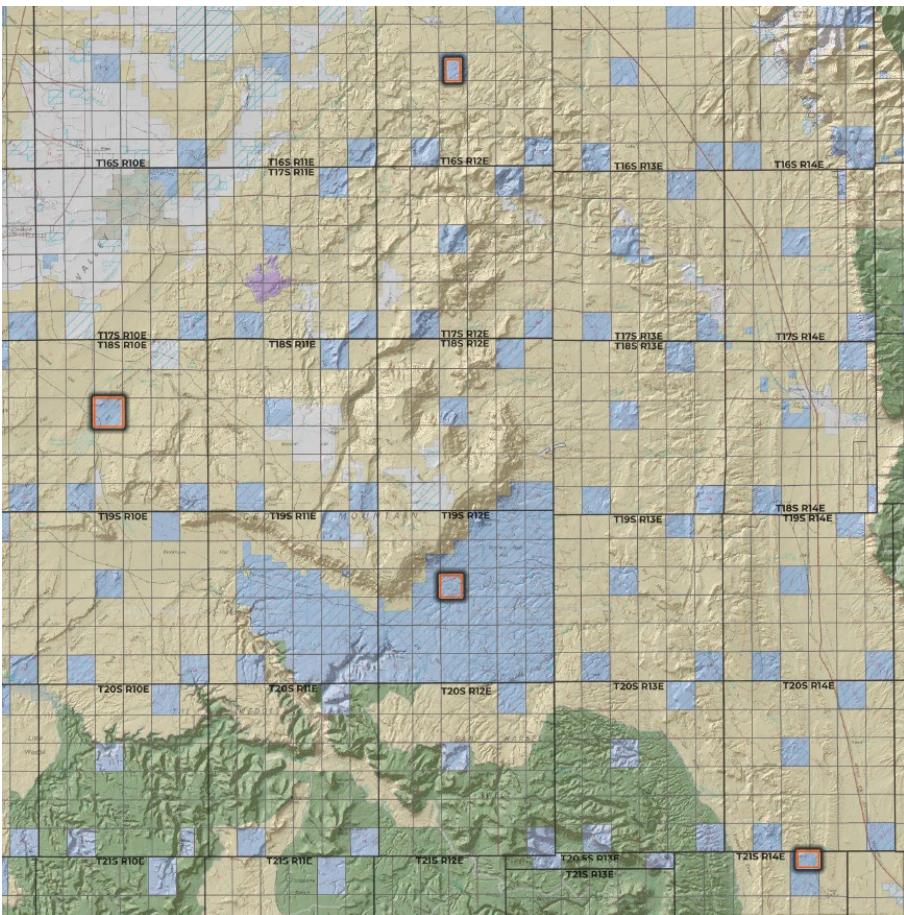
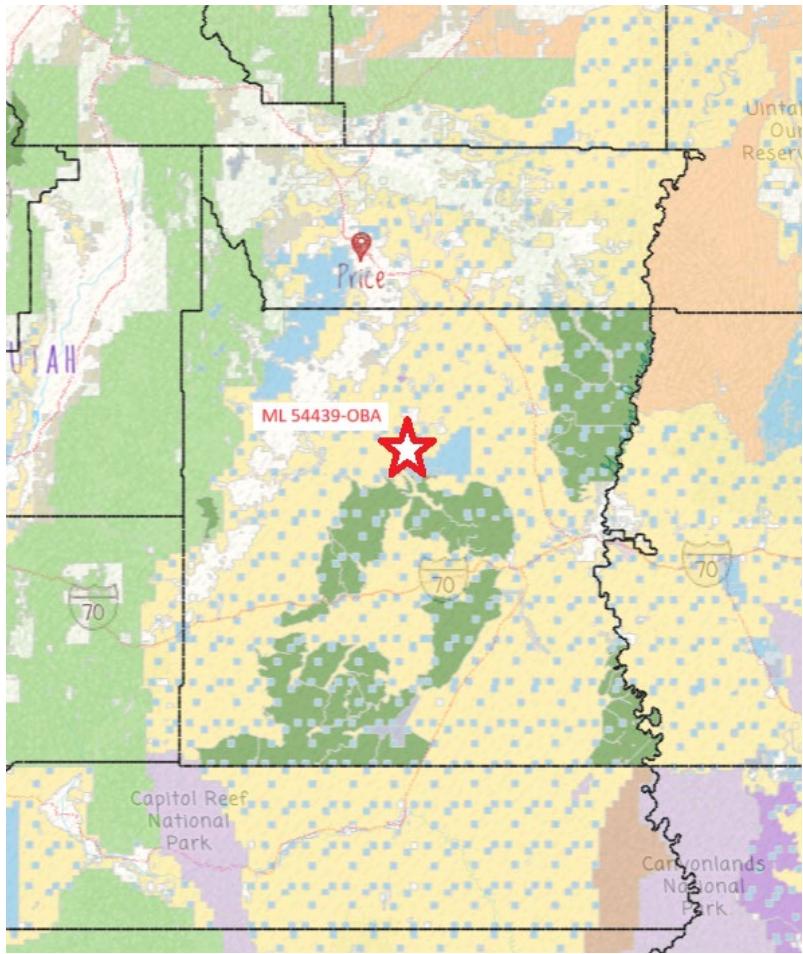


ML 54597-OBA

Exploration Agreement with Option
to Lease for Limestone

Andy Bedingfield and Stephanie Barber-Renteria







TSJ Construction

Highway construction, concrete, excavation, construction management etc.

Concrete aggregates are difficult to find in the Colorado Plateau region due to chemistry issues – Alkali-Silica Reactivity (ASR)

Limestone is resistant to ASR and makes a much longer lasting aggregate for concrete and other uses

Each parcel would be explored and leased if competent material is found

Proposed Other Business Arrangement

Terms

1. 3-Year Exploration Agreement Period – Lessee can perform exploration activities for limestone
2. Annual Rental \$5/acre for 1,500 acres
3. 10 Year Lease may be executed upon submittal of exploration data and a \$10,000 bonus payment
4. Royalty Rate of \$0.55 per short ton

