

ROYALTY DEED

THIS ROYALTY DEED is made as of the 31<sup>st</sup> day of August, 1980, from WINDFALL VENTURE, a partnership with principal offices in Grand Junction, Colorado, (the "Grantor") to ST. JAMES HOLDINGS, LTD., a corporation organized under the laws of Territory of the British Virgin Islands with principal offices at Road Town Tortola, B.V.I. (the "Grantee").

The Grantor, for and in consideration of Ten Dollars (\$10.00) and other valuable consideration, the receipt and sufficiency of which is hereby acknowledged, hereby bargains, sells and conveys to the Grantee and its assigns, a perpetual overriding royalty interest, as specified below, in and to the following described patented and unpatented lode mining claims situated in the Eureka Mining District in Eureka County, Nevada:

1. Patented Lode Mining Claims: Those certain patented lode mining claims the names of which together with the U.S. Mineral Survey Number of each are, respectively, as follows:

<u>Claim Name</u>	<u>U.S. Mineral Survey No.</u>
Jim Crow	3705
Jim Crow Fraction	3705
Southern Cross	3705
Elmer	3705
Elmer Fraction	3705
Windfall	3705
Windfall Fraction	3705
"2G"	3705
May	3705
May Fraction	3705
Windfall Extension Fraction	4537
Rustler No. 1	4537
Rustler No. 2	4537
Rambler	239
Little Rosa	301

2. Unpatented Lode Mining Claims: Those certain unpatented lode mining claims, the names of which, together with the book and page of the location certificates thereof are, respectively as follows: (The abbreviation "O.R." used below means "Official Records";

the abbreviation "O.D.M.L." used below means "Outside District Mining Locations" and the abbreviation "M.L." used below means "Mining Locations".)

<u>Claim Name</u>	<u>Book</u>	<u>Page</u>
F-1	34 O.R.	528
F-2	34 O.R.	508-509
F-3	34 O.R.	529
F-4	34 O.R.	510-511
F-5	34 O.R.	530
F-6	34 O.R.	512-513
F-7	34 O.R.	531
F-8	34 O.R.	514-515
F-9	34 O.R.	532
F-10	34 O.R.	516-517
F-11	34 O.R.	533
F-12	34 O.R.	518-519
F-13	34 O.R.	534
F-14	34 O.R.	520-521
F-15	34 O.R.	535
F-16	34 O.R.	522-523
F-17	34 O.R.	536
F-18	34 O.R.	524-525
F-19	34 O.R.	537
F-20	34 O.R.	526-527
F-21	34 O.R.	491
F-22	34 O.R.	501
F-23	34 O.R.	492
F-24	34 O.R.	502
F-25	34 O.R.	493
F-26	34 O.R.	503
F-27	34 O.R.	494
F-28	34 O.R.	504
F-29	34 O.R.	495
F-30	34 O.R.	496
F-31	34 O.R.	497
F-32	34 O.R.	498
F-33	34 O.R.	499
F-34	34 O.R.	500
F-91	71 O.R.	405
F-92	71 O.R.	406
F-93	71 O.R.	407
F-94	71 O.R.	408
F-95	71 O.R.	409
F-96	71 O.R.	410
F-97	35 O.R.	306
F-98	35 O.R.	307
F-102	35 O.R.	308
F-104	35 O.R.	309
F-106	35 O.R.	310
F-108	35 O.R.	311
F-110	35 O.R.	312
F-112	35 O.R.	313
F-118	35 O.R.	315
F-120	35 O.R.	316
F-122	35 O.R.	317
F-124	35 O.R.	318
F-126	35 O.R.	319
F-128	35 O.R.	320
F-130	34 O.R.	507
F-198	35 O.R.	314

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W-3	26 O.R.	105-106
W-1	26 O.R.	101-102
W-2	26 O.R.	103-104
W-4	26 O.R.	107-108
W-5	26 O.R.	109-110
W-7	26 O.R.	111-112
W-8	26 O.R.	113-114
W-11	43 O.R.	077
W-12	26 O.R.	115-116
W-13	26 O.R.	117-118
W-17	26 O.R.	119-120
W-19	43 O.R.	078
W-20	33 O.R.	105
W-21	33 O.R.	106
W-22	33 O.R.	107
W-23	33 O.R.	108
W-24	33 O.R.	109
W-25	33 O.R.	110
W-26	33 O.R.	111
W-27	33 O.R.	112
W-30	43 O.R.	079
W-31	43 O.R.	080
W-32	43 O.R.	081
W-33	43 O.R.	082
W-34	43 O.R.	083
Gold	K-O.D.M.L.	100
Gold No. 1	K-O.D.M.L.	101
Summit	25 O.R.	300
Red Iron	25 O.R.	302
Johnnie	25 O.R.	301
Sadie Nos. 1 to 8	47 O.R.	78-85
H 1 to 7	71 O.R.	398-404
Rambler No. 1	H-O.D.M.L.	328
Rambler No. 2	H-O.D.M.L.	329
Gossan	J-O.D.M.L.	268
Doe Run No. 1	35 O.R.	322
Doe Run No. 2	35 O.R.	323
Pearl	H-M.L.	261
Nellie	H-M.L.	262
New York #1	75 O.R.	29
New York #2	75 O.R.	30
New York #3	75 O.R.	525
HC #1 - #20	77 O.R.	341-360
HC Fraction	77 O.R.	361
IM #1 - #18	77 O.R.	323-340
F #55 - #90		

<u>Claim Name</u>	<u>Book</u>	<u>Pages</u>	<u>BLM No.</u>
HC 1-24	81 O.R.	223-256	NMC 153780-153803
HC Fraction	81 O.R.	257	NMC 153304
IM 1-18	81 O.R.	258-275	NMC 153805-153822
F 55-90	81 O.R.	276-311	NMC 153744-153749
J 1-4	81 O.R.	312-315	NMC 153823-153826
J 5-14	81 O.R.	316-325	NMC 153827-153836
J 15-16	81 O.R.	326-327	NMC 153837-153838
J 17-19	81 O.R.	328-330	NMC 153839-153841
J 20-23	81 O.R.	331-334	NMC 153842-153845
J 30-31	81 O.R.	335-336	NMC 153846-153847
HC 25, 26	88 O.R.	153-154	NMC
W 101-104	88 O.R.	149-152	NMC 169094-169097
J 24-28	84 O.R.	361-365	NMC 160193-160197
J 29 Fraction	84 O.R.	366	NMC 160198
J 33-51	84 O.R.	367-385	NMC 160199-160217
J 52-54	84 O.R.	386-388	NMC 160218-160220
J 71-76	84 O.R.	389-394	NMC 160221-160226
J 81-84	84 O.R.	395-398	NMC 160227-160230



(The above described patented claims are hereinafter referred to as the "Patented Claims", the above described unpatented claims as the "Unpatented Claims" and the Patented Claims and Unpatented Claims are referred to together as the "Mining Claims")

The overriding royalty interest hereby conveyed to Grantee is as follows:

(a) Gold and/or Silver. Ten percent (10%) of any gold or silver derived from the Mining Claims whether produced by in situ or solution mining or by mining of ores and the extraction of gold or silver by means of heap or vat leaching or by milling or other extraction methods. Grantee shall be entitled to receive ten percent (10%) of the gold or silver produced from the Mining Claims and to receive such overriding royalty in kind. By "in kind" is meant the dore bullion containing gold and silver extracted from the Mining Claims or ores mined therefrom. If the purchaser makes a charge or deduction for refining or for penalties, then Grantor may deduct ten percent (10%) of such charges or deductions from the amounts to be paid Grantee hereunder.

(b) Ores or Concentrates Sold to Smelter. In respect to ores produced from the Mining Claims sold to a smelter and/or concentrate derived from ores produced from the Mining Claims (other than ores principally valuable for the uranium and/or vanadium content thereof) Grantee shall receive ten percent (10%) of the Net Smelter Returns received from ores or concentrate derived therefrom. By the term "Net Smelter Returns" is meant the amount received from a Smelter for ores (or concentrates derived therefrom) mined and sold from the Mining Claims less (i) the costs of surface transportation of the ores from the

Mining Claims (in the case of ores sold in the crude state) or of the concentrates from the mill (in the case of the sale of concentrate derived from such ores) to the smelter, to the extent that such costs are paid by Grantor, (ii) the costs of smelting such ores or concentrates if paid by Grantor and (iii) any metallurgical penalties, surcharges or other charges made or imposed by the smelter to the extent the same are paid by Grantor.

(c) Uranium and/or Vanadium Ores. Ten percent (10%) of the "Net Sales Price" received by Grantor from the sale of all ores principally valuable for uranium and/or vanadium which are mined and sold from the Mining Claims, if ores are sold in the crude state in an arms-length sale. "Net Sales Price" shall mean the full amounts received from the sale of such ores less the costs of surface transportation of such ores from the Mining Claims to the point of sale. If such ores are concentrated by Grantor, either in its own facilities or by means of tolling arrangements, or if such ores are sold other than as a result of an arms-length transaction, then the term "Net Sales Price" shall mean the prevailing price paid at the time such ore is mined for ores of like grade and metallurgical characteristics f.o.b. the Mining Claims by other purchasers of uranium and/or vanadium ores.

(d) Other Mineral Substances and Ores. If Grantor should produce and sell any minerals, substances or ores from the Mining Claims, other than those encompassed within the provisions of subparagraphs (a) through (c) above, Grantee shall receive

ten percent (10%) of the proceeds received for such substances after deducting the costs of the transportation thereof from the Mining Claims to the point of sale.

Grantee shall have the right to be supplied with duplicate settlement sheets from any refinery, mill, smelter or other purchaser of ores, minerals or other substances produced or derived from the Mining Claims and sold. In addition, Grantee shall have the right to have the refiner or other buyer to which gold or silver produced from the Mining Claims is shipped divide the overriding royalty shares of the Grantee in kind and supply Grantee's share thereof directly to the Grantee, or, at Grantee's election, to sell Grantee's shares for the account of the Grantee and to settle directly with Grantee for such sales. Grantee shall have the right at any time or from time to time to have its share of overriding royalty, herein granted and conveyed, paid directly to it by any mill, smelter or other purchaser of ores, minerals or other substances produced and sold from the Mining Claims.

Nothing herein contained shall create any implied covenant on the part of Grantor to explore, develop or mine the Mining Claims. If Grantor should elect to cease the performance of annual assessment work with respect to any of the Unpatented Claims, it shall quit claim its title and interest in the Unpatented Claims with respect to which Grantor does not intend to perform assessment work to Grantee at least ninety (90) days prior to the date that such assessment work is due. If Grantor should elect not to pay taxes assessed against any of the Patented Claims, it shall quit claim its right and title in such claims with respect to which Grantor has elected not to pay such taxes to Grantee at least sixty (60) days before such taxes become due and payable.



The conveyance for the overriding royalty hereby granted by this Deed shall attach to any right and title in the Mining Claims which Grantor may presently possess and which Grantor may hereafter acquire. The said overriding royalty herein conveyed shall attach and pertain to the Mining Claims above described and/or any amended locations or relocations thereof. In addition the said overriding royalty herein conveyed shall attach to any other mining claims or other properties located by Grantor within six hundred (600) feet of the exterior boundaries of the Mining Claims. Grantor warrants its title to the Mining Claims as against, but only as against, any persons lawfully claiming any of said Mining Claims or any interests therein by, through or under Grantor.

This Deed shall be binding upon Grantor, its successors and assigns and shall inure to the benefit of Grantee, and its assigns.

EFFECTIVE as of the 31st day of August, 1980, and executed the 2nd day of December, 1980.

WINDFALL VENTURE

By William L. Wilson  
William L. Wilson

STATE OF COLORADO) )  
COUNTY OF MESA ) ss.

On the 2nd day of December, 1980, personally appeared before me William L. Wilson, being by me duly sworn says that he is a general partner of Windfall Venture, a partnership, and the above instrument was signed on behalf of said partnership by authority granted pursuant to the partnership agreement and its general partner William L. Wilson acknowledged said partnership executed the same.

My commission expires: October 15, 1983



Patricia Murphy  
Notary Public

OFFICIAL RECORDS  
BUREAU OF REVENUE  
FILE NO. 18306  
FEE \$ 9.00

JAN 18 10:22

RECORDED AT REQUEST OF  
W. L. Wilson  
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