

DEED AND AGREEMENT

This Deed and Agreement ("this Deed") is made and entered into effective as of June 25, 1980, 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 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 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.

(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, farmout, 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. Mehrrens 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.

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  
M. B. Mehrtens, President


ATTEST:

William R. Marsh  
Title: Assistant Secretary

CARGO PARTNERS  
BRADLEY RESOURCES CORPORATION, GENERAL  
PARTNER

By: [Signature]  
President

ATTEST:  
Stuart G. Gault  
vice-president Secretary

 **SEAL**  
**Affixed** By: [Signature]  
President  
GEOSYSTEMS CORPORATION, GENERAL PARTNER

ATTEST: Josephine S. Tuck  
Secretary

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

On June 25, 1980, personally appeared before me  
M. B. Mehrtens as President and William R. Marsh as Asst. Sec. 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

Leslie L. Beckley  
Notary Public

[NOTARIAL SEAL]

 **SEAL**  
**Affixed**

STATE OF CONNECTICUT )  
AND ) ss.  
COUNTY OF FAIRFIELD )

On JUNE 5, 1980, personally appeared before me, a notary public, GEORGE W. HARRINGTON JR. as President and STUART D. CAVALD as VICE 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.

SEAL  
Affixed

Witness my hand and official seal.

My commission expires APRIL 1, 1984.

As L O  
Notary Public

[NOTARIAL SEAL]

STATE OF CONNECTICUT )  
AND ) ss.  
COUNTY OF FAIRFIELD )

On JUNE 5, 1980, personally appeared before me, a notary public, ROBERT L. FUCHS as President and JOSEPHINE S. 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.

As L O  
Notary Public

[NOTARIAL SEAL]

SEAL  
Affixed



SCHEDULE I: THE PROPERTY

<u>Name of Claim</u>	<u>Section</u>	<u>Township</u>	<u>Range</u> <sup>1</sup>	<u>County</u>	<u>Date Located</u>	<u>Date Recorded</u>	<u>Book</u>	<u>Page</u>	<u>BLM Recordation Number</u>
Pinto North #1 through Pinto North #16 (inclusive)	8	18 North	54 East	Eureka	11/10/79	12/10/79	76	413 through 428 (inclusive)	NMC 135570 through 135585 (inclusive)

OFFICE OF THE CLERK  
EUREKA, CALIFORNIA  
7 JUL 1980  
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80 JUN 30 A 8:44

RECORDED AT REQUEST OF  
Mineral Ventures, Inc.  
EOD 82  
491

BOOK 82 PAGE 503

1. Mount Diablo Principal Meridian