IFIA: Adler

Nov. 26, 1975

Charles Hornedo — Texas Mining & Smelting Division

Jeffrey E. Silver — OGC

Draft Antimony Ore Agreement with B. Adler

I am transmitting herewith a revised draft of the proposed contract submitted by B. Adler. As you will note the revised draft builds upon Adler's proposal, and also reflects our discussions concerning various positions you wish to take at this time. I have attempted to consolidate a number of one sentence paragraphs into more comprehensive form.

After you have had an opportunity to review the draft, we can discuss it further. The draft can certainly be changed to reflect any further negotiation with Adler.

JES:pf
Att.

c: J. M. Gleason

ised Draft

AGREEMENT

Consignment Agreement made December 1975, between NL INDUSTRIES, INC., a New Jersey corporation acting through its Texas Mining & Smelting Division, P.O. Box 559, Laredo, Texas 78040 ("NL"), and B. ADLER, Avenida Calderon de la Barca, Col. Chapultepec Polanco, Mexico 5, D.F. ("Adler").

The parties hereto hereby agree as follows:

1. Adler shall export by rail from Mexico to NL's plant in Laredo, Texas, and NL shall receive Antimony Ore, consisting of crude Sulphide-Oxide-or Mixed Ore, and Ore Concentrates with a minimum 20% Sb (antimony) content, and a maximum of 0.5% of Lead and Arsenic combined, free of foreign substances. The monthly tonnage shall be between 50 - 150 metric tons. The total tonnage of Antimony Ore and Concentrates shall average approximately 30% Sb, with the usual upward and downward tolerance of 10%. Shipments are to be made in Mexican or U.S. carloads, containing a minimum of 50 metric tons each, delivery F.O.B. NL's plant in Laredo, Texas. All duties and taxes shall be paid by Adler.

2. On arrival of the ore at NL's plant in Laredo, each carload shall be weighed and sampled as customary, and Adler may be present during the procedure. The assays and official weights established in Laredo shall govern the eventual settlement of accounts in the event the option referred to in paragraph 7 is exercised.

3. Adl[illegible] shall retain title to al[illegible]ntimony Ore and Concentrates exported and warehoused at NL's plant, unless and to the extent NL's option referred to in paragraph 7 is exercised. All ore and concentrates received hereunder shall be stored separately from NL inventory. NL shall not charge storage therefor.

4. NL shall obtain insurance coverage for all ore received hereunder. The cost of such insurance shall be borne by Adler. Any loss due to customary force majeure conditions including, but not limited to acts of God, fire, floods, windstorm, earthquake, wars, sabotage, accidents, labor disputes or shortages and government actions, shall be for Adler's account unless and until the option referred to in paragraph 7 is exercised.

5. This agreement shall have a term of one year, shall commence on the date hereof, and shall be renewable for a term of one year upon mutual consent thereto and notice delivered prior to 30 days before expiration of the initial term.

6. Export of the Antimony Ore and Concentrates shall commence within 14 days of the execution hereof by the parties. The first monthly shipment shall occur in December, 1975.

7. NL shall have the option to purchase from Adler the tonnage of Antimony Ore and Concentrates, or portions thereof, received hereunder and warehoused in the plant during the one year term of this agreement. A minimum of 50 metric tons shall be purchased in the event the option is exercised. The parties shall agree upon the price at the time the option is exercised.

8. Eighty percent (80%) of the price shall be paid on the date the tonnage of ore and Concentrates purchased are removed from consignment. Final settlement of each lot purchased shall be made by the end of the month in which purchase is made.

9. NL shall charge $6.60 per metric ton of ore or concentrates if the tonnage purchased is packed either in bags or drums.

10. In the event NL does not exercise the option to purchase all of the delivered tonnage (600-1800 metric tons) at the end of the initial term of this agreement, Adler shall be entitled to dispose of the remaining material. Any antimony not purchased by NL shall be removed by Adler at his expense within 30 days after the expiration of this agreement.

11. Any assignment of this agreement by either party without the prior written consent of the other party shall be void.

12. This agreement contains the entire understanding between the parties hereto and may not be altered or amended except by a writing signed by duly authorized representatives of both parties.

13. All Notices given hereunder shall be sent by Certified Mail, return receipt requested, at the respective addresses of the parties set forth herein.

14. This agreement shall be governed by, and shall be construed in accordance with the laws of the State of Texas.

IN WITNESS WHEREOF, the parties have executed this agreement as of the date first above written.

NL INDUSTRIES, INC.

By ______________________
Vice President

B. ADLER

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NL 000041855