

SPECIAL WARRANTY DEED

THIS SPECIAL WARRANTY DEED made this 27 day of OCTOBER, 1981 between JULIA E. PLUMMER, BETTY J. STENOVICH, J. MARIE SMITH, AND SALLY S. HILL, dealing with their sole and separate property, Grantors, and SFP MINERALS CORPORATION, a Delaware corporation, hereinafter referred to as SFP.

W I T N E S S E T H

That for and in consideration of the sum of \$10.00 lawful money of the United States of America in hand paid to Grantors and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Grantors do hereby grant, bargain, sell and convey and specially warrant unto SFP, its successors and assigns, FOREVER, the patented lode mining claim and the property covered thereby, located in Eureka County, State of Nevada, described below and made a part hereof and hereinafter referred to as "the property" or "the claim", together with any and all veins, lodes and mineral deposits now owned or hereafter acquired by Grantors, their successors or assigns, extending into or contained in the lands upon which said Mining Claim is located, together with any other rights in, upon or under the property or in any way appertaining thereto and any and all appurtenances thereto.

"McCoy patented lode mining claim, Mineral Survey No. 40,
located in Sections 3 & 10, Township 26 North, Range 52
East, Eureka County, Nevada"

1. ROYALTY

Excepting and reserving unto the Grantors a royalty from the property as set forth on Exhibit "A" attached hereto and by this reference made a part hereof.

The royalty payable hereunder is based upon the entire undivided estate and interest in and title to all ores, minerals and mineral rights in, upon and under all of the lands upon which the above described claim is located and if Grantors own, on the date hereof, less than said entire mineral interest, then the above royalty payments for ores mined from such mining claim shall be reduced and paid to Grantors only in the same proportion as Grantors' said lesser interest bears to the entire mineral interest in said claim. It is expressly understood and agreed that the royalty reserved hereunder by Grantors shall be the total royalty payable on the claim and any and all other outstanding royalties, overriding royalties, ore payments or other payments out of production created or suffered by Grantors or their predecessors in title and to which such subject claims are burdened on or before the date of this Mining Deed to SFP shall be paid by Grantors out of any royalties payable hereunder, and if Grantors shall fail to pay same, SFP is authorized to withhold payment of any said royalty and make payments direct to said other claimants. Notwithstanding the reservation of the royalty herein retained, it is expressly understood and agreed that any exploration, development, mining and other operations shall be performed in the manner and to the extent and at the time and locations as SFP may select in its discretion and there is no obligation, express or implied, for SFP to conduct any such exploration, development, mining or other operations upon the claim.

2. SPECIAL WARRANTIES

Grantors hereby warrant to SFP:

- (a) That the claim is free of all liens, encumbrances, royalties, overriding royalties, ore payments and payments out of production and interests of third parties granted, created or suffered by, through or under Grantors and in the event there are any outstanding liens, encumbrances, royalties, overriding royalties, ore payments and payments out of production, it is agreed that SFP may deduct the same from any royalty payable to Grantors hereunder.
- (b) That Grantors will specifically defend title in the subject claim against all persons claiming by, through or under them.

3. NOTICES

All notices shall be deemed to have been properly given when made in writing and sent by mail or telegraph with all necessary postage or charges fully prepaid addressed to the parties hereto as follows:

GRANTORS: Julia E. Plummer
818 Hamilton St.
Carlin, Nevada 89822

SFP: SFP Minerals Corporation
P.O. Box 3588
Albuquerque, New Mexico 87190

All notices shall be deemed to be given when deposited in the United States mail or Western Union Telegraph office and the time given the party receiving such notice shall run from the date of deposit as aforesaid. Either party may change the place for notices to be given upon giving written notice thereof to the other party in the manner herein provided.

All of the terms, conditions and covenants of this Deed shall run with the land and shall inure to the benefit of, and be binding upon, the parties hereto and their heirs, successors and assigns.

IN WITNESS WHEREOF, this Special Warranty Deed has been executed and delivered by and on behalf of Grantors on the day and year first above specified.

Julia E. Plummer
Julia E. Plummer

Betty J. Stenovich
Betty J. Stenovich

J. Marie Smith
J. Marie Smith

Sally S. Hall
Sally S. Hall

GRANTORS

STATE OF NEVADA)
) ss.
COUNTY OF)

The foregoing instrument was acknowledged before me this 17th day of October, 1981 by JULIA E. PLUMMER.
Witness my hand and official seal.

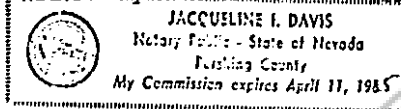
VIVIAN TAYLOR
Justice of the Peace
Notary Public
Carlin Township

My commission expires:

STATE OF NEVADA)
) ss.
COUNTY OF Pershing)

The foregoing instrument was acknowledged before me this 2 day of November, 1981 by BETTY J. STENOVICH.

Witness my hand and official seal.



Notary Public

My commission expires:
April 1985



TEXAS
STATE OF NEVADA)
) ss.
COUNTY OF)

The foregoing instrument was acknowledged before me this 27th day of November, 1981 by J. MARIE SMITH.
Witness my hand and official seal.

Notary Public

My commission expires:
10/6/84

STATE OF NEVADA)
) ss.
COUNTY OF Carson City)

The foregoing instrument was acknowledged before me this 3rd day of November, 1981 by SAMMY S. HILL.

Notary Public

My commission expires:

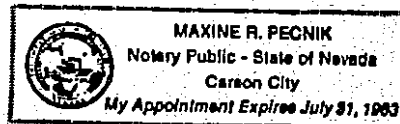


EXHIBIT A

PRODUCTION ROYALTY

(A) For minerals or mineral products removed and sold from the Property, SFP shall pay a production royalty to Grantors equal to 5% of "Net Smelter Returns".

Production royalty shall be paid monthly, not later than the 10th day of the month after the month in which payments for the minerals or mineral products are received by SFP.

(B) "Net Smelter Returns" shall mean the total returns from the smelter or other purchaser less:

- (i) Custom smelting costs, smelter treatment charges and penalties, including, but without being limited to, metal losses, penalties for impurities, and charges for refining, selling and transportation from smelter to refinery and from refinery to market.
- (ii) Costs of transporting minerals or mineral products from the concentrator to a smelter or other place of treatment.
- (iii) Production taxes, severance taxes, and sales, privilege and other taxes measured by production or the value of production.

(C) All payments of production royalty to Grantors shall be accompanied by a copy of the settlement sheet or statement setting forth the items of cost and credit upon which such payments are based.

(D) A duly authorized representative of Grantors shall have the right to inspect the records relating to the production of minerals and mineral products from the Property. Such inspections shall be at reasonable times and at Grantors' risk and expense.

(E) If SFP commingles ores produced from the Property with ores from any other source, SFP shall maintain accurate daily tonnage and grade sampling records, and shall furnish copies of all such records to Grantors monthly.

RECORDED AT REQUEST OF
Santa Fe Mining, Inc.
BOOK 101 PAGE 145

82 FEB 4 AM 10:58

OFFICIAL RECORDS
EUREKA COUNTY, NEVADA
WILLIS A. DEPAUL, RECORDER
FILE NO. 83274
FEE \$ 7.00

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