

**BENTONITE LEASE AGREEMENT**

THIS BENTONITE LEASE AGREEMENT (“Lease”) is entered into this 15 day of August, 2016, by and between BRUCE A. LAWSON for himself, and as agent for LESLIE LAWSON, JENNIFER HEATH, MIKE HEATH, DANIEL HIMELSPACH, JAMES ORPET, JEFF GROBE AND JAMES (JAY) LAWSON, (collectively referred to herein as “LESSOR”), and BHB LIMITED PARTNERSHIP, a Wyoming limited partnership (referred to herein as “LESSEE”).

**RECITALS**

WHEREAS, Lessor is the owner of certain unpatented mining claims filed with the County Clerk and Ex Officio Register of Deeds of Johnson County, Wyoming; and

WHEREAS, Lessee is in the business of mining, processing and selling bentonite; and

WHEREAS, Lessor desires to enter into an agreement with Lessee for the lease of certain mining claims for the purpose of mining and removing bentonite.

NOW THEREFORE, Lessor and Lessee, in consideration of the mutual covenants promises and consideration set forth herein do hereby agree as follows:

**LEASE**

1. Lessor, in consideration of the covenants and agreements hereinafter contained and to be performed by Lessee, and for other good and valuable consideration, does hereby grant, demise and lease to Lessee the exclusive right and privilege to strip-mine, extract, remove, market, and dispose of all bentonite in, under and on the following described lands:

<u>Claim Name</u>	<u>Section</u>	<u>Book</u>	<u>Page</u>	<u>Serial Number</u>
Bobcat #10	Section 11: SE¼	321	/ 71	WMC 293763
Bobcat #9	Section 14: NE¼	321	/ 72	WMC 293762
Bobcat #8	Section 14: SE¼	321	/ 73	WMC 293761

all in T41N, R81W, 6<sup>th</sup> P.M., Johnson County, Wyoming, consisting of approximately 480 acres, more or less, referred to hereafter as the "Mining Claims," together with all necessary easements, licenses and rights of way, and the right to construct and maintain thereon all works, buildings, plants, waterways, roads, communication lines, power lines and other structures and appurtenances necessary to the full enjoyment thereof.

2. This Lease, unless terminated at an earlier date as herein provided, shall remain in force and effect for so long as necessary to mine such quantities of bentonite as Lessee deems appropriate, and to reclaim the surface.

3. Lessee shall be responsible for securing all permits, licenses, approvals and authorizations necessary for mining, and agrees that it will observe and comply with all applicable Federal and State laws, statutes, rules, regulations and ordinances in connection with its operations hereunder, including, without limitation, compliance with the Wyoming Environmental Quality Act and all such requirements relative to reclamation and restoration of the land after the completion of the mining and removal operations. Further, Lessee shall perform its operations in a good and workmanlike manner. When mining operations are complete and to the extent practicable, Lessee shall return the topography of the land to a condition consistent with the natural terrain.

4. Lessee shall defend, indemnify and hold Lessor harmless from and against any and all claims, liabilities and causes of actions in connection with or incident to Lessee's mining, removal and reclamation operations under this Lease and shall maintain in full force and effect Worker's Compensation and Employer's Liability Insurance or similar coverage.

5. Lessee shall be solely responsible for all maintenance fees, charges, payments, assessments and taxes relating to the severance, removal or mining of bentonite from the Mining Claims, and all income, social security, old age and unemployment taxes that are or, during the life of this lease, may be imposed on Lessee or the employees of Lessee, and any other taxes that may be required by law with respect to the mining of bentonite. In the event maintenance or other fees or costs are paid by Lessor, Lessee shall reimburse Lessor for the same.

6. Lessee shall have the right to construct any necessary buildings or fixtures, and to place any machinery or equipment on the above Mining Claims. It is further agreed that any improvements constructed or placed on the Mining Claims or used in connection with the mining and removal of bentonite shall be the sole property of Lessee, that the same will be treated as trade fixtures, and that Lessee shall have the right to remove said improvements at the termination of Lessee's right to mine bentonite hereunder.

7. Lessee agrees to water the haul roads used by Lessee to haul bentonite from the Mining Claims so as to meet at least the minimum Federal and State of Wyoming air quality control standards.

8. Lessee shall not cause or permit any liens or encumbrances to be attached to the Mining Claims or to be placed thereon, except as may be consistent with Lessee's rights hereunder, and in any event no such liens or encumbrances shall extend beyond Lessee's right of occupancy of the Mining Claims.

9. Lessor shall have the right to enter and inspect the Mining Claims and mining operations, provided that such right of inspection shall not unnecessarily interfere with Lessee's

mining and removal operations. Lessor hereby acknowledges that he has the right to lease the Mining Claims and will warrant and defend Lessee against claims of all other persons or entities

10. In the event of default by Lessee in performance of the provisions of this Lease, and if such default continues for a period of ninety (90) days after written notice thereof given by Lessor, Lessor may terminate Lessee's right to mine bentonite hereunder.

11. Lessee shall not assign or sublease this Lease without Lessor's prior written consent, except to a successor to all or substantially all of the assets of Lessee with Lessee owning at least 51% of any such successor. Any such assignment, if consented to by Lessor, shall relieve Lessee of its liability hereunder.

12. Subject to the foregoing assignment and sublease provisions, this Lease shall extend to and be binding upon the heirs, personal representatives, successors and assigns of the parties hereto.


13. Lessee may, upon thirty (30) day's notice in writing to Lessor, surrender the lease or any legal subdivision thereof, providing all obligations under the terms of this Lease at the date of relinquishment have been fully complied with by Lessee. Providing, however, that if no development has taken place during the life of the lease, such lease may be surrendered.

14. This Lease constitutes the entire agreement of the parties with respect to the subject matter and supersedes all previous representations and agreements. This lease shall be construed in accordance with the laws of the State of Wyoming.

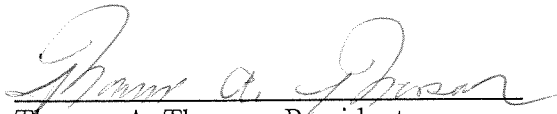
15. This Lease may be modified or altered only by written agreement of the Parties hereto.

IN WITNESS WHEREOF the Parties have set their hands and seals as of the day and year first above written.

**BRUCE LAWSON, for himself and as agent for LESLIE LAWSON,  
JENNIFER HEATH, MIKE HEATH, DANIEL HIMELSPACH,  
JAMES ORPET, JEFF GROBE AND JAMES (JAY) LAWSON**

  
**Bruce A. Lawson**

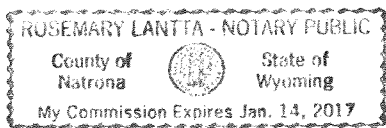
**BHB Limited Partnership, a Wyoming limited partnership**  
By: TMD, Inc., a Wyoming corporation  
General Partner

  
**Thomas A. Thorson, President**  
TMD, Inc. General Partner

STATE OF WYOMING     )  
  ) ss.  
COUNTY OF NATRONA    )

The foregoing instrument was acknowledged before me this 15<sup>th</sup> day of August, 2016, by Bruce A. Lawson, for himself and as agent for Leslie Lawson, Jennifer Heath, Mike Heath, Daniel Himelspach, James Orpet, Jeff Grobe And James (Jay) Lawson

WITNESS MY HAND AND OFFICIAL SEAL.



Rosemary Lantta  
Notary Public

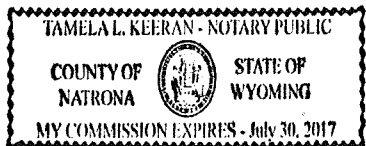
My Commission Expires:

1/14/17

STATE OF WYOMING     )  
  ) ss.  
COUNTY OF NATRONA    )

The foregoing instrument was acknowledged before me this 16<sup>th</sup> day of August, 2016, by Thomas A. Thorson, President of TMD, Inc., a Wyoming corporation, General Partner of BHB Limited Partnership

WITNESS MY HAND AND OFFICIAL SEAL.



Tameal L. Keeran  
Notary Public

My Commission Expires:

July 30, 2017