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Recording requested By SYTECH DEVELOPMENT

Lincoln County - NV - Recorder Leslie Boucher

Fee: \$25.00

Page 1 Recorded By: AE

Book- 242 Page- 0273



APN APN APN

Affirmation Statement

I, the undersigned hereby affirm that the attached document, including any exhibits, hereby submitted for recording does not contain the social security number of any person or persons. (Per NRS 239B.030)

I, the undersigned hereby affirm that the attached document, including any exhibits, hereby submitted for recording closs contain the social accurity number of a person or persons as required by

torotoperations, untalloperations LLC

CHRISSY DURON NOTARY PUBLIC STATE OF COLORADO

My Commission Expires 05/11/2010

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EXCLUSIVE PROCESSING AGREEMENT AND MILL SITE AGREEMENT

THIS EXCLUSIVE PROCESSING AGREEMENT ("Agreement") is dated 12008, and is between LINTAIL MINING NV CORPORATION, a Nevada corporation ("Lintail Mining"), and LINTAIL OPERATIONS, LLC, a Colorado limited liability company ("Lintail Ops"). Lintail Mining and Lintail Ops may also be referred to as "Party" or "Parties".

Lintail Mining owns or controls certain real property and mining interests in the Caselton tailings ponds, located in Lincoln County, Nevada, pursuant to Agreements with Oxidor Corporation, Inc. and Cadle's Gold, Inc., ("Tailings Ponds", described in Exhibit A) and has agreed to assign its rights under those Agreements for exclusive access, control and rights to process the tailings from the Ponds to Lintail Operations, LLC.

The certain real property and mining interests Lintail Mining owns or controls are 106 claims as more particularly described in the Bill of Sale dated January September 27, 2007 and the Bureau of Land Management (BLM) documents pertaining to said claims dated August 24, 2007 (Exhibits D and E, attached hereto).

Lintail Ops has agreed to process the tailings according to the terms and conditions of this Agreement and the Oxidor and Cadle Agreements.

NOW THEREFORE, the Parties agree as follows:

- 1. <u>Assignment</u>. Lintail Mining assigns its processing rights as the same are incorporated in the EXCLUSIVE PROCESSING AGREEMENTS, and any and all amendments thereto, with Oxidor Corporation, Inc. and Cadle's Gold, Inc. (attached hereto as Exhibits B, Exhibit B(1) and C) to Lintail Ops, pursuant to the terms and conditions in this Agreement. In addition, Lintail Mining assigns all of its surface access rights as the same are incorporated in the MILL SITE OPTION AGREEMENT with Oxidor Corporation, Inc. (attached hereto as Exhibit F) to Lintail Ops, pursuant to the terms and conditions in this Agreement.
- 2. <u>Scope of Work</u>. Lintail Ops shall process the excavated tailings that have been delivered to Lintail Ops by Lintail Mining to remove metals contained in the tailings and reduce the concentrations to levels agreed upon by Lintail Mining and the Bureau of Land Management ("BLM").

Lintail Mining shall excavate hazardous/metal constituent containing tailings from the Caselton Tailing Ponds (#1-#11) and the Prince Tailings, and deliver said tailings to Lintail Ops for processing. Upon delivery of the processed tailings material back to the Tailing Ponds, Lintail Mining will neutralize and immobilize the processed tailings utilizing current available technologies at a cost of time and materials approved by Lintail Ops.

3. <u>Five Year Exclusive Agreement.</u> This Agreement shall be an exclusive agreement for five (5) years. Lintail Ops may enter into a joint venture, assign process activity to third parties, and/or contract with subcontractors as necessary to complete the Project, upon prior notice to

Lintail Mining. The Parties agree that this Agreement may be renewed, at Lintail Op's discretion, for a period sufficient to allow Lintail Ops to complete the Project.

- 4. <u>Ownership of Processed Substances.</u> As consideration for its processing services, Lintail Ops shall have ownership of the processed substances, including all precious metals and any residual material from the Tailings that may be used for commercial purposes.
- 5. <u>Net Smelter Royalty</u>. Lintail Ops shall ensure that a net smelter royalty ("NSR") will be paid by the smelter/refiner from all assets recovered from the Tailings Ponds to Lintail Mining, Oxidor Corporation, Inc and Cadle's Gold, Inc. The NSR shall be calculated as seven and one half percent (7.5%) of the Net Smelter Revenues (as defined below). The NSR shall be paid by the smelter/refiner in an as "as-processed" basis, as follows:
- a) To Lintail Mining: 1% of the NSR for all assets processed from the Caselton Tailings Ponds
- b) To Oxidor Corporation, Inc.: 3.5% of the NSR for all assets processed from the eastern half of the Caselton Tailings Ponds 1-5; and 6.5% of the NSR for all assets processed from the Tailings Ponds 6-11
- c) To Cadle's Gold, Inc.: 3% of the NSR for all assets processed from the western half of the Caselton Tailings Ponds 1-5.

"Net Smelter Revenues" shall mean the gross revenue (the price paid by the smelter/refiner for all assets, including precious metals, base metals, or other assets from the Tailings Ponds processed at the processing facility) from all operations less all costs of the refining and charges of the smelter/refiner. Any direct or indirect costs of Lintail Ops, including any and all costs to prepare the material for sale to the smelter/refiner shall not be included in the calculation of the Net Smelter Revenues.

- 6. <u>Negotiations, Contracts, Releases and Permits</u>. Lintail Mining agrees to secure necessary approvals from the BLM and any other federal, state or local regulatory authorities related to the project, including, without limitation, reclamation of the site on which the tailings Ponds are located. Lintail Ops agrees to provide reasonable support to Lintail Mining in such negotiations as requested by Lintail Mining.
- 7. <u>Proper Accounting</u>. Lintail Ops agrees to provide proper accounting on the extraction of precious metals from the Pond tailings in accordance with GAAP (Generally Accepted Accounting Practices).
- 8. <u>Authorization</u>. This Agreement is a valid and binding obligation of both Parties, enforceable in accordance with its terms, subject to general principles of equity and any bankruptcy, assignment for the benefit of creditors or similar laws affecting creditor rights and remedies generally. The Parties' execution, delivery and performance of this Agreement and the transactions each shall consummate have been duly authorized by all necessary actions of Lintail Mining and Lintail Ops.

- 9. <u>Sale or Assignment of Lintail Ops; Continuation of Contracts</u>. Lintail Ops shall have the right to sell or assign all of the right, title and interest in Lintail Operations, LLC, together with its rights pursuant to this Agreement. Lintail Ops shall ensure that all contracts, agreements, leases and other documents relating to this Agreement shall continue to be in full force and effect and shall be honored by the purchaser of Lintail Operations, LLC.
- 10. <u>Events of Default</u>. The occurrence of the any of the following events shall constitute an Event of Default under this Agreement:
 - (a) Lintail Mining shall breach or fail to perform any material term, covenant, warranty or agreement in this Agreement or in any ancillary agreement, contract and/or document, and such default shall continue for 15 days after written notice thereof has been given to the breaching party by the non-breaching party, pursuant to the Notice requirements contained in this Agreement.
 - (b) Any representation or warranty made by either Lintail Mining in this Agreement shall prove to have been untrue at the time it was made in any material respect;
- 11. Remedies. Whenever an Event of default shall have occurred, the non-breaching party may:

 (a) Exercise any and all remedies granted to the non-breaching party under this Agreement and any other ancillary agreements, contracts or other document that is part of this transaction;

 (b) Take whatever action at law or in equity as may appear necessary or desirable to enforce observance or performance of the obligations of the breaching party under this Agreement.
- 12. <u>Notices</u>. All notices, requests, demands, and other communications under this Agreement shall be in writing and shall be deemed to have been duly given on the date of service if served personally on the party to whom notice is to be given, or on the third day after mailing if mailed to the party to whom notice is to be given, by first class mail, certified, return receipt requested, postage prepaid, and properly addressed as follows:

To Lintail Mining at:

Lintail Mining NV Corporation

Attn: Richard McGinn

7114 West Jefferson Ave., Suite 100

Lakewood, CO 80235

To Lintail Ops at:

Lintail Operations, LLC

Attn: Jonathan Sysum

1101 Academy Court, Unit 4

Fort Collins, CO 80524

- 13. <u>Termination</u>. This Agreement shall terminate and the servicing of the Tailing Ponds abandoned upon the occurrence of both of the following:
 - The exhaustion of the Caselton Tailings Pond Tailings available for transportation, extraction and reprocessing.
 - b) The complete remediation of the Caselton Tailings Ponds Tailings

If Lintail Ops should terminate this Agreement, all rights and obligations of the Parties hereunder shall terminate without any liability of any Party to any other Party, except for any liability of any Party arising from the breach of or failure to comply with any of the provisions of this Agreement. The Parties agree to cooperate with each other to minimize the effects of the termination of this Agreement on each party.

14. Agreement to Indemnify. Each Party agrees to indemnify and hold harmless the other Party and its affiliates, partners, agents, family members, heirs, attorneys, accountants and other representatives from and against all damages, losses, costs and expenses (including reasonable attorneys fees) incurred by reason of either Party's breach of this Agreement.

In addition, each Party hereby indemnifies and holds harmless the other Party and its affiliates, partners, agents, family members, heirs, attorneys, accountants and other representatives from and against any and all claims for injuries to persons or for damage to property, happening by reason of any negligence or intentional misconduct, on the part of either Party, its affiliates, employees or partners, during the performance of this Agreement.

- 15. <u>Binding Obligation</u>. This Agreement constitutes a legal, valid and binding obligation of Lintail Mining and Lintail Ops, enforceable in accordance with the terms and conditions of this Agreement, and the Exhibits, attached hereto, and incorporated herein as though fully set forth at this point. This Agreement may be amended only by a written instrument signed by all of the Parties.
- 15. <u>Severability</u>. The invalidity or unenforceability of any particular provision of this Agreement shall not affect or limit the validity or enforceability of the remaining provisions of this Agreement.
- 16. <u>Force Majeure</u>. The obligations of the Parties shall be suspended by the occurrence of any unforeseeable event beyond the control of the Parties including, but not limited to, acts of God, war, mobilization, riot, sabotage, explosion, casualty, power failure, inability to obtain sufficient labor or material, or law or regulations restricting performance; provided, however, that each Party shall take reasonable measures to remove the disability and resume operations at the earliest possible date.
- 17. <u>Costs and Attorneys' Fees</u>. If any action or proceeding is instituted by any Party to enforce or construe any provision of this Agreement, the prevailing Party in such action or proceeding shall be entitled to recover from such other Party all of its reasonable attorneys' fees and disbursements in addition to any other relief to which it may be entitled.
- 18. <u>Incorporation of Exhibits</u>. The Exhibits indentified in this Agreement are incorporated by reference and are made a part hereof.
- 19 <u>Governing Law.</u> This Agreement is made under, and is to be construed and enforced in accordance with the laws of the State of Colorado.

IN WITNESS WHEREOF, THE Parties hereto have duly executed this Agreement as of the date first above written.

LINTAIL MINING NV CORPORATION A Nevada Corporation

Richard McGinn, President

LINTAIL OPERATIONS, LLC

Jonathan G. Sysum, Manager

EXHIBIT B OXIDOR EXCUSIVE PROCESSING AGREEMENT AND EXHIBITS

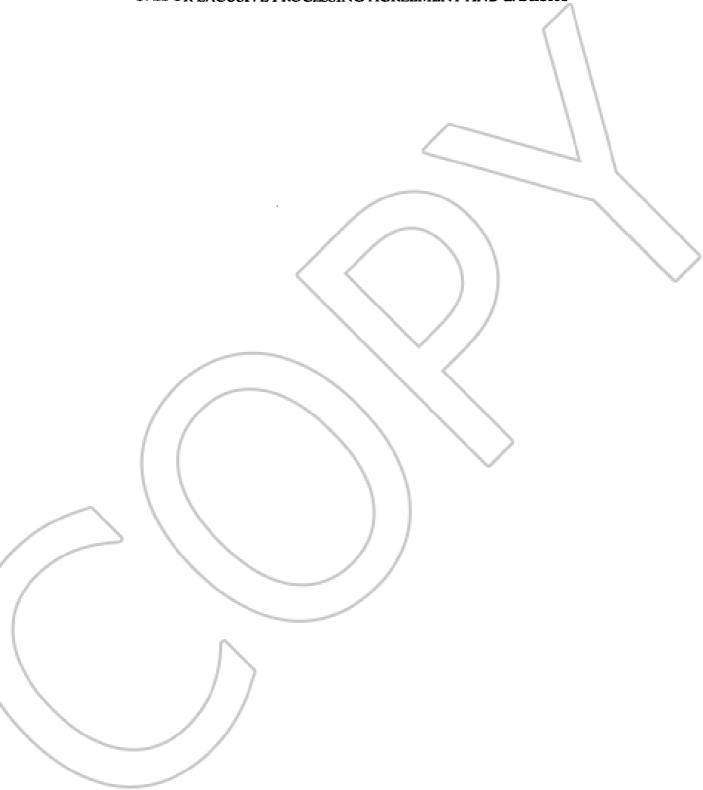


EXHIBIT B (1)
OXIDOR EXCLUSIVE PROCESSING AGREEMENT AMENDMENT

EXHIBIT C CADLE EXCLUSIVE PROCESSING AGREEMENT AND EXHIBITS





EXHIBIT A

THE PROPERTY SUBJECT TO THIS AGREEMENT, the Tailings Ponds, is described as follows:

Any and all rights purchased by Lintail Mining NV Corporation from Oxidor Corporation, Inc. and Cadle's Gold, Inc., including, but not limited to, any real or personal property or mining interests associated with Tailings Ponds 1-11 and the Prince tailings at the Caselton Mine; and

Lintail Mining's ownership in the 106 Mining Claims, including the Sam and/or Sarah Claims associated with Tailing Pond 1, properly filed with the Bureau of Land Management and the Lincoln County Recorder, located at the Caselton area of Lincoln County in township 1 North and South, range 67E, Sections, 3, 4, 28, 29, 32 and 33; and

Any and all improvements, owned by Lintail Mining, that are on the Nevada property, and necessary or convenient to the use of the property, including, but not limited to, buildings, machinery, water wells, or rights to water, whether on or off the real estate or rights to real estate in Lincoln County, Nevada.





LEGAL DESCRIPTION

A PARCEL OF LAND SITUATED WITHIN SECTIONS 29 AND 32 OF TOWNSHIP I NORTH, RANGE 67 EAST, AND SECTION 4 OF TOWNSHIP 1 SOUTH, RANGE 67 EAST, MOUNT DIABLO MERIDIAN, LINCOLN COUNTY, NEVADA, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

THE FOLLOWING UNPATENTED PLACER CLAIMS AND MILLSITES:

OX NO.'S 1-2, SWANSEA NO.'S 1-7, DORIS NO.'S 8-14, BUD, BUD NO.'S 2-3, RUDY NO.'S 1-10, KENTUCK, KENTUCK NO. 1, MARSHA NO. 1-8, EMMA, WEDGE, LEGAL TENDER, HORACE GREELY, ABE LINCOLN, JUMBO, PIOCHE CENTRAL, GENERAL GRANT, GENERAL GRANT NO. 1, TRIBUNE, MERRY NO.'S 1-6, BEN FRANKLIN, PETER COOPER, WADE HAMPTON, ROCK, LOST TREASUE, LOST TREASURE NO. 2, TREASURE HILL NO.'S 3-4, CHISHOLM FRACTION, TRIANGLE, CASELTON NO.'S 1-52, AS SHOWN ON THE MAP OF MILLSITES FOR MOUNTAIN MINES, INC., RECORDED IN THE OFFICIAL RECORDS OF THE LINCOLN COUNTY RECORDER'S OFFICE IN BOOK 105. PAGES 78 AND 79, DATED FEB. 23, 1993.

CONTAINING 495.70 ACRES, MORE OR LESS, DETERMINED BY SUMMATION FROM SAID MAP OF MILLSITES.

BASIS OF BEARING

THE BASIS OF BEARING FOR THIS LEGAL DESCRIPTION IS A LINE BETWEEN THE SOUTHWEST CORNER OF SAID SECTION 32 AND THE SOUTHEAST CORNER OF SAID SECTION 32, WHICH BEARS WEST AS SHOWN ON SAID MAP OF MILLSITES.

REFERENCE DOCUMENTS

1. MAP OF MILLSITES FOR MOUNTAIN MINES, INC., BOOK 105, PAGES 78 AND 79, DATED PEB. 23, 1993.

> SURVEYOR 4/01/05

JAMES J. OWENS PROFESSIONAL LAND SURVEY **NEVADA CERTIFICATE NO. 2884**