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EXPLORATION AGREEMENT EFFECTIVE JUNE 1, 1979

BETWEEN

MINERAL VENTURES, INC., AND CARGO PARTNERS

COPY

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EXHIBITS

- A Assignment and Agreement
- B Budget for the Initial Budget Year
- C Deed and Agreement

EXPLORATION AGREEMENT

This Exploration Agreement ("this Agreement") is made and entered into effective as of June 1, 1979, by and between Mineral Ventures, Inc. ("MVI"), a Colorado corporation with an office and address for notice to the attention of Dr. M. B. Mehrtens at Suite 509, West Point Building, 3900 South Wadsworth Boulevard, Denver, Colorado 80235, and Cargo Partners ("the Partnership"), a formal partnership organized under and existing by virtue of the laws of the State of Colorado with an office and address for notice to the attention of Mr. George W. Holbrook, Jr., c/o Bradley Resources Corporation, 274 Riverside Avenue, Westport, Connecticut 06880. MVI and the Partnership are collectively referred to below as "the Parties."

WITNESSETH:

WHEREAS, MVI has developed and is the owner of a proprietary technique for geochemical sample preparation of particular use and application in connection with exploration for deposits of gold known as "Carlin" type deposits ("the Technique"); and

WHEREAS, MVI has disclosed the Technique to representatives of the Partnership for the purposes of review and evaluation; and

WHEREAS, the Partnership desires to pay for certain mineral exploration and other activities to be conducted by MVI and to include use of the Technique; and

WHEREAS, MVI is qualified and willing to conduct such activities subject to the terms and provisions of this Agreement;

NOW THEREFORE, for and in consideration of the mutual promises set forth below (the adequacy as consideration whereof is hereby acknowledged by the Parties), the Parties agree as set forth in Sections 1 through 35 of this Agreement.

1. Definitions. For purposes of this Agreement, the terms defined in this Section 1 shall have the following meanings:

(a) "Acquisition Costs" shall mean costs and expenses incurred for or in connection with the identification or acquisition of a Property Right including, without limitation, related legal fees.

(b) "Alternative Plan and Budget" shall mean a written plan prepared by the Partnership describing Exploration Activities and Maintenance Work to be conducted by MVI during a Budget Year and a reasonably detailed budget projecting aggregate Exploration Expenses, Acquisition Costs, and Maintenance Costs in the amount of at least \$250,000 to be incurred by MVI in the course of or in connection with the written plan.

(c) "Annual Report" shall mean a comprehensive written report concerning the nature and results of completed Exploration Activities and Maintenance Work during a particular Budget Year and MVI's professional conclusions with respect thereto. Each Annual Report shall contain copies of all assays, drilling or other logs, geochemical test results, maps, and all other documents containing scientific data generated by or through Exploration Activities or Maintenance Work completed during the Budget Year in question. If requested by the Partnership, an Annual Report shall be accompanied by satisfactory evidence of Exploration Expenses, Acquisition Costs, and Maintenance Costs incurred by MVI during the applicable Budget Year including, without limitation, copies of all relevant bills, invoices, receipts, and canceled checks.

(d) "Approved Plan and Budget" shall mean a Proposed Plan and Budget which has been approved or is deemed to have been approved by the Partnership in the manner specified in Section 5 or Section 6 of this Agreement.

(e) "Area of Interest" shall mean all lands within the borders of the State of Nevada except for Township 48 North, Range 28 East, and Township 8 North, Range 36 East of the Mount Diablo Principal Meridian.

(f) "Assignment and Agreement" shall mean the Assignment and Agreement attached hereto as Exhibit A and by this reference incorporated herein.

(g) "Bradley" shall mean Bradley Resources Corporation, a New York corporation and a General Partner in the Partnership.

(h) "Budget" shall mean the budget for the Initial Budget Year attached hereto as Exhibit B and by this reference incorporated herein or a budget included in an Approved Plan and Budget or in an Alternative Plan and Budget.

(i) "Budget Year" shall mean a period commencing on June 1 and ending on May 31 of the following year.

(j) "Confidentiality Agreement" shall mean the "Agreement" dated May 11, 1979, between Ferret and Messrs. M. B. Mehrtens and J. D. Schlottmann.

(k) "Deed and Agreement" shall mean the Deed and Agreement attached hereto as Exhibit C and by this reference incorporated herein.

(l) "Exploration Activities" shall mean activities (except Maintenance Work) designed to identify, to delineate, or to evaluate deposits of Valuable Minerals within the Area of Interest.

(m) "Exploration Expenses" shall mean costs and expenses incurred for or in connection with Exploration Activities.

(n) "Ferret" shall mean Ferret Exploration Company, Inc., a Delaware corporation and a Limited Partner in the Partnership.

(o) "Geosystems" shall mean Geosystems Corporation, a Delaware corporation and a General Partner in the Partnership.

(p) "Initial Budget Year" shall mean the period commencing on June 1, 1979, and ending on May 31, 1980.

(q) "Maintenance Costs" shall mean costs and expenses incurred for or in connection with Maintenance Work.

(r) "Maintenance Work" shall mean annual labor or assessment work, contractual exploration commitments, or other activities performed under this Agreement for the purpose of maintaining a Property Right conveyed or assigned to the Partnership under Section 9 or Section 10 hereof.

(s) "Monthly Report" shall mean a written summary of the nature, results of, and data generated by completed Exploration Activities and Maintenance Work during a particular calendar month and MVI's professional conclusions with respect thereto. Each Monthly Report shall contain a description and discussion of any potentially significant geochemical anomalies or other favorable indications of Valuable Minerals identified during the month in question.

(t) "Party" shall mean a party (either MVI or the Partnership) to this Agreement.

(u) "Property Right" shall mean any right to enter, explore, develop, mine, or purchase lands within the Area of Interest.

(v) "Proposed Plan and Budget" shall mean a written plan prepared by MVI proposing Exploration Activities and Maintenance Work to be conducted by MVI during a Budget Year and a reasonably detailed budget projecting aggregate Exploration Expenses, Acquisition Costs, and Maintenance Costs in the amount of at least \$250,000 to be incurred by MVI in the course of or in connection with the written plan.

(w) "Second Budget Year" shall mean the period commencing on June 1, 1980, and ending on May 31, 1981.

(x) "Technique" shall mean the proprietary geochemical sample preparation technique developed and owned by MVI and disclosed to representatives of the Partnership under the Confidentiality Agreement.

(y) "Third Budget Year" shall mean the period commencing on June 1, 1981, and ending on May 31, 1982.

(z) "Valuable Minerals" shall mean gold and all other minerals of every kind and character, precious and base, metallic and nonmetallic.

2. Scope and Objectives of Agreement. This Agreement sets forth the terms and conditions under which MVI shall conduct Exploration Activities and perform Maintenance Work paid for by the Partnership and the Parties shall acquire Property Rights. While this Agreement is in force and effect, neither of the Parties shall (directly or indirectly) conduct or finance Exploration Activities or acquire Property Rights except as provided herein. The objectives of this Agreement shall be to identify and to acquire the rights to explore, develop, and mine deposits of Valuable Minerals within the Area of Interest, particularly "Carlin" type mineral deposits potentially containing ore with a gold equivalent content in excess of one tenth (.1) ounces of gold per ton and ore reserves in the multi-million ton category.

3. Term of Agreement. Unless sooner terminated as provided herein, this Agreement shall remain in full force and effect from the effective date hereof until and including May 31, 1982.

4. Initial Budget Year. The Parties hereby mutually approve the Budget for the Initial Budget Year attached hereto as Exhibit B. Subject to the provisions of the Budget therefor, MVI shall conduct such Exploration Activities during the Initial Budget Year as MVI deems necessary or desirable in order to accomplish the objectives of this Agreement, and the Partnership shall pay for such Exploration Activities in the manner specified in Section 13 of this Agreement.

5. Second Budget Year. On or before March 1 of the Initial Budget Year, MVI shall prepare and deliver to the Partnership a Proposed Plan and Budget for the Second Budget Year. The Proposed Plan and Budget for the Second Budget Year shall be accompanied by an Annual Report for the Initial Budget Year. Within thirty (30) days after the Partnership's receipt of the Proposed Plan and Budget for the Second Budget Year, the Partnership shall either:

(a) Give MVI notice that the Proposed Plan and Budget for the Second Budget Year is approved by the Partnership; or

(b) Prepare and deliver to MVI an Alternative Plan and Budget for the Second Budget Year; or

(c) Give MVI notice of the Partnership's election to terminate this Agreement effective as of June 1, 1980.

If the Partnership fails to take any of the alternative actions provided for in Subsections (a), (b), and (c) of this Section 5 within thirty (30) days after the Partnership receives the Proposed Plan and Budget for the Second Budget Year, the Partnership shall be deemed to have approved the Proposed Plan and Budget for the Second Budget Year.

6. Third Budget Year. On or before March 1 of the Second Budget Year, MVI shall prepare and deliver to the Partnership a Proposed Plan and Budget for the Third Budget Year. The Proposed Plan and Budget for the Third Budget Year shall be accompanied by an Annual Report for the Second Budget Year. Within thirty (30) days after the Partnership's receipt of the Proposed Plan and Budget for the Third Budget Year, the Partnership shall either:

(a) Give MVI notice that the Proposed Plan and Budget for the Third Budget Year is approved by the Partnership; or

(b) Prepare and deliver to MVI an Alternative Plan and Budget for the Third Budget Year; or

(c) Give MVI notice of the Partnership's election to terminate this Agreement effective as of June 1, 1981.

If the Partnership fails to take any of the alternative actions provided for in Subsections (a), (b), and (c) of this Section 6 within thirty (30) days after the Partnership receives the Proposed Plan and Budget for the Third Budget Year, the Partnership shall be deemed to have approved the Proposed Plan and Budget for the Third Budget Year.

7. Approved and Alternative Plans and Budgets. MVI shall conduct all Exploration Activities and perform all Maintenance Work described in an Approved Plan and Budget or in an Alternative Plan and Budget, and the Partnership shall pay for such Exploration Activities and Maintenance Work in the manner specified in Section 13 of this Agreement. MVI shall conduct all Exploration Activities and perform all Maintenance Work in diligent, prudent, and efficient fashion and in full compliance with all applicable local, state, and federal laws, rules, and regulations.

8. Property Rights. Subject to the provisions of this Section 8 and Sections 9 and 10 hereof, MVI shall acquire such Property Rights and incur such Acquisition Costs as MVI deems necessary or desirable in order to accomplish the objectives of this Agreement. The Partnership shall pay such Acquisition Costs in the manner specified in Section 13 of this Agreement up to the maximum aggregate Acquisition Costs authorized in the Budget for the Initial Budget Year or in an Approved Plan and Budget or in an Alternative Plan and Budget. If MVI incurs aggregate Acquisition Costs during a Budget Year in excess of the maximum aggregate Acquisition Costs authorized in the applicable Budget, the Partnership shall reimburse MVI for all excess Acquisition Costs related to Property Rights which are conveyed or assigned to the Partnership under Section 9 or Section 10 of this Agreement. The Partnership shall have no duty or obligation to reimburse MVI for excess Acquisition Costs related to Property Rights which are not conveyed or assigned to the Partnership under Section 9 or Section 10 of this Agreement. To the extent possible, all Property Rights acquired by MVI shall relate to lands in reasonably compact or contiguous units.

9. Acquisition by Claim Location. If MVI acquires Property Rights by locating mining claims, such mining claims shall be located in the name of MVI and MVI shall prepare, file, and record such location certificates with respect thereto as may be required by

applicable local, state, and federal laws, rules, and regulations. Within fifteen (15) days after MVI completes the location of any contiguous group of mining claims, MVI shall give the Partnership notice thereof. MVI's notice to the Partnership shall be accompanied by:

- (a) A map of the mining claims described therein;
- (b) All pertinent geologic data and information in MVI's possession not previously furnished to the Partnership by MVI; and
- (c) Copies of all pertinent Federal land status materials or reports in MVI's possession not previously furnished to the Partnership by MVI.

The Partnership shall have a period of ninety (90) days after the Partnership's receipt of such a notice from MVI to give MVI notice either requesting or declining a conveyance of the mining claims described in MVI's notice to the Partnership.

If the Partnership fails to give MVI notice either requesting or declining a conveyance within ninety (90) days after the Partnership's receipt of such a notice from MVI, the Partnership shall be deemed to have requested a conveyance.

If the Partnership gives MVI notice declining a conveyance within ninety (90) days after the Partnership's receipt of such a notice from MVI, the Partnership shall not have, acquire, or assert any right, title, interest, claim, or demand whatsoever in or to the mining claims described therein.

If the Partnership requests a conveyance or is deemed to have requested a conveyance within ninety (90) days after the Partnership's receipt of such a notice from MVI, MVI's authorized officers shall complete Schedule I to a copy of the Deed and Agreement by inserting descriptions of the mining claims described in MVI's notice to the Partnership and shall deliver that copy of the Deed and Agreement to the Partnership. Within fifteen (15) days after it is received by the Partnership, the Partnership shall cause that copy of the Deed and Agreement to be signed and acknowledged by a General Partner in the Partnership and to be returned to MVI for dating, execution, and recordation.

10. Acquisition by Agreement. If MVI acquires Property Rights by permit, lease, option, contract, or other agreement with any private or public individual or entity, such Property Rights shall be acquired in the name of MVI. Within fifteen (15) days after MVI makes such an acquisition, MVI shall give the Partnership notice thereof. MVI's notice to the Partnership shall be accompanied by:

- (a) A fully executed original copy of the agreement whereby the Property Right was acquired;
- (b) All pertinent geologic data and information in MVI's possession not previously furnished to the Partnership by MVI; and
- (c) Copies of all pertinent title documents in MVI's possession not previously furnished to the Partnership by MVI including, without limitation, Federal land status materials or reports, title opinions, and abstracts of title.

The Partnership shall have a period of ninety (90) days after the Partnership's receipt of such a notice from MVI to give MVI notice either requesting or declining an assignment of the agreement transmitted with MVI's notice to the Partnership.

If the Partnership fails to give MVI notice either requesting or declining an assignment within ninety (90) days after

the Partnership's receipt of such a notice from MVI, the Partnership shall be deemed to have requested an assignment.

If the Partnership gives MVI notice declining an assignment within ninety (90) days after the Partnership's receipt of such a notice from MVI, the Partnership shall not have, acquire, or assert any right, title, interest, claim, or demand whatsoever in or to the Property Right described therein or the agreement transmitted therewith.

If the Partnership requests or is deemed to have requested an assignment within ninety (90) days after the Partnership's receipt of such a notice from MVI, MVI's authorized officers shall complete Schedule I to a copy of the Assignment and Agreement by inserting descriptions of the Property Right acquired, the lands in question, and the agreement of acquisition, and shall deliver that copy of the Assignment and Agreement to the Partnership. Within fifteen (15) days after it is received by the Partnership, the Partnership shall cause that copy of the Assignment and Agreement to be signed and acknowledged by a General Partner in the Partnership and to be returned to MVI for dating, execution, and recordation.

11. Maintenance Work. MVI shall not be obligated or required to perform any Maintenance Work unless such Maintenance Work is provided for in an Approved Plan and Budget or in an Alternative Plan and Budget. If MVI is required to perform annual assessment work or labor under an Approved Plan and Budget or an Alternative Plan and Budget, MVI shall prepare, file, and record such affidavits of assessment work in connection therewith as may be required by applicable local, state, and federal laws, rules, and regulations. Anything to the contrary herein notwithstanding, MVI shall not be liable to the Partnership for the loss of title to a Property Right or any portion thereof due to failure to perform legally sufficient assessment work (provided that MVI has performed any Maintenance Work described in the applicable Approved Plan and Budget or Alternative Plan and Budget and that MVI believed in good faith that the Maintenance Work so performed was legally sufficient annual labor or assessment work) or due to any other cause except bad faith or willful misconduct by MVI.

12. Exploration by Ferret. Subject to the provisions of the Confidentiality Agreement, Ferret may conduct or finance Exploration Activities on or acquire Property Rights in or to lands within the Area of Interest.

13. Statements and Payments. On or before the tenth (10th) day of each calendar month while this Agreement is in force and effect, MVI shall send a statement to the Partnership itemizing Exploration Expenses, Acquisition Costs, and Maintenance Costs incurred by MVI during the preceding calendar month and requesting funds for Exploration Expenses, Acquisition Costs, and Maintenance Costs to be incurred by MVI during the thirty (30) days following the date of the statement. Each such statement shall be accompanied by the Monthly Report for the preceding calendar month. Subject to the provisions of the applicable Budget, within ten (10) days after the Partnership's receipt of each such statement, the Partnership shall deliver the funds requested therein to MVI.

14. MVI Personnel and Facilities. At least eighty percent (80%) of the working time of Dr. M. B. Mehrtens (President of MVI) during a Budget Year shall be devoted to Exploration Activities and Maintenance Work, and the equivalent of the full-time services of two (2) other professional geologists shall be utilized by MVI for or in connection therewith. The Parties recognize and acknowledge that the services of Dr. M. B. Mehrtens for at least eighty percent (80%) of his working time during a Budget Year are of material importance to this Agreement. If Dr. M. B. Mehrtens should fail to expend at least eighty percent (80%) of his working time during a Budget Year for or

in connection with Exploration Activities and Maintenance Work, the Partnership may terminate this Agreement by giving MVI notice of the Partnership's election to do so. Subject to the provisions of the applicable Budget, MVI shall staff, maintain, and equip such office and laboratory facilities as may be required in order to perform MVI's obligations hereunder.

15. Insurance and Indemnification. The Partnership hereby acknowledges receipt of photocopies of MVI's insurance policies and that the same are adequate to insure MVI against the liabilities MVI assumes hereunder and are satisfactory in form and content to the Partnership. MVI shall not cancel or make any material change in such insurance policies or allow such insurance policies to lapse without giving the Partnership at least thirty (30) days prior notice of such cancellation, change, or lapse. Subject to the provisions of Section 18 hereof, MVI agrees to and hereby assumes all liability for and indemnifies, protects, saves, and holds the Partnership harmless from and against any and all losses, costs, expenses, attorney's fees, claims, demands, liabilities, suits, and actions of every kind and character for sickness, disease, personal injury, death, or property damage which may be imposed upon or incurred by the Partnership on account of, arising directly or indirectly from, or in any way connected with or related to Exploration Activities or Maintenance Work conducted or performed by MVI under this Agreement. The indemnification contained in this Section 15 shall survive any termination or expiration of this Agreement.

16. Liens and Indemnification. Subject to the provisions of Section 13 of this Agreement, MVI agrees to pay promptly all debts incurred by MVI in the course of Exploration Activities or Maintenance Work conducted or performed by MVI under this Agreement including, without limitation, debts for work, services, labor, materials, supplies, equipment, taxes, licenses, or fees used in, levied on, or required to perform such Exploration Activities or Maintenance Work. MVI shall not allow any third party to perfect any charge or lien arising from or on account of such debts against any Property Right conveyed or assigned to the Partnership under Section 9 or Section 10 of this Agreement. MVI agrees to and hereby assumes all liability for, and indemnifies, protects, saves, and holds the Partnership harmless from and against all such charges and liens. The indemnification contained in this Section 16 shall survive any termination or expiration of this Agreement.

17. Records and Audit. While this Agreement is in full force and effect and for a period of six (6) calendar months after any termination or expiration hereof, MVI shall maintain complete and accurate books, records, and accounts covering all Exploration Expenses, Acquisition Costs, and Maintenance Costs incurred by MVI hereunder. Upon ten (10) days prior notice from the Partnership to MVI, MVI shall make such books, records, and accounts available for inspection and/or for audit by the Partnership or by the Partnership's authorized representatives at MVI's principal offices and during MVI's normal business hours. Any such inspection and/or audit shall be made at the sole expense of the Partnership and the Partnership shall furnish MVI with copies of all related data, reports, or audits prepared by or at the request of the Partnership. The provisions of this Section 17 shall survive any termination or expiration of this Agreement for a period of six (6) calendar months after the effective date thereof.

18. Access to Exploration Activities and Maintenance Work. The Partnership and the Partnership's authorized representatives shall, at its and their sole risk and expense, have free and complete access to all Exploration Activities and Maintenance Work conducted or performed by MVI under this Agreement for the purposes of viewing or inspecting the same or evaluating the progress thereof. The Partnership agrees to and assumes all liability for and indemnifies, protects, saves, and holds MVI harmless from and against any and all

losses, costs, expenses, attorney's fees, claims, demands, liabilities, suits, and actions of every kind and character which may be imposed upon or incurred by MVI on account of, arising directly or indirectly from, or in any way connected with or related to exercise by the Partnership of the Partnership's rights of access under this Section 18. The indemnification contained in this Section 18 shall survive any termination or expiration of this Agreement.

19. Geological Data. At all times while this Agreement is in force and effect, the Partnership's General Partners shall have the right (at the Partnership's sole risk and expense) to inspect and test all mineral samples taken by MVI in the course of Exploration Activities or Maintenance Work conducted or performed by MVI under this Agreement and to inspect and/or copy all other physical and factual data in MVI's possession related to or generated by such Exploration Activities or Maintenance Work including, without limitation, assays, drilling and other logs, geochemical test results, and maps. All data, opinions, conclusions, estimates, reports, and other information generated or formulated by, through, or in connection with Exploration Activities and Maintenance Work and furnished to the Partnership by MVI hereunder (in an Annual Report, a Monthly Report, or otherwise) is for the sole and exclusive use of the Parties.

20. Tax Provisions. MVI shall not be entitled to any allowable deductions from State or Federal income taxes for Exploration Expenses, Acquisition Costs, or Maintenance Costs incurred by MVI and paid by the Partnership under this Agreement. All such deductions shall be taken by the Partnership.

21. Termination by Notice. The Partnership may terminate this Agreement under the conditions and as provided in Subsections 5(c) or 6(c) or in Section 14 of this Agreement. MVI shall give the Partnership notice specifying any default by the Partnership with respect to or concerning the terms and provisions of Section 13 of this Agreement. If the Partnership fails to correct such a default within ten (10) days after the Partnership's receipt of any such notice from MVI, MVI may terminate this Agreement by giving the Partnership notice of MVI's decision to do so.

22. Other Termination. Subject to the provisions of Section 21 hereof relating to a default by the Partnership with respect to or concerning Section 13 of this Agreement, MVI shall give the Partnership notice specifying any default by the Partnership or in any of the other terms and provisions of this Agreement. If the Partnership disagrees that such a default has occurred, the Partnership shall so advise MVI in writing within ten (10) days after the Partnership's receipt of the notice of default. If the Partnership has not within that time given notice of disagreement to MVI or if the Partnership has not begun to cure the related default within ten (10) days after receipt of MVI's notice of default and does not thereafter diligently prosecute such action to completion, MVI may terminate this Agreement by giving the Partnership notice of MVI's decision to do so. If the Partnership gives notice of disagreement to MVI, the Parties shall attempt to resolve the dispute by mutual agreement, but if they are unable to do so within thirty (30) days after the Partnership so advises MVI, the issue of default shall be submitted to a court of competent jurisdiction and the Partnership shall not be deemed to be in default hereunder unless it is so adjudged by such court and all appeals from said decision have either been exhausted or waived. If the Partnership is found to be in default by the court, the Partnership shall have ten (10) days after the date on which all appeals have been exhausted or waived in which to either cure the default or begin action to cure the same, and thereafter diligently prosecute such action to completion. Upon the failure of the Partnership to so cure the default, MVI may terminate this Agreement by giving the Partnership notice of MVI's decision to do so.

23. Termination in General. Anything to the contrary herein notwithstanding, the duties of MVI hereunder shall be suspended during any dispute which may occur pursuant to the provisions of Section 22 hereof and shall remain so suspended until the dispute is finally resolved. Except as expressly provided herein, neither of the Parties shall have any right to terminate this Agreement and no termination or expiration of this Agreement shall deprive or relieve either of the Parties of any right, duty, or obligation which accrues or attaches prior to the effective date of termination or expiration. Subject only to the provisions of Sections 12, 24, and 25 of this Agreement, after the effective date of any termination or expiration hereof, MVI and the Partnership may each conduct and finance Exploration Activities and acquire Property Rights independently and free and clear of the terms and provisions of this Agreement.

24. One Year Limitation. For a period of one (1) calendar year after any termination or expiration of this Agreement, if MVI acquires any Property Right in or to land from which MVI has taken one (1) or more mineral samples per square mile in the course of Exploration Activities or Maintenance Work conducted or performed by MVI hereunder, MVI shall give the Partnership notice of such acquisition and the terms and provisions of Section 9 or Section 10 hereof (as appropriate) shall apply to such Property Right. The provisions of this Section 24 shall survive any termination or expiration of this Agreement for a period of one (1) calendar year after the effective date thereof.

25. The Technology. While this Agreement is in full force and effect and for a period of two (2) calendar years after any termination or expiration hereof, the Partnership shall not disclose the Technology or any information related thereto to any third party or entity or use or employ the Technology for or in connection with activities of any nature in the States of Idaho, Nevada, or Utah. The provisions of this Section 25 shall survive any termination or expiration of this Agreement for a period of two (2) calendar years after the effective date thereof.

26. Force Majeure. Neither of the Parties shall be liable to the other Party or be deemed to be in default hereunder for failure or delay in performance of duties or obligations (other than the duty to make a payment of or to deliver money) due to or caused by acts of God, strikes or other labor difficulties, war, riots, accident, fire, inability to obtain or to contract for supplies, materials, or services required to perform Exploration Activities or Maintenance Work, action, inaction, or delay of federal, state, or local governmental or regulatory body, inability to obtain any required permit, license, bond, or approval, or any other cause beyond the reasonable control of the affected Party. A Party affected by force majeure shall give the other Party notice thereof and shall exercise due diligence in endeavoring to overcome any such impediment to performance.

27. Representations by the Parties. MVI represents and warrants to the Partnership that MVI is in good corporate standing and is qualified to transact business in the State of Nevada. The Partnership represents and warrants to MVI that the Partnership is an association of two (2) or more individuals or entities formed to carry on as co-owners a business for profit and that Bradley and Geosystems are General Partners in the Partnership and have full power and authority to execute this Agreement on behalf of the Partnership. Both of the Parties shall be deemed to have relied on the representations and warranties contained in this Section 27.

28. Independent Contractor Relationship. All Exploration Activities and Maintenance Work shall be conducted or performed by MVI hereunder as an independent contractor. Neither MVI nor any person or entity employed or retained by MVI in connection with Exploration Activities or Maintenance Work shall constitute or be

deemed to constitute an employee, servant, agent, or representative of the Partnership for any purpose whatsoever. Subject only to the Budget for the Initial Budget Year and to the provisions of Approved Plans and Budgets and Alternative Plans and Budgets, MVI shall have the sole and exclusive authority and responsibility for performing Exploration Activities and Maintenance Work, for accomplishing the objectives of Exploration Activities and Maintenance Work, and for supervising, controlling, and directing MVI's employees, officers, agents, and representatives in connection therewith. Compliance by MVI and MVI's employees, officers, agents, and representatives with the terms and provisions of this Agreement shall not affect MVI's status as an independent contractor and shall not relieve MVI of any of MVI's duties, liabilities, or obligations hereunder.

29. Confidentiality. While this Agreement is in full force and effect, the Parties agree to treat as confidential all data, reports, records, and other physical, graphic, and oral information relating to Exploration Activities and Maintenance Work conducted or performed hereunder or relating to Property Rights conveyed or assigned to the Partnership under Section 9 or Section 10 hereof. Prior to the effective date of termination or expiration hereof, neither of the Parties shall, without the prior consent of the other Party, issue any press releases concerning this Agreement or disclose any information designated as confidential herein except when counsel for both Parties deem such a disclosure necessary in order to comply with law and except when applicable statutes of the State of Nevada or the United States of America require or permit public recordation of specified documents.

30. Assignment. MVI may employ or subcontract with persons or entities with the requisite skills and training to perform such portions of Exploration Activities and Maintenance Work hereunder as MVI may deem necessary or desirable, provided that Exploration Activities or Maintenance Work performed by such persons or entities shall be supervised and reviewed by MVI. Subject to the foregoing sentence, neither of the Parties shall have the power or authority to assign or shall assign all or any part of its respective rights or duties hereunder without the prior consent of the other Party, which consent shall not be unreasonably withheld. Any assignment made without such consent shall be void.

31. Notice. All notices, requests, statements, deliveries, reports, payments, consents, or other communications from or to a Party which are required, permitted, or made necessary by the terms of this Agreement shall be written. All such communications shall be delivered personally, wired, or sent by United States mail, postage prepaid, addressed to the Party to receive the communication at the address for that Party specified in the initial paragraph of this Agreement. Except as expressly provided to the contrary herein, communications sent by mail in the manner provided in this Section 31 shall be deemed made and given on the date of mailing. Either of the Parties may change its respective address or addressee for notice from time to time by giving notice of such change to the other Party in the manner specified in this Section 31.

32. Modification. Subject only to the provisions of Section 33 hereof, this Agreement may not be modified, amended, supplemented, extended, or altered in any way except by written instrument executed by appropriate and authorized representatives of both of the Parties.

33. Choice of Law and Severability. The Parties shall be subject to and the terms and provisions of this Agreement shall be construed under the laws of the State of Colorado. The individual provisions of this Agreement are severable. If any such individual provision is contrary to or in conflict with any requirement or principal of applicable statutory or common law, that provision and

the remainder of this Agreement shall be construed so as to give effect to the intent of the Parties.

34. Further Assurances. The Parties agree to execute and deliver such other or further formal documents or instruments in proper and recordable form as may be reasonably necessary to give full effect to the provisions of this Agreement including, without limitation, the provisions of Section 20 and Section 30 hereof.

35. Sole Agreement. This Agreement and the Confidentiality Agreement contain and set forth the entire agreement between the Parties and their respective representatives concerning the subject matter hereof. Excepting only the Confidentiality Agreement, all prior agreements between the Parties or their respective representatives with respect to the subject matter hereof are mutually rescinded, replaced, and superseded hereby.

IN WITNESS WHEREOF, the Parties have executed this Agreement effective as of the day and year first above written.

MINERAL VENTURES, INC.

By: M. B. Mehrtens
M. B. Mehrtens, President

ATTEST:

S. K. Kicherer
S. K. Kicherer, Treasurer

CARGO PARTNERS
BRADLEY RESOURCES CORPORATION, GENERAL
PARTNER

By: Stuart Gaud
Vice President

ATTEST:

Nedlicia Heron
Assistant Secretary

GEOSYSTEMS CORPORATION, GENERAL PARTNER

By: [Signature]
President

ATTEST:
[Signature]
Secretary

STATE OF Colorado)
City AND) ss.
COUNTY OF Denver)

On February 27 1980, personally appeared before me, a notary public, M. B. Mehtens as President and S. K. Kicherer as Treasurer of Mineral Ventures, Inc., a Colorado corporation, who acknowledged that they executed the above instrument.

Witness my hand and official seal.
My commission expires My Commission Expires April 21, 1983.

[Signature]
Notary Public

[NOTARIAL SEAL]

STATE OF Connecticut)
AND) ss.
COUNTY OF Fairfield)

On March 10, 1980, personally appeared before me, a notary public, Stuart G. Gauld as Vice President and Kathleen Werner as Assistant Secretary of Bradley Resources Corporation, a New York corporation and a General Partner in Cargo Partners, a Colorado partnership, who acknowledged that they executed the above instrument.

Witness my hand and official seal.
My commission expires April 1, 1984.

[Signature]
Notary Public

[NOTARIAL SEAL]

STATE OF Connecticut)
AND)
COUNTY OF Fairfield) ss.

On March 7, 1980, personally appeared before me, a notary public, Robert L. Fuchs as President and Josephine Fuchs as Secretary of Geosystems Corporation, a Delaware corporation and a General Partner in Cargo Partners, a Colorado partnership, who acknowledged that they executed the above instrument.

Witness my hand and official seal.

My commission expires April 1, 1984

Wilo
Notary Public

[NOTARIAL SEAL]

BOOK 81 PAGE 185

EXHIBIT A

ASSIGNMENT AND AGREEMENT

This Assignment and Agreement ("this Assignment") is made and entered into effective as of _____, 19____, by and between Mineral Ventures, Inc. ("MVI"), a Colorado corporation with an office and address for notice to the attention of Dr. M. B. Mehrtens at Suite 509, West Point Building, 3900 South Wadsworth Boulevard, Denver, Colorado 80235, and Cargo Partners ("the Partnership"), a formal partnership organized under and existing by virtue of the laws of the State of Colorado with an office and address for notice to the attention of Mr. George W. Holbrook, Jr., c/o Bradley Resources Corporation, 274 Riverside Avenue, Westport, Connecticut 06880. MVI and the Partnership are collectively referred to below as "the Parties."

WITNESSETH:

WHEREAS, MVI has entered into a certain written agreement with the owner or owners of interests in specified lands situate within the State of Nevada; and

WHEREAS, under the written agreement MVI has acquired certain rights to enter, explore, develop, mine, and/or purchase such lands; and

WHEREAS, MVI and the Partnership desire to set forth in this Assignment provisions pursuant to which MVI will have and retain a twenty percent (20%) interest in the net profits (as that term is defined herein) realized by the Partnership, regardless of whether such net profits are realized by the Partnership through the production of minerals from or the sale of such lands or through assignment, farmout, or other transfer of an interest in such written agreement;

NOW THEREFORE, for and in consideration of the sum of one or more dollars exchanged by the Parties (the receipt and the adequacy as consideration whereof is hereby mutually acknowledged by the Parties), the Parties agree as set forth in Sections 1 through 22 of this Assignment.

1. Definitions. For purposes of this Assignment, the terms defined in this Section 1 shall have the following meanings:

(a) "Bradley" shall mean Bradley Resources Corporation, a New York corporation and a General Partner in the Partnership.

(b) "Contract" shall mean the written agreement between MVI and the owner or owners of interests in the Property which is more specifically described in Schedule I attached hereto and by this reference incorporated herein.

(c) "Exploration Agreement" shall mean that certain Exploration Agreement between the Parties effective as of June 1, 1979.

(d) "Exploration Investment" shall mean an amount calculated and determined by subtracting the total Exploration Expenses paid by the Partnership for Exploration Activities conducted on any Mineral Prospect after one thousand (1,000) feet of drilling has been conducted thereon, from the total Exploration Expenses, Acquisition Costs, and Maintenance Costs paid by the Partnership under the Exploration Agreement.

(e) "Geosystems" shall mean Geosystems Corporation, a Delaware corporation and a General Partner in the Partnership.

(f) "Minerals" shall mean gold and all other minerals of every kind and character in, on, or under the Property, precious and base, metallic and nonmetallic.

(g) "Mineral Prospect" shall mean the lands within the State of Nevada identified in an individual conveyance or assignment made to the Partnership by MVI under Section 9 or Section 10 of the Exploration Agreement.

(h) "Party" shall mean a party (either MVI or the Partnership) to this Assignment.

(i) "Property" shall mean the land within the State of Nevada which is more specifically described in Schedule I to this Assignment.

(j) "Net Profits" shall mean net profits calculated as set forth in Sections 6 through 10 (inclusive) of this Assignment.

(k) "Net Profits Account" shall mean the account related to the Property which is established and maintained by the Partnership under Section 6 of this Assignment.

(l) "Net Profits Royalty" shall mean the economic interest in Minerals and royalty interest in the Property which is reserved by MVI in Section 2 of this Assignment.

2. Assignment and Reservation. MVI hereby assigns (without warranty of title of any nature) the Contract to the Partnership reserving unto MVI, however, a net profits royalty interest equal to twenty percent (20%) of one hundred percent (100%) of the Net Profits realized by the Partnership under the Contract, or any extension or renewal of the Contract, or any other contract or agreement between the Partnership and the owner or owners of interests in the Property, or any extension or renewal of such a contract or agreement, or realized by the Partnership after the Partnership purchases the Property, or realized by the Partnership through the sale, assignment, farmout, or other transfer of an interest in the Contract or in the Property. To have and to hold the Contract subject to the reservations, terms, and conditions of this Assignment.

3. Purchase of Property. If the Partnership has or obtains any right or option to purchase the Property under the Contract, or any extension or renewal of the Contract, or any other contract or agreement between the Partnership and the owner or owners of interests in the Property, or any extension or renewal of such a contract or agreement, and if the Partnership exercises such a right or option to purchase the Property, the Partnership shall give MVI immediate notice thereof. Within thirty (30) days after the Partnership purchases the Property, the Partnership shall execute, acknowledge, and deliver to MVI such conveyances as may be reasonably necessary or desirable (in the opinion of counsel for MVI) to confirm, preserve, or protect the Net Profits Royalty.

4. Personal Property. Anything to the contrary herein notwithstanding, the Net Profits Royalty does not include any right, title, or interest in or to any buildings, fixtures, equipment, machinery, supplies, materials, or other personal property now or hereafter situate upon the Property except for Minerals severed from the Property.

5. Marketing. Subject to the provisions of this Section 5, the Partnership shall have exclusive charge and control of the sale and marketing of and shall actually sell and market all Minerals mined from the Property and shall collect the proceeds thereof. The Partnership shall not market Minerals mined from the Property at less than their fair market value. Credits to the Net Profits Account for Minerals mined from the Property and marketed by

the Partnership shall be made on the basis of the product actually sold by the Partnership, whether sold in crude, processed, concentrated, precipitated, treated, enriched, smelted, refined, or manufactured form or otherwise.

6. Net Profits Account. The Partnership shall (at the Partnership's sole expense) establish and maintain a non-interest bearing Net Profits Account. Subject to the provisions of Section 7 hereof, the Net Profits Account shall be credited with the items specified in Section 8 of this Assignment and charged with the items specified in Section 9 of this Assignment. Nothing contained in this Section 6 or in Section 7, Section 8, or Section 9 of this Assignment shall be interpreted or applied in any manner which will require or permit any duplication of all or any portion of any such credit or charge with respect to the same transaction. The Partnership shall maintain complete and accurate books and records in connection with this Assignment, the Net Profits Account, the Contract, the Property, and the Exploration Investment. Upon ten (10) days prior notice from MVI to the Partnership, the Partnership shall make the Net Profits Account and such books and records available for inspection and/or for audit by MVI or by MVI's authorized representatives at the Partnership's principal offices and during the Partnership's normal business hours. Subject to the provisions of Section 11 of this Assignment, any such inspection and audit shall be made at the sole expense of MVI and MVI shall furnish the Partnership with copies of all related data, reports, or audits prepared by or at the request of MVI.

7. Recovery of Exploration Investment. It is acknowledged by the Parties that more than one (1) Mineral Prospect and more than one (1) contract applicable to a Mineral Prospect may be conveyed or assigned to the Partnership by MVI under the Exploration Agreement. Each such conveyance or assignment shall be and is subject to the reservation by MVI of a net profits royalty interest and each such conveyance or assignment obligates the Partnership to establish and maintain an individual net profits account for and applicable to the specific Mineral Prospect identified therein. Within sixty (60) days after the effective date of any termination or expiration of the Exploration Agreement, the Partnership shall calculate and determine the Exploration Investment and shall give MVI notice of the amount thereof. The Partnership shall apply all credits which would otherwise be applied to the individual net profits account for any Mineral Prospect to reduce the Exploration Investment until the Exploration Investment is recovered by the Partnership. No part of the Exploration Investment shall be applied to or charged against the individual net profits account for any Mineral Prospect. When the Partnership has recovered the Exploration Investment in the manner provided for in this Section 7, the Partnership shall commence making credits to the appropriate individual net profits accounts maintained for each Mineral Prospect.

8. Credits to Net Profits Account. Subject to the provisions of Section 7 hereof, the Net Profits Account shall be credited with the following:

(a) An amount equal to the gross proceeds received for or in connection with the sale of all Minerals mined from the Property.

(b) An amount determined by multiplying the gross proceeds received for or in connection with the use by a third party or the sale, rental, or other disposition of personal property, buildings, fixtures, equipment, machinery, supplies, materials, or any other item of any nature by the portion of the cost of renting or purchasing that item which has been charged to the Net Profits Account.

(c) An amount determined by multiplying the fair market value at the time of removal from the Property of personal property, buildings, fixtures, equipment, machinery, supplies, materials, or

any other item of any nature by the portion of the cost of renting or purchasing that item which has been charged to the Net Profits Account.

(d) An amount equal to the gross insurance proceeds received (including proceeds paid to or held by a third party under an assignment or a farmout, joint operating, or similar agreement or otherwise) on account of an interest held or acquired under the Contract, or as a consequence of the loss of or damage to the Property or any portion thereof or interest therein, or the loss of or damage to personal property, buildings, fixtures, equipment, machinery, supplies, materials, or any other item situate thereon or used in connection therewith, or the loss of or damage to any other property to the extent that the cost of renting or purchasing such item or property has been charged to the Net Profits Account.

(e) An amount equal to the gross proceeds of all judgments and claims collected (including proceeds paid to or held by a third party under an assignment or a farmout, joint operating, or similar agreement or otherwise) on account of an interest held or acquired under the Contract, or involving the Property or any portion thereof or interest therein, or involving personal property, buildings, fixtures, equipment, machinery, supplies, materials, or any other item situate thereon or used in connection therewith, or involving any other property to the extent that the cost of renting or purchasing such item or property has been charged to the Net Profits Account.

(f) An amount equal to the gross proceeds received for or in connection with the sale, assignment, farmout, or other transfer of an interest in the Contract if the Partnership makes such a transfer as permitted by and under the provisions of Section 16 or Section 18 of this Assignment.

(g) If the Net Profits Royalty is sold by the Partnership as permitted by and under the provisions of Section 18 of this Assignment, an amount determined by multiplying the gross proceeds received for or in connection with the sale of the Net Profits Royalty by a fraction. The numerator of the fraction shall be the percentage interest in the Contract transferred by the Partnership simultaneously with the sale of the Net Profits Royalty, and the denominator of the fraction shall be one hundred percent (100%).

(h) An amount equal to any money or the fair market value of any other benefit received or realized under or in connection with a sale, assignment, farmout, joint operating, or similar transfer or agreement of or related to the Contract or any interest therein or the exploration, development, or mining of the Property.

(i) An amount equal to all other funds and the fair market value of all other benefits received or realized through, for, or in connection with an interest in the Property or in the Contract or through, for, or in connection with the exploration, development, or mining of the Property.

9. Charges to Net Profits Account. Subject to the provisions of Section 7 hereof, the Net Profits Account shall be charged with the following insofar and to the extent the same are allocable to the Property and reasonably necessary for the exploration, development, and mining of the Property:

(a) An amount equal to all bonuses, rentals, advance, delay, minimum, or production royalties, and other payments made to the owner or owners of interests in the Property under the Contract, or any extension or renewal of the Contract, or any other contract or agreement between the Partnership and the owner or owners of interests in the Property, or any extension or renewal of such a contract or agreement.

(b) An amount equal to all costs and expenses paid or incurred for or in connection with maintenance of the Partnership's interest in the Property including, without limitation, costs and expenses for annual labor or assessment work.

(c) An amount equal to all costs and expenses paid or incurred for or in connection with the processing, concentration, precipitation, enrichment, smelting, refining, manufacturing, or other treatment of Minerals mined from the Property.

(d) If the Partnership treats Minerals at treatment facilities owned by the Partnership, an amount reasonably related to the costs and expenses which would have been paid or incurred for treatment of such Minerals at a treatment facility owned by an independent third party at the rates for treatment services prevailing in the vicinity of the Property at the time of treatment by the Partnership.

(e) An amount equal to all costs and expenses paid or incurred for or in connection with transportation of Minerals from the Property to the place of treatment or sale thereof.

(f) An amount equal to all costs and expenses paid or incurred for or in connection with the purchase, construction, and installation on the Property of buildings, equipment, and machinery.

(g) An amount equal to all reasonable costs and expenses paid or incurred for the wages, salaries, and fringe benefits (including Social Security and unemployment taxes, Workmen's Compensation costs, vacation pay, disability benefits, life insurance, health and accident insurance, pension costs, and all other fringe benefits) of employees engaged in the exploration, development, and mining of the Property regardless of where such costs and expenses are paid or incurred provided, however, that any and all such costs and expenses shall be allocated to the Property on an equitable pro rata basis with the Partnership's other operations.

(h) An amount equal to all reasonable costs and expenses paid to independent consultants or contractors for services rendered in connection with the exploration, development, or mining of the Property including, without limitation, services rendered for or in connection with the preparation of a mining feasibility study.

(i) An amount equal to all costs and expenses paid or incurred for rental of machinery and equipment owned by the Partnership or owned by others and used on the Property provided, however, that rental charges for machinery or equipment owned by the Partnership shall be charged at such rates as are customarily charged in the vicinity of the Property for similar machinery and equipment.

(j) An amount equal to all costs and expenses paid or incurred for or in connection with insurance premiums for all forms of insurance protection carried by the Partnership with respect to the Property including, without limitation, fire, theft, property damage, machinery breakdown, public liability, forgery, and use and occupancy insurance.

(k) An amount equal to all costs and expenses paid or incurred for or in connection with taxes accrued and payable arising from the Partnership's operations on the Property, except income taxes, it being understood and agreed that the Parties shall each be liable for and must report and pay their respective shares of income taxes.

(l) An amount equal to all costs and expenses paid by the Partnership for or in connection with loans, mortgages, security agreements, or other obligations which are incurred in order to finance the Partnership's operations on the Property and which

reflect interest rates, terms, and conditions prevailing in the open market at the time the obligation is incurred.

(m) An amount equal to all costs and expenses paid or incurred by the Partnership for or in connection with the examination of title to the Property or related title curative work including, without limitation, costs and expenses for abstracts of title, attorney's fees, and court costs.

(n) An amount equal to all costs and expenses paid or incurred by the Partnership in connection with the transfer of an interest in the Contract if an interest in the Contract is transferred by the Partnership as permitted by and under the provisions of Section 16 or Section 18 of this Assignment including, without limitation, attorney's fees.

(o) An amount equal to all other costs and expenses paid or incurred by the Partnership and reasonably necessary for the exploration, development, or mining of the Property or for the processing, concentration, precipitation, enrichment, smelting, refining, manufacturing, or other treatment of Minerals mined from the Property.

10. Statements and Payments. Subject to the provisions of Section 16 and Section 18 hereof, Net Profits shall be determined in the manner specified in this Section 10 for each calendar month after the Exploration Investment is recovered by the Partnership as provided in Section 7 of this Assignment. The sum of any charge balance existing in the Net Profits Account on the first day of the month plus the total charges properly made thereto during such month shall be deducted from the sum of any credit balance existing in the Net Profits Account on the first day of the month plus the total credits properly made thereto during such month. Any excess of credits over charges shall constitute Net Profits. On or before the last day of each calendar month after the Exploration Investment is recovered by the Partnership as provided in Section 7 hereof, the Partnership shall deliver to MVI a detailed, itemized statement clearly reflecting the status of the Net Profits Account as of the close of business on the last day of the preceding calendar month. Any deficit (an excess of charges over credits) reflected by such statement shall be carried forward for the next and succeeding months until the deficit has been liquidated. If Net Profits (an excess of credits over charges) are reflected by such statement, payment to MVI of twenty percent (20%) of one hundred percent (100%) of such Net Profits shall be enclosed with the statement.

11. Audit. MVI shall have a period of ninety (90) days after MVI's receipt of each monthly statement provided for in Section 10 of this Assignment and after MVI's receipt of the final statement provided for in Section 16 or Section 18 hereof to give the Partnership notice of any objection by MVI thereto. If MVI fails to object to a particular statement within ninety (90) days after MVI's receipt thereof, the accuracy of such statement and the amount of any payment transmitted therewith shall be conclusive with respect to the Parties. If MVI objects to the accuracy of a particular statement or the amount of the payment transmitted thereby within ninety (90) days after the statement is received by MVI, MVI and MVI's authorized representatives shall have the right to audit the Net Profits Account and the Partnership's books and records at the Partnership's principal offices and during the Partnership's normal business hours. Any such audit shall be made at the sole expense of MVI if the audit determines that the statement or payment in question is accurate within two percent (2%). Any such audit shall be made at the sole expense of the Partnership if the audit determines that the statement or payment in question is inaccurate by more than two percent (2%). In any case, the Net Profits Account and all payments in question shall be adjusted to reflect the results of the audit.

12. Indemnification. MVI shall have no responsibility or obligation whatsoever for direct payment of any part of the costs and expenses charged to or against the Net Profits Account nor for any duties or liabilities under or incurred in connection with the Contract or the entry, exploration, development, or mining of the Property. Subject to the provisions of Section 13 hereof, the Partnership agrees to and hereby assumes all liability for and indemnifies, protects, saves, and holds MVI harmless from and against any and all losses, costs, expenses, attorney's fees, claims, demands, liabilities, suits, and actions of every kind and character which may be imposed upon or incurred by MVI on account of, arising directly or indirectly from, or in any way connected with or related to such costs, expenses, duties, or liabilities.

13. Access to Property. MVI and MVI's authorized representatives shall, at its and their sole risk and expense, have free and complete access to the Property and all operations by the Partnership on or related to the Property for the purposes of viewing or inspecting the same or evaluating the progress thereof. MVI agrees to and assumes all liability for and indemnifies, protects, saves, and holds the Partnership harmless from and against any and all losses, costs, expenses, attorney's fees, claims, demands, liabilities, suits, and actions of every kind and character which may be imposed upon or incurred by the Partnership on account of, arising directly or indirectly from, or in any way connected with or related to exercise by MVI of its rights of access under this Section 13. MVI shall have the right (at MVI's sole risk and expense) to inspect and test all Mineral samples taken from the Property by the Partnership and to inspect and/or copy all other physical and factual data in the Partnership's possession related to or generated by the Partnership's operations on the Property including, without limitation, assays, drilling or other logs, geochemical test results, mining feasibility studies, and maps.

14. Operating Decisions. The Parties acknowledge that the Net Profits Royalty is both an economic interest in Minerals and a royalty interest in the Property. However, MVI shall have no right to enter, explore, develop, or mine the Property and MVI shall have no right to execute assignments, farmouts, joint operating agreements, or similar instruments with respect to the Contract unless such instruments provide for pooling or unitization of the Property with any other lands or for the commingling of Minerals mined from the Property with minerals mined from any other lands. Subject to the provisions of Sections 16 and 18 hereof, all such agreements or instruments shall specifically recite that the transaction reflected therein is subject to the Net Profits Royalty and all terms and conditions of this Assignment and MVI shall be a necessary party to any agreement or instrument whatsoever which provides for or purports to authorize any pooling or unitization of the Property with any other lands or which provides for or purports to authorize commingling of Minerals mined from the Property with minerals mined from any other lands. Except as expressly provided to the contrary in the Contract, the Partnership shall have no obligation to begin or prosecute mining, development, or processing operations on the Property, nor to mine and remove all or any portion of the Minerals thereon, therein, or thereunder, and this Assignment does not contain any implied covenants to do so. Subject to the terms and provisions of the Contract, if the Partnership conducts exploration, development, mining, extraction, processing, or other operations on the Property, such operations and activities shall be conducted only to the extent and at such times and locations, and by or with such methods as the Partnership, in the Partnership's sole discretion, deems desirable.

15. Surrender. The Partnership shall give MVI at least ninety (90) days prior notice before terminating, surrendering, forfeiting, or relinquishing any interest in the Contract or in the Property or before allowing any interest in the Contract or in the Property held or acquired by the Partnership to lapse, to be

terminated or forfeited, or to expire. MVI shall have a period of sixty (60) days after MVI's receipt of any such notice to give the Partnership notice of MVI's decision to take an assignment of the interest in the Contract or in the Property described in the Partnership's notice to MVI. Within fifteen (15) days after the Partnership's receipt of such a notice from MVI, the Partnership shall execute and deliver an assignment of that interest in the Contract or in the Property to MVI with covenants of warranty against all parties claiming by, through, or under the Partnership except the United States of America and the State of Nevada and without reservation or exception of any nature. The total consideration paid to the Partnership by MVI for such an assignment shall be Ten Dollars (\$10.00).

16. Assignment by the Partnership. Subject to the provisions of Sections 14, 15, 18, and 19 hereof, this Assignment shall constitute MVI's consent for the Partnership to sell, assign, farm-out, or otherwise transfer the Partnership's interest in the Contract, in whole or in part, under the following conditions:

(a) To an independent third party transferee with no personal or business relationship whatsoever to the Partnership or to any of the Partnership's affiliates, principals, employees, agents, or representatives; and

(b) For consideration equal to or greater than the fair market value of the interest in the Contract transferred.

If the Partnership transfers some portion but less than all of the Partnership's interest in the Contract under the provisions of this Section 16, before the transfer is made and delivered, the Partnership shall execute and deliver to MVI an instrument satisfactory in form and content to MVI conveying to MVI twenty percent (20%) of one hundred percent (100%) of the Net Profits realized by the Partnership through, from, or in connection with the interest in the Contract which will be retained by the Partnership rather than transferred to the independent third party transferee. In exchange for such instrument, MVI shall execute and deliver to the Partnership an instrument satisfactory in form and content to the Partnership conveying the Net Profits Royalty to the Partnership or to such other individual or entity as the Partnership may designate.

If the Partnership transfers all of its interest in the Contract to an independent third party transferee under the provisions of this Section 16, within thirty (30) days after such transfer is made and delivered, MVI shall convey the Net Profits Royalty to the same independent third party transferee. Within twenty (20) days after any such conveyance of the Net Profits Royalty to an independent third party transferee, the Partnership shall deliver to MVI a final statement for the Net Profits Account. If the final statement reflects Net Profits (an excess of credits over charges), payment to MVI of twenty percent (20%) of one hundred percent (100%) of such Net Profits shall be enclosed with the final statement unless the sales price of all of the Partnership's interest in the Contract is to be paid by the independent third party transferee in installments. If the sales price of all of the Partnership's interest in the Contract is to be paid in installments, twenty percent (20%) of one hundred percent (100%) of the Net Profits reflected by the final statement shall be paid to MVI in installments. Such an installment payment to MVI shall be due and payable on each date that an installment payment of the purchase price for all of the Partnership's interest in the Contract is due and payable, and each such installment payment to MVI shall be in an amount determined by multiplying the Net Profits reflected by the final statement by a fraction. The numerator of the fraction shall be the amount of the installment payment of the purchase price for all of the Partnership's interest in the Contract which is due and payable on the same date as the installment payment

to MVI, and the denominator of the fraction shall be the total purchase price for all of the Partnership's interest in the Contract.

Unless otherwise agreed by the Parties, any conveyance of the Net Profits Royalty to the Partnership or to an independent third party transferee under the provisions of this Section 16 shall be made by deed or deeds with covenants of warranty against all parties claiming by, through, or under the grantor or grantors except the United States of America and the State of Nevada and without reservation or exception of any nature.

17. Assignment by MVI. If MVI should decide to sell, assign, or transfer all or any part of the Net Profits Royalty to any third party or entity except Dr. M. B. Mehrtens or Mr. Edward T. Dwyer or their respective estates, heirs, or devisees, MVI shall give the Partnership notice of that decision describing the interest to be transferred, the price to be paid for the transfer, and all other pertinent terms and conditions of the transfer. For a period of thirty (30) days after the Partnership's receipt of any such notice from MVI, the Partnership shall have the preferred right and option to consummate an acquisition from MVI of the interest described therein at the price and under the terms and conditions specified in MVI's notice to the Partnership. If the Partnership fails or declines to consummate such an acquisition within thirty (30) days after the Partnership's receipt of any such notice from MVI, MVI may transfer the interest described therein to any third party or entity on the terms and conditions specified in MVI's notice to the Partnership or for any greater price or consideration. If MVI is unable to consummate such a transfer to a third party or entity within ninety (90) days after the Partnership fails or declines to consummate an acquisition from MVI, the Partnership's preferred right and option shall be reinstated in accordance with the provisions of this Section 17. No transfer by MVI to any third party or entity shall be binding with respect to the Partnership until the Partnership is furnished with a certified copy of the original recorded document of transfer. Notwithstanding any such transfer to a third party or entity by MVI, the Partnership shall not be required to make payments nor to render statements required hereby to more than one party and, in the event the Net Profits Royalty is owned by more than one party, the Partnership may withhold further payments and statements until all such owners have designated a single party to act for them in all respects including, without limitation, the giving and receipt of notices, payments, and statements.

18. Power of Attorney. Subject to the provisions of Section 19 hereof, this Assignment shall constitute MVI's power of attorney to the Partnership to sell the entire and undivided Net Profits Royalty under the following conditions:

(a) To an independent third party purchaser with no personal or business relationship whatsoever to the Partnership or to any of the Partnership's affiliates, principals, employees, agents, or representatives;

(b) For a sales price equal to or greater than the fair market value of the Net Profits Royalty; and

(c) Simultaneously with the sale, assignment, farmout, or other transfer of all or some part of the Partnership's interest in the Contract to the same independent third party purchaser.

Within thirty (30) days after any conveyance of the Net Profits Royalty to an independent third party purchaser is made under the provisions of this Section 18, the Partnership shall deliver to MVI a final statement for the Net Profits Account. If the final statement reflects Net Profits (an excess of credits over charges), payment to MVI of twenty percent (20%) of one hundred percent (100%) of such Net Profits shall be enclosed with the final statement unless

the sales price of the interest in the Contract and the Net Profits Royalty is to be paid by the independent third party purchaser in installments. If the sales price of the interest in the Contract and the Net Profits Royalty is to be paid in installments, twenty percent (20%) of one hundred percent (100%) of the Net Profits reflected by the final statement shall be paid to MVI in installments. Such an installment payment to MVI shall be due and payable on each date that an installment payment of the purchase price for the interest in the Contract and the Net Profits Royalty is due and payable, and each such installment payment to MVI shall be in an amount determined by multiplying the Net Profits reflected by the final statement by a fraction. The numerator of the fraction shall be the amount of the installment payment of the purchase price for the interest in the Contract and the Net Profits Royalty which is due and payable on the same date as the installment payment to MVI, and the denominator of the fraction shall be the total purchase price for the interest in the Contract and the Net Profits Royalty.

If the Net Profits Royalty is conveyed to an independent third party purchaser under the provisions of this Section 18 simultaneously with the sale, assignment, farmout, or other transfer of some portion but less than all of the Partnership's interest in the Contract, before the conveyance and transfer are made and delivered, the Partnership shall execute and deliver to MVI an instrument satisfactory in form and content to MVI conveying to MVI twenty percent (20%) of one hundred percent (100%) of the Net Profits realized by the Partnership through, from, or in connection with the interest in the Contract which will be retained by the Partnership rather than transferred to the independent third party purchaser.

Unless otherwise agreed by the Parties, any conveyance of the Net Profits Royalty to an independent third party purchaser under the provisions of this Section 18 shall be made by deed or deeds with covenants of warranty against all parties claiming by, through, or under the grantor or grantors except the United States of America and the State of Nevada and without reservation or exception of any nature.

19. MVI's Right to Offer. If at any time the Partnership desires or intends to sell, assign, farmout, or otherwise transfer an interest in the Contract as permitted by and under the conditions of Section 16 or Section 18 hereof, the Partnership shall immediately so advise MVI. Such notice shall describe the interest in the Contract that the Partnership desires or intends to transfer, the price to be paid for such transfer, and all other pertinent terms and conditions of the transfer. The Partnership shall not consummate the transfer described in its notice to MVI for a period of at least sixty (60) days after MVI's receipt thereof. During the sixty (60) day period, MVI shall have the right and option to submit an offer to the Partnership to purchase or otherwise acquire the interest in the Contract described in the Partnership's notice to MVI. The Partnership shall have thirty (30) days after the Partnership's receipt of such an offer from MVI to give MVI notice either accepting or rejecting MVI's offer. The decision of whether to accept or reject MVI's offer shall be within the sole and exclusive discretion of the Partnership. If the Partnership fails to give MVI notice accepting MVI's offer within thirty (30) days after it is received by the Partnership, the Partnership shall be deemed to have rejected MVI's offer. Subject to the provisions of Sections 16 and 18 hereof, if MVI fails to submit an offer within the sixty (60) day period provided for in this Section 19 or if the Partnership rejects or is deemed to have rejected such an offer from MVI, the Partnership shall have a period of ninety (90) days to transfer the interest in the Contract described in its notice to MVI under the terms and conditions set forth therein. If the Partnership does not consummate such a transfer within ninety (90) days after MVI fails to submit a timely offer or the Partnership rejects or is deemed to have rejected an offer from

MVI, MVI's right to submit an offer shall be reinstated in accordance with the provisions of this Section 19.

20. Binding Effect. All terms and conditions of this Assignment shall be binding upon and inure to the benefit of the Parties and their respective permissible successors and assigns including, without limitation, the terms and provisions of Sections 14 through 19 (inclusive) hereof.

21. Notice. All notices, statements, payments, offers, or other communications between the Parties required, permitted, or made necessary by the terms of this Assignment shall be written and shall be delivered personally or sent by United States mail, postage pre-paid, addressed to the Party to receive the communication at the address for that Party specified in the initial paragraph of this Assignment. Except as otherwise specifically provided to the contrary herein, communications mailed in the manner provided in this Section 21 shall be deemed made and given on the date of mailing. Either of the Parties may change its address or addressee for notice from time to time by giving notice of such change to the other Party in the manner specified in this Section 21.

22. Representations by the Partnership. The Partnership represents and warrants to MVI that the Partnership is an association of two (2) or more individuals or entities formed to carry on as co-owners a business for profit, that Bradley and Geosystems are General Partners in the Partnership, and that either Bradley or Geosystems has full power and authority to execute this Assignment on behalf of the Partnership. MVI shall be deemed to have relied on the representations and warranties contained in this Section 22.

IN WITNESS WHEREOF, the Parties have executed this Assignment and Agreement effective as of the day and year first above written.

MINERAL VENTURES, INC.

By: _____
M. B. Mehrtens, President

ATTEST:

Title: _____

CARGO PARTNERS
BRADLEY RESOURCES CORPORATION, GENERAL
PARTNER

By: _____

President

ATTEST:

Secretary

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GEOSYSTEMS CORPORATION, GENERAL PARTNER

By: _____
President

ATTEST:

Secretary

STATE OF _____)
AND _____) ss.
COUNTY OF _____)

On _____, 19____, personally appeared before me
M. B. Mehrtens as President and _____ as _____ of
Mineral Ventures, Inc., a Colorado corporation, who acknowledged that
they executed the above instrument.

Witness my hand and official seal.

My commission expires _____.

Notary Public

[NOTARIAL SEAL]

STATE OF _____)
AND _____) ss.
COUNTY OF _____)

On _____, 19____, personally appeared before me, a
notary public, _____ as _____ President and
_____ as _____ Secretary of Bradley Resources
Corporation, a New York corporation and a General Partner in Cargo
Partners, a Colorado partnership, who acknowledged that they executed
the above instrument.

Witness my hand and official seal.

My commission expires _____.

Notary Public

[NOTARIAL SEAL]

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STATE OF _____)
 AND) ss.
COUNTY OF _____)

On _____, 19____, personally appeared before me, a notary public, _____ as _____ President and _____ as _____ Secretary of Geosystems Corporation, a Delaware corporation and a General Partner in Cargo Partners, a Colorado partnership, who acknowledged that they executed the above instrument.

Witness my hand and official seal.

My commission expires _____.

[NOTARIAL SEAL]

Notary Public

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SCHEDULE I

The Contract is that certain agreement entitled " ," dated , by and between MVI and , situate in the records of County at Book , Page , under Reception Number , and applicable to the following lands (the Property) in the State of Nevada:

<u>County</u>	<u>Section</u>	<u>Township</u>	<u>Range</u>	<u>Principal Meridian</u>
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<u>Names of Mining Claims</u>	<u>Date Located</u>	<u>Date Recorded</u>	<u>Book</u>	<u>Page</u>
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EXHIBIT B
BUDGET FOR THE INITIAL BUDGET YEAR

Leases: (office, lab, equipment)	\$ 9,000
Salaries and Benefits (including Lab Technician). . . .	\$160,000
Supplies: Office and Field (including gas and food). . .	\$ 37,000
Supplies: Laboratory	\$ 8,000
Travel.	\$ 5,000
Phones, utilities	\$ 3,000
Insurance	\$ 4,000
Legal	\$ 5,000
Capital Equipment Field: (trucks, trailer, generator, etc.)	\$ 36,000
Capital Cost Lab:	\$ 30,000
Pinto Anomaly Follow-up Work.	\$ 20,000
Acquisition Costs	\$ 10,000
TOTAL.	\$327,000

DEED AND AGREEMENT

This Deed and Agreement ("this Deed") is made and entered into effective as of _____, 19____, by and between Mineral Ventures, Inc. ("MVI"), a Colorado corporation with an office and address for notice to the attention of Dr. M. B. Mehrtens at Suite 509, West Point Building, 3900 South Wadsworth Boulevard, Denver, Colorado 80235, and Cargo Partners ("the Partnership"), a formal partnership organized under and existing by virtue of the laws of the State of Colorado with an office and address for notice to the attention of Mr. George W. Holbrook, Jr., c/o Bradley Resources Corporation, 274 Riverside Avenue, Westport, Connecticut 06880. MVI and the Partnership are collectively referred to below as "the Parties."

WITNESSETH:

WHEREAS, MVI is the owner of specified unpatented mining claims situate within the State of Nevada; and

WHEREAS, MVI has agreed to convey such mining claims to the Partnership subject to the reservations, terms, and conditions of this Deed; and

WHEREAS, MVI and the Partnership desire to set forth in this Deed provisions pursuant to which MVI will retain a twenty percent (20%) interest in the net profits (as that term is defined herein) realized by the Partnership, regardless of whether such net profits are realized by the Partnership through the production of minerals from or the sale, lease, assignment, farmout, or other transfer of an interest in such mining claims;

NOW THEREFORE, for and in consideration of the sum of one or more dollars exchanged by the Parties (the receipt and the adequacy as consideration whereof is hereby mutually acknowledged by the Parties), the Parties agree as set forth in Sections 1 through 22 of this Deed.

1. Definitions. For purposes of this Deed, the terms defined in this Section 1 shall have the following meanings:

(a) "Bradley" shall mean Bradley Resources Corporation, a New York corporation and a General Partner in the Partnership.

(b) "Exploration Agreement" shall mean that certain Exploration Agreement between the Parties effective as of June 1, 1979.

(c) "Exploration Investment" shall mean an amount calculated and determined by subtracting the total Exploration Expenses paid by the Partnership for Exploration Activities conducted on any Mineral Prospect after one thousand (1,000) feet of drilling has been conducted thereon, from the total Exploration Expenses, Acquisition Costs, and Maintenance Costs paid by the Partnership under the Exploration Agreement.

(d) "Geosystems" shall mean Geosystems Corporation, a Delaware corporation and a General Partner in the Partnership.

(e) "Minerals" shall mean gold and all other minerals of every kind and character in, on, or under the Property, precious and base, metallic and nonmetallic.

(f) "Mineral Prospect" shall mean the lands within the State of Nevada identified in an individual conveyance or assignment

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made to the Partnership by MVI under Section 9 or Section 10 of the Exploration Agreement.

(g) "Party" shall mean a party (either MVI or the Partnership) to this Deed.

(h) "Property" shall mean the unpatented mining claims situate within the State of Nevada which are more specifically described in Schedule I to this Deed, all amendments or relocations of such mining claims, and all land now or hereafter encompassed within the exterior boundaries of such mining claims.

(i) "Net Profits" shall mean net profits calculated as set forth in Sections 6 through 10 (inclusive) of this Deed.

(j) "Net Profits Account" shall mean the account related to the Property which is established and maintained by the Partnership under Section 6 of this Deed.

(k) "Net Profits Royalty" shall mean the economic interest in Minerals and perpetual independent royalty interest in the Property which is reserved by MVI in Section 2 of this Deed.

2. Conveyance and Reservation. MVI hereby conveys (without warranty of title of any nature) the Property to the Partnership reserving unto MVI, however, a perpetual independent net profits royalty interest equal to twenty percent (20%) of one hundred percent (100%) of the Net Profits realized by the Partnership. To have and to hold the Property subject to the reservations, terms, and conditions of this Deed.

3. Patenting of Property. If the Partnership applies for and is granted a mineral patent to the Property or any portion thereof, within thirty (30) days after such patent is granted to the Partnership, the Partnership shall execute, acknowledge, and deliver to MVI such conveyances as may be reasonably necessary or desirable (in the opinion of counsel for MVI) to confirm, preserve, or protect the Net Profits Royalty.

4. Personal Property. Anything to the contrary herein notwithstanding, the Net Profits Royalty does not include any right, title, or interest in or to any buildings, fixtures, equipment, machinery, supplies, materials, or other personal property now or hereafter situate upon the Property except for Minerals severed from the Property.

5. Marketing. Subject to the provisions of this Section 5, the Partnership shall have exclusive charge and control of the sale and marketing of and shall actually sell and market all Minerals mined from the Property and shall collect the proceeds thereof. The Partnership shall not market Minerals mined from the Property at less than their fair market value. Credits to the Net Profits Account for Minerals mined from the Property and marketed by the Partnership shall be made on the basis of the product actually sold by the Partnership, whether sold in crude, processed, concentrated, precipitated, treated, enriched, smelted, refined, or manufactured form or otherwise.

6. Net Profits Account. The Partnership shall (at the Partnership's sole expense) establish and maintain a non-interest bearing Net Profits Account. Subject to the provisions of Section 7 hereof, the Net Profits Account shall be credited with the items specified in Section 8 of this Deed and charged with the items specified in Section 9 of this Deed. Nothing contained in this Section 6 or in Section 7, Section 8, or Section 9 of this Deed shall be interpreted or applied in any manner which will require or permit any duplication of all or any portion of any such credit or charge with respect to the same transaction. The Partnership shall maintain

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complete and accurate books and records in connection with this Deed, the Net Profits Account, the Property, and the Exploration Investment. Upon ten (10) days prior notice from MVI to the Partnership, the Partnership shall make the Net Profits Account and such books and records available for inspection and/or for audit by MVI or by MVI's authorized representatives at the Partnership's principal offices and during the Partnership's normal business hours. Subject to the provisions of Section 11 of this Deed, any such inspection and audit shall be made at the sole expense of MVI and MVI shall furnish the Partnership with copies of all related data, reports, or audits prepared by or at the request of MVI.

7. Recovery of Exploration Investment. It is acknowledged by the Parties that more than one (1) Mineral Prospect and more than one (1) contract applicable to a Mineral Prospect may be conveyed or assigned to the Partnership by MVI under the Exploration Agreement. Each such conveyance or assignment shall be and is subject to the reservation by MVI of a net profits royalty interest and each such conveyance or assignment obligates the Partnership to establish and maintain an individual net profits account for and applicable to the specific Mineral Prospect identified therein. Within sixty (60) days after the effective date of any termination or expiration of the Exploration Agreement, the Partnership shall calculate and determine the Exploration Investment and shall give MVI notice of the amount thereof. The Partnership shall apply all credits which would otherwise be applied to the individual net profits account for any Mineral Prospect to reduce the Exploration Investment until the Exploration Investment is recovered by the Partnership. No part of the Exploration Investment shall be applied to or charged against the individual net profits account for any Mineral Prospect. When the Partnership has recovered the Exploration Investment in the manner provided for in this Section 7, the Partnership shall give MVI immediate notice thereof and the Partnership shall commence making credits to the appropriate individual net profits accounts maintained for each Mineral Prospect.

8. Credits to Net Profits Account. Subject to the provisions of Section 7 hereof, the Net Profits Account shall be credited with the following:

(a) An amount equal to the gross proceeds received for or in connection with the sale of all Minerals mined from the Property.

(b) An amount determined by multiplying the gross proceeds received for or in connection with the use by a third party or the sale, rental, or other disposition of personal property, buildings, fixtures, equipment, machinery, supplies, materials, or any other item of any nature by the portion of the cost of renting or purchasing that item which has been charged to the Net Profits Account.

(c) An amount determined by multiplying the fair market value at the time of removal from the Property of personal property, buildings, fixtures, equipment, machinery, supplies, materials, or any other item of any nature by the portion of the cost of renting or purchasing that item which has been charged to the Net Profits Account.

(d) An amount equal to the gross insurance proceeds received (including proceeds paid to or held by a third party under a lease, assignment, farmout, joint operating or similar agreement or otherwise) on account of an interest in the Property, or as a consequence of the loss of or damage to the Property or any portion thereof or interest therein, or the loss of or damage to personal property, buildings, fixtures, equipment, machinery, supplies, materials, or any other item situate thereon or used in connection therewith, or the loss of or damage to any other property to the extent that the cost of renting or purchasing such item or property has been charged to the Net Profits Account.

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(e) An amount equal to the gross proceeds of all judgments and claims collected (including proceeds paid to or held by a third party under a lease, assignment, farmout, joint operating or similar agreement or otherwise) on account of an interest in the Property, or involving the Property or any portion thereof or interest therein, or involving personal property, buildings, fixtures, equipment, machinery, supplies, materials, or any other item situate thereon or used in connection therewith, or involving any other property to the extent that the cost of renting or purchasing such item or property has been charged to the Net Profits Account.

(f) An amount equal to the gross proceeds received for or in connection with the sale, lease, assignment, farmout, or other transfer of an interest in the Property if the Partnership makes such a transfer as permitted by and under the provisions of Section 16 or Section 18 of this Deed.

(g) If the Net Profits Royalty is sold by the Partnership as permitted by and under the provisions of Section 18 of this Deed, an amount determined by multiplying the gross proceeds received for or in connection with the sale of the Net Profits Royalty by a fraction. The numerator of the fraction shall be the percentage interest in the Property transferred by the Partnership simultaneously with the sale of the Net Profits Royalty, and the denominator of the fraction shall be one hundred percent (100%).

(h) An amount equal to any money or the fair market value of any other benefit received or realized under or in connection with a sale, lease, assignment, farmout, joint operating or similar transfer or agreement of or related to the Property or any interest therein or the exploration, development, or mining of the Property.

(i) An amount equal to all other funds and the fair market value of all other benefits received or realized through, for, or in connection with the production of Minerals mined from the Property or through, for, or in connection with the exploration, development, or mining of the Property.

9. Charges to Net Profits Account. Subject to the provisions of Section 7 hereof, the Net Profits Account shall be charged with the following insofar and to the extent the same are allocable to the Property and reasonably necessary for the exploration, development, and mining of the Property:

(a) An amount equal to all costs and expenses paid or incurred for or in connection with maintenance of the Partnership's interest in the Property including, without limitation, costs and expenses for annual labor or assessment work.

(b) An amount equal to all costs and expenses paid or incurred for or in connection with the processing, concentration, precipitation, enrichment, smelting, refining, manufacturing, or other treatment of Minerals mined from the Property.

(c) If the Partnership treats Minerals at treatment facilities owned by the Partnership, an amount reasonably related to the costs and expenses which would have been paid or incurred for treatment of such Minerals at a treatment facility owned by an independent third party at the rates for treatment services prevailing in the vicinity of the Property at the time of treatment by the Partnership.

(d) An amount equal to all costs and expenses paid or incurred for or in connection with transportation of Minerals from the Property to the place of treatment or sale thereof.

(e) An amount equal to all costs and expenses paid or incurred for or in connection with the purchase, construction, and installation on the Property of buildings, equipment, and machinery.

(f) An amount equal to all reasonable costs and expenses paid or incurred for the wages, salaries, and fringe benefits (including Social Security and unemployment taxes, Workmen's Compensation costs, vacation pay, disability benefits, life insurance, health and accident insurance, pension costs, and all other fringe benefits) of employees engaged in the exploration, development, and mining of the Property regardless of where such costs and expenses are paid or incurred provided, however, that any and all such costs and expenses shall be allocated to the Property on an equitable pro rata basis with the Partnership's other operations.

(g) An amount equal to all reasonable costs and expenses paid to independent consultants or contractors for services rendered in connection with the exploration, development, or mining of the Property, including, without limitation, services rendered for or in connection with the preparation of a mining feasibility study.

(h) An amount equal to all costs and expenses paid or incurred for rental of machinery and equipment owned by the Partnership or owned by others and used on the Property provided, however, that rental charges for machinery or equipment owned by the Partnership shall be charged at such rates as are customarily charged in the vicinity of the Property for similar machinery and equipment.

(i) An amount equal to all costs and expenses paid or incurred for or in connection with insurance premiums for all forms of insurance protection carried by the Partnership with respect to the Property including, without limitation, fire, theft, property damage, machinery breakdown, public liability, forgery, and use and occupancy insurance.

(j) An amount equal to all costs and expenses paid or incurred for or in connection with taxes accrued and payable arising from the Partnership's operations on the Property, except income taxes, it being understood and agreed that the Parties shall each be liable for and must report and pay their respective shares of income taxes.

(k) An amount equal to all costs and expenses paid by the Partnership for or in connection with loans, mortgages, security agreements, or other obligations which are incurred in order to finance the Partnership's operations on the Property and which reflect interest rates, terms, and conditions prevailing in the open market at the time the obligation is incurred.

(l) An amount equal to all costs and expenses paid or incurred by the Partnership for or in connection with the examination of title to the Property or related title curative work including, without limitation, costs and expenses for abstracts of title, attorney's fees, and court costs.

(m) An amount equal to all costs and expenses paid or incurred by the Partnership in connection with the transfer of an interest in the Property if an interest in the Property is transferred by the Partnership as permitted by and under the provisions of Section 16 or Section 18 of this Deed including, without limitation, attorney's fees.

(n) An amount equal to all other costs and expenses paid or incurred by the Partnership and reasonably necessary for the exploration, development, or mining of the Property or for the processing, concentration, precipitation, enrichment, smelting, refining, manufacturing, or other treatment of Minerals mined from the Property.

10. Statements and Payments. Subject to the provisions of Section 16 and Section 18 hereof, Net Profits shall be determined in the manner specified in this Section 10 for each calendar month after

the Exploration Investment is recovered by the Partnership as provided in Section 7 of this Deed. The sum of any charge balance existing in the Net Profits Account on the first day of the month plus the total charges properly made thereto during such month shall be deducted from the sum of any credit balance existing in the Net Profits Account on the first day of the month plus the total credits properly made thereto during such month. Any excess of credits over charges shall constitute Net Profits. On or before the last day of each calendar month after the Exploration Investment is recovered by the Partnership as provided in Section 7 of this Deed, the Partnership shall deliver to MVI a detailed, itemized statement clearly reflecting the status of the Net Profits Account as of the close of business on the last day of the preceding calendar month. Any deficit (an excess of charges over credits) reflected by such statement shall be carried forward for the next and succeeding months until the deficit has been liquidated. If Net Profits (an excess of credits over charges) are reflected by such statement, payment to MVI of twenty percent (20%) of one hundred percent (100%) of such Net Profits shall be enclosed with the statement.

11. Audit. MVI shall have a period of ninety (90) days after MVI's receipt of each monthly statement provided for in Section 10 of this Deed and after MVI's receipt of the final statement provided for in Section 16 or Section 18 hereof to give the Partnership notice of any objection by MVI thereto. If MVI fails to object to a particular statement within ninety (90) days after MVI's receipt thereof, the accuracy of such statement and the amount of any payment transmitted therewith shall be conclusive with respect to the Parties. If MVI objects to the accuracy of a particular statement or the amount of the payment transmitted thereby within ninety (90) days after the statement is received by MVI, MVI and MVI's authorized representatives shall have the right to audit the Net Profits Account and the Partnership's books and records at the Partnership's principal offices and during the Partnership's normal business hours. Any such audit shall be made at the sole expense of MVI if the audit determines that the statement or payment in question is accurate within two percent (2%). Any such audit shall be made at the sole expense of the Partnership if the audit determines that the statement or payment in question is inaccurate by more than two percent (2%). In any case, the Net Profits Account and all payments in question shall be adjusted to reflect the results of the audit.

12. Indemnification. MVI shall have no responsibility or obligation whatsoever for direct payment of any part of the costs and expenses charged to or against the Net Profits Account nor for any liabilities incurred in connection with the entry, exploration, development, or mining of the Property. Subject to the provisions of Section 13 hereof, the Partnership agrees to and hereby assumes all liability for and indemnifies, protects, saves, and holds MVI harmless from and against any and all losses, costs, expenses, attorney's fees, claims, demands, liabilities, suits, and actions of every kind and character which may be imposed upon or incurred by MVI on account of, arising directly or indirectly from, or in any way connected with or related to such costs, expenses, or liabilities.

13. Access to Property. MVI and MVI's authorized representatives shall, at its and their sole risk and expense, have free and complete access to the Property and all operations by the Partnership on or related to the Property for the purposes of viewing or inspecting the same or evaluating the progress thereof. MVI agrees to and assumes all liability for and indemnifies, protects, saves, and holds the Partnership harmless from and against any and all losses, costs, expenses, attorney's fees, claims, demands, liabilities, suits, and actions of every kind and character which may be imposed upon or incurred by the Partnership on account of, arising directly or indirectly from, or in any way connected with or related to exercise by MVI of its rights of access under this Section 13. MVI shall have the right (at MVI's sole risk and expense) to inspect and

test all Mineral samples taken from the Property by the Partnership and to inspect and/or copy all other physical and factual data in the Partnership's possession related to or generated by the Partnership's operations on the Property including, without limitation, assays, drilling or other logs, geochemical test results, mining feasibility studies, and maps.

14. Operating Decisions. The Parties acknowledge that the Net Profits Royalty is both an economic interest in Minerals and a perpetual independent royalty interest in and running with the Property. However, MVI shall have no right to enter, explore, develop, or mine the Property and MVI shall have no right to execute leases, assignments, farmouts, joint operating agreements, or similar instruments with respect to the Property unless such instruments provide for pooling or unitization of the Property with any other lands or for the commingling of Minerals mined from the Property with minerals mined from any other lands. Subject to the provisions of Sections 16 and 18 hereof, all such agreements or instruments shall specifically recite that the transaction reflected therein is subject to the Net Profits Royalty and all terms and conditions of this Deed and MVI shall be a necessary party to any agreement or instrument whatsoever which provides for or purports to authorize any pooling or unitization of the Property with any other lands or which provides for or purports to authorize commingling of Minerals mined from the Property with minerals mined from any other lands. The Partnership shall have no obligation to begin or prosecute mining, development, or processing operations on the Property, nor to mine and remove all or any portion of the Minerals thereon, therein, or thereunder, and this Deed does not contain any implied covenants to do so. If the Partnership conducts exploration, development, mining, extraction, processing, or other operations on the Property, such operations and activities shall be conducted only to the extent and at such times and locations, and by or with such methods as the Partnership, in the Partnership's sole discretion, deems desirable.

15. Surrender. The Partnership shall give MVI at least ninety (90) days prior notice before surrendering, forfeiting, or relinquishing the Property or any portion thereof or interest therein or before allowing the Partnership's interest in the Property or any portion thereof to lapse, to be forfeited, or to expire. MVI shall have a period of sixty (60) days after MVI's receipt of any such notice to give the Partnership notice of MVI's decision to take a reconveyance of the interest in the Property described in the Partnership's notice to MVI. Within fifteen (15) days after the Partnership's receipt of such a notice from MVI, the Partnership shall execute and deliver a conveyance of that interest in the Property to MVI with covenants of warranty against all parties claiming by, through, or under the Partnership except the United States of America and the State of Nevada and without reservation or exception of any nature. The total consideration paid to the Partnership by MVI for such a conveyance shall be Ten Dollars (\$10.00).

16. Assignment by the Partnership. Subject to the provisions of Sections 14, 15, 18, and 19 hereof, this Deed shall constitute MVI's consent for the Partnership to sell, lease, assign, farm-out, or otherwise transfer the Partnership's interest in the Property, in whole or in part, under the following conditions:

(a) To an independent third party transferee with no personal or business relationship whatsoever to the Partnership or to any of the Partnership's affiliates, principals, employees, agents, or representatives; and

(b) For consideration equal to or greater than the fair market value of the interest in the Property transferred.

If the Partnership transfers some portion but less than all of the Partnership's interest in the Property under the provisions of

this Section 16, before the transfer is made and delivered, the Partnership shall execute and deliver to MVI an instrument satisfactory in form and content to MVI conveying to MVI twenty percent (20%) of one hundred percent (100%) of the Net Profits realized by the Partnership through, from, or in connection with the interest in the Property which will be retained by the Partnership rather than transferred to the independent third party transferee. In exchange for such instrument, MVI shall execute and deliver to the Partnership an instrument satisfactory in form and content to the Partnership conveying the Net Profits Royalty to the Partnership or to such other individual or entity as the Partnership may designate.

If the Partnership transfers all of its interest in the Property to an independent third party transferee under the provisions of this Section 16, within thirty (30) days after such transfer is made and delivered, MVI shall convey the Net Profits Royalty to the same independent third party transferee. Within twenty (20) days after any such conveyance of the Net Profits Royalty to an independent third party transferee, the Partnership shall deliver to MVI a final statement for the Net Profits Account. If the final statement reflects Net Profits (an excess of credits over charges), payment to MVI of twenty percent (20%) of one hundred percent (100%) of such Net Profits shall be enclosed with the final statement unless the sales price of all of the Partnership's interest in the Property is to be paid by the independent third party transferee in installments. If the sales price of all of the Partnership's interest in the Property is to be paid in installments, twenty percent (20%) of one hundred percent (100%) of the Net Profits reflected by the final statement shall be paid to MVI in installments. Such an installment payment to MVI shall be due and payable on each date that an installment payment of the purchase price for all of the Partnership's interest in the Property is due and payable, and each such installment payment to MVI shall be in an amount determined by multiplying the Net Profits reflected by the final statement by a fraction. The numerator of the fraction shall be the amount of the installment payment of the purchase price for all of the Partnership's interest in the Property which is due and payable on the same date as the installment payment to MVI, and the denominator of the fraction shall be the total purchase price for all of the Partnership's interest in the Property.

Unless otherwise agreed by the Parties, any conveyance of the Net Profits Royalty to the Partnership or to an independent third party transferee under the provisions of this Section 16 shall be made by deed or deeds with covenants of warranty against all parties claiming by, through, or under the grantor or grantors except the United States of America and the State of Nevada and without reservation or exception of any nature.

17. Assignment by MVI. If MVI should decide to sell, assign, or transfer all or any part of the Net Profits Royalty to any third party or entity except Dr. M. B. Mehrtens or Mr. Edward T. Dwyer or their respective estates, heirs, or devisees, MVI shall give the Partnership notice of that decision describing the interest to be transferred, the price to be paid for the transfer, and all other pertinent terms and conditions of the transfer. For a period of thirty (30) days after the Partnership's receipt of any such notice from MVI, the Partnership shall have the preferred right and option to consummate an acquisition from MVI of the interest described therein at the price and under the terms and conditions specified in MVI's notice to the Partnership. If the Partnership fails or declines to consummate such an acquisition within thirty (30) days after the Partnership's receipt of any such notice from MVI, MVI may transfer the interest described therein to any third party or entity on the terms and conditions specified in MVI's notice to the Partnership or for any greater price or consideration. If MVI is unable to consummate such a transfer to a third party or entity within ninety (90) days after the Partnership fails or declines to consummate an acquisition from MVI, the Partnership's preferred right

and option shall be reinstated in accordance with the provisions of this Section 17. No transfer by MVI to any third party or entity shall be binding with respect to the Partnership until the Partnership is furnished with a certified copy of the original recorded document of transfer. Notwithstanding any such transfer to a third party or entity by MVI, the Partnership shall not be required to make payments nor to render statements required hereby to more than one party and, in the event the Net Profits Royalty is owned by more than one party, the Partnership may withhold further payments and statements until all such owners have designated a single party to act for them in all respects including, without limitation, the giving and receipt of notices, payments, and statements.

18. Power of Attorney. Subject to the provisions of Section 19 hereof, this Deed shall constitute MVI's power of attorney to the Partnership to sell the entire and undivided Net Profits Royalty under the following conditions:

(a) To an independent third party purchaser with no personal or business relationship whatsoever to the Partnership or to any of the Partnership's affiliates, principals, employees, agents, or representatives;

(b) For a sales price equal to or greater than the fair market value of the Net Profits Royalty; and

(c) Simultaneously with the sale, lease, assignment, farm-out, or other transfer of all or some part of the Partnership's interest in the Property to the same independent third party purchaser.

Within thirty (30) days after any conveyance of the Net Profits Royalty to an independent third party purchaser is made under the provisions of this Section 18, the Partnership shall deliver to MVI a final statement for the Net Profits Account. If the final statement reflects Net Profits (an excess of credits over charges), payment to MVI of twenty percent (20%) of one hundred percent (100%) of such Net Profits shall be enclosed with the final statement unless the sales price of the Net Profits Royalty and the Partnership's interest in the Property is to be paid by the independent third party purchaser in installments. If the sales price of the Net Profits Royalty and the Partnership's interest in the Property is to be paid in installments, twenty percent (20%) of one hundred percent (100%) of the Net Profits reflected by the final statement shall be paid to MVI in installments. Such an installment payment to MVI shall be due and payable on each date that an installment payment of the purchase price for the Net Profits Royalty and the Partnership's interest in the Property is due and payable, and each such installment payment to MVI shall be in an amount determined by multiplying the Net Profits reflected by the final statement by a fraction. The numerator of the fraction shall be the amount of the installment payment of the purchase price for the Net Profits Royalty and the Partnership's interest in the Property which is due and payable on the same date as the installment payment to MVI, and the denominator of the fraction shall be the total purchase price for the Net Profits Royalty and the Partnership's interest in the Property.

If the Net Profits Royalty is conveyed to an independent third party purchaser under the provisions of this Section 18 simultaneously with the sale, lease, assignment, farmout, or other transfer of some portion but less than all of the Partnership's interest in the Property, before the conveyance and transfer are made and delivered, the Partnership shall execute and deliver to MVI an instrument satisfactory in form and content to MVI conveying to MVI twenty percent (20%) of one hundred percent (100%) of the Net Profits realized by the Partnership through, from, or in connection with the interest in the Property which will be retained by the Partnership rather than transferred to the independent third party purchaser.

Unless otherwise agreed by the Parties, any conveyance of the Net Profits Royalty to an independent third party purchaser under the provisions of this Section 18 shall be made by deed or deeds with covenants of warranty against all parties claiming by, through, or under the grantor or grantors except the United States of America and the State of Nevada and without reservation or exception of any nature.

19. MVI's Right to Offer. If at any time the Partnership desires or intends to sell, lease, assign, farmout, or otherwise transfer an interest in the Property as permitted by and under the conditions of Section 16 or Section 18 hereof, the Partnership shall immediately so advise MVI. Such notice shall describe the interest in the Property that the Partnership desires or intends to transfer, the price to be paid for such transfer, and all other pertinent terms and conditions of the transfer. The Partnership shall not consummate the transfer described in its notice to MVI for a period of at least sixty (60) days after MVI's receipt thereof. During the sixty (60) day period, MVI shall have the right and option to submit an offer to the Partnership to purchase or otherwise acquire the interest of the Partnership in the Property described in the Partnership's notice to MVI. The Partnership shall have thirty (30) days after the Partnership's receipt of such an offer from MVI to give MVI notice either accepting or rejecting MVI's offer. The decision of whether to accept or reject MVI's offer shall be within the sole and exclusive discretion of the Partnership. If the Partnership fails to give MVI notice accepting MVI's offer within thirty (30) days after it is received by the Partnership, the Partnership shall be deemed to have rejected MVI's offer. Subject to the provisions of Sections 16 and 18 hereof, if MVI fails to submit an offer within the sixty (60) day period provided for in this Section 19 or if the Partnership rejects or is deemed to have rejected such an offer from MVI, the Partnership shall have a period of ninety (90) days to transfer the interest of the Partnership in the Property described in its notice to MVI under the terms and conditions set forth therein. If the Partnership does not consummate such a transfer within ninety (90) days after MVI fails to submit a timely offer or the Partnership rejects or is deemed to have rejected an offer from MVI, MVI's right to submit an offer shall be reinstated in accordance with the provisions of this Section 19.

20. Binding Effect. All terms and conditions of this Deed shall be binding upon and inure to the benefit of the Parties and their respective permissible successors and assigns including, without limitation, the terms and provisions of Sections 14 through 19 (inclusive) hereof.

21. Notice. All notices, statements, payments, offers, or other communications between the Parties required, permitted, or made necessary by the terms of this Deed shall be written and shall be delivered personally or sent by United States mail, postage prepaid, addressed to the Party to receive the communication at the address for that Party specified in the initial paragraph of this Deed. Except as otherwise specifically provided to the contrary herein, communications mailed in the manner provided in this Section 21 shall be deemed made and given on the date of mailing. Either of the Parties may change its address or addressee for notice from time to time by giving notice of such change to the other Party in the manner specified in this Section 21.

22. Representations by the Partnership. The Partnership represents and warrants to MVI that the Partnership is an association of two (2) or more individuals or entities formed to carry on as co-owners a business for profit, that Bradley and Geosystems are General Partners in the Partnership, and that either Bradley or Geosystems has full power and authority to execute this Deed on behalf of the Partnership. MVI shall be deemed to have relied on the representations and warranties contained in this Section 22.

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IN WITNESS WHEREOF, the Parties have executed this Deed and Agreement effective as of the day and year first above written.

MINERAL VENTURES, INC.

By: _____
M. B. Mehrtens, President

ATTEST:

Title: _____

CARGO PARTNERS
BRADLEY RESOURCES CORPORATION, GENERAL
PARTNER

By: _____
President

ATTEST:

_____ Secretary

GEOSYSTEMS CORPORATION, GENERAL PARTNER

By: _____
President

ATTEST:

_____ Secretary

STATE OF _____)
AND _____) ss.
COUNTY OF _____)

On _____, 19____, personally appeared before me
M. B. Mehrtens as President and _____ as _____ of
Mineral Ventures, Inc., a Colorado corporation, who acknowledged that
they executed the above instrument.

Witness my hand and official seal.

My commission expires _____.

Notary Public

[NOTARIAL SEAL]

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STATE OF _____)
AND _____) ss.
COUNTY OF _____)

On _____, 19____, personally appeared before me, a notary public, _____ as _____ President and _____ as _____ Secretary of Bradley Resources Corporation, a New York corporation and a General Partner in Cargo Partners, a Colorado partnership, who acknowledged that they executed the above instrument.

Witness my hand and official seal.

My commission expires _____.

[NOTARIAL SEAL]

Notary Public

STATE OF _____)
AND _____) ss.
COUNTY OF _____)

On _____, 19____, personally appeared before me, a notary public, _____ as _____ President and _____ as _____ Secretary of Geosystems Corporation, a Delaware corporation and a General Partner in Cargo Partners, a Colorado partnership, who acknowledged that they executed the above instrument.

Witness my hand and official seal.

My commission expires _____.

[NOTARIAL SEAL]

Notary Public

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SCHEDULE I

The Property consists of the following unpatented mining claims situate within the State of Nevada:

County Section Township Range Principal Meridian

Names of Mining Claims Date Located Date Recorded Book Page

RECORDED AT REQUEST OF
Mineral Ventures, Inc.
BOOK 81 PAGE 171

80 MAY 27 AIO: 25

RECORDED AT REQUEST OF
SECRETARY OF STATE
WILLIS A. B. ...
73607
45.00

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