

agreement, and that OPTIONEE will not permit such charges to become a lien or encumbrance upon the Mining Claims, or any part thereof. OPTIONEE further agrees to save OPTIONORS harmless from any and all damages, claims, costs and expenses arising from or growing out of any and all injuries to persons or property in connection with the work done by OPTIONEE on the Mining Claims during the life of this Option Agreement.

12. In the event that any of the Mining Claims described herein become patented, OPTIONEE shall pay all real property taxes for and on behalf of OPTIONORS during the life of this Agreement.

13. If, prior to commencing production in commercial quantities, OPTIONEE fails to carry out any substantial exploration or development work on the Mining Claims for a period of six months or more, or if OPTIONEE shall be in default in any obligation hereunder, OPTIONORS may give notice in writing to OPTIONEE stipulating such failure or such default and, if OPTIONEE shall not commence a substantial work program on the Mining Claims or shall not cure the default, as the case may be, within thirty days of such notice then this option shall terminate forthwith on the expiry of the said thirty days.

14. In computing the six month and thirty day periods referred to in paragraph 13 above, the parties shall not include days during which work or performance is not reasonably practicable by reason of weather, labour conditions or any other cause outside the control of OPTIONEE.

15. This Option Agreement may be surrendered and cancelled by OPTIONEE at any time by giving written notice of termination to OPTIONORS. A copy of said notice shall be mailed to the Escrow Agent.

16. Any notice required or permitted to be given

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