

ROYALTY DEED

This Royalty Deed is made and effective as of the 24th day of August, 1982, from ST. JAMES HOLDINGS, LTD., a corporation organized under the laws of the Territory of the British Virgin Islands, with principal offices at Road Town Tortola, B.V.I. (the "Grantor") to WINDFALL VENTURE, a partnership with principal offices in Grand Junction, Colorado, composed of William E. Foster, Kenneth E. Johnson, Robert G. Wilson, Chan Edmonds, and W. L. Wilson, (the "Grantee").

On August 31, 1980, Windfall Venture, the Grantee herein, conveyed and assigned to St. James Holdings, Ltd., the Grantor herein, an overriding royalty interest in certain mining claims situated in Eureka County, Nevada as are more specifically described in the said Royalty Deed which is recorded in Book 90 at Pages 311 to 317 of the Official Records of Eureka County, Nevada, reference to which recorded instrument is hereby made for all pertinent purposes.

On August 17, 1982, Grantor entered into an Agreement for Reduction of Overriding Royalty with Western Gas, Oil & Mining, Ltd. whereunder the royalty granted by the Royalty Deed referred to in the foregoing paragraph was modified so that the royalty rate of the royalty interest held by Grantor under the said Royalty Deed was decreased from a total of 10%, such reduction to be effective as of January 1, 1983.

Grantee wishes to reacquire all of Grantor's remaining right, title and interest in the overriding royalty granted by the said Royalty Deed as reduced and modified by the above mentioned Agreement for Reduction of Overriding Royalty and Grantor is willing to assign and convey such interest to Grantee.

Accordingly, in view of the foregoing, 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 successors and assigns, all of the right, title and interest which the Grantor may have 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-126	35 O.R.	319
F-128	35 O.R.	320
F-130	34 O.R.	507
F-198	35 O.R.	314
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.	007
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")

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.

The overriding royalty herein conveyed to Grantee by Grantor shall give to Grantee, its successors and assigns, the right to receive all payments for royalty and/or enforce payment thereof for any royalties which may have heretofore accrued but be unpaid to Grantor as of the effective date of this Deed as well as the right to receive and enforce payment of any royalties which may become due and payable under the interest herein transferred from and after the effective date of this instrument. The conveyance for the overriding royalty herein granted by this Deed shall attach to any right and title in the over described 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 said 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 which may be located by Western Gas, Oil & Mining, Ltd. or any other person or entity acting by, through or on behalf of said company, within 600 feet of the exterior boundaries of the above described mining claims.

ST. JAMES HOLDINGS, LTD.

President

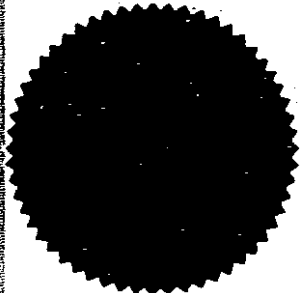
CERTIFICATION OF EXECUTION

TERRITORY OF BRITISH)
VIRGIN ISLANDS) ss.

Ralph Nabarro, being first duly sworn before me this
18th day of August, 1983, states that heretofore he
executed the foregoing Royalty Deed as President and on
behalf of ST. JAMES HOLDINGS, LTD.

Witness my hand and official seal.

My commission is for life.



Notary Public

Address: Old Suther Building
Road Town, Tortola, BVI

RECORDED AT REQUEST OF
W. L. Wilson
BOOK 114 PAGE 49

83 SEP 15 A 9:28

OFFICIAL RECORDS
EUREKA COUNTY, NEVADA
M.N. REBALEATI, RECORDER
FILE NO: 89077
FEE \$ 11.00