

MEMORANDUM
OF
SETTLEMENT AGREEMENT

THIS MEMORANDUM OF SETTLEMENT AGREEMENT is made and entered into as of the 30th day of July, 1985 by and between CARLIN GOLD MINING COMPANY, a Delaware corporation; ELKO LAND AND LIVESTOCK COMPANY, a Nevada corporation; NEWMONT EXPLORATION LIMITED (a/k/a Newmont Exploration, Ltd.), a Delaware corporation; and SNAKE RIVER CATTLE TRUCKING CO., an Idaho corporation, hereinafter collectively referred to as the CARLIN GROUP; and WESTERN STATES MINERALS CORPORATION ("WESTERN"), a Utah corporation; PANCANA MINERALS, INC. ("PANCANA"), a Colorado corporation; WESTERN STATES MINERALS-JVI ("WESTERN-JVI"), a joint venture between WESTERN and PANCANA; and PAN CANA RESOURCES LTD., a Canadian corporation (formerly PanCana Industries, Ltd.), hereinafter collectively referred to as the WESTERN GROUP; and INTRAMERICAN OIL & MINERALS, INC. ("INTRAMERICAN"), a Pennsylvania corporation.

W I T N E S S E T H

WHEREAS, the CARLIN GROUP owns or controls private lands used for both mining and agricultural purposes, and unpatented mining claims located under the General Mining Law of 1872 (30 U.S.C. § 22 et seq.) within Township 36 North, Range 50 East M.D.B. & M. (the "TOWNSHIP"), Eureka and Elko Counties, Nevada; and

WHEREAS, some or all of the members of the WESTERN GROUP own or control certain unpatented mining claims located under the General Mining Law within the TOWNSHIP; and

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WHEREAS, INTRAMERICAN owns certain royalty and net profits interests in and to certain of the unpatented mining claims owned or controlled by the WESTERN GROUP within the TOWNSHIP; and

WHEREAS, through a series of events during the past several years the CARLIN GROUP and the WESTERN GROUP were in disagreement as to the exact placement of subdivision lines within Sections 19, 30 and 31 of the TOWNSHIP; and

WHEREAS, the CARLIN GROUP, the WESTERN GROUP and INTRAMERICAN have entered into a Settlement Agreement of even date herewith (the "SETTLEMENT AGREEMENT") to fix the boundary lines between the respective property interests of the CARLIN GROUP and, collectively, the WESTERN GROUP and INTRAMERICAN, and between the property interests of the WESTERN GROUP and INTRAMERICAN, within Sections 19, 30 and 31 of the TOWNSHIP, and for such other purposes as provided in the SETTLEMENT AGREEMENT and herein;

NOW, THEREFORE, for and in consideration of the mutual promises, conditions and covenants contained in the SETTLEMENT AGREEMENT and herein, the parties hereto have agreed and do hereby agree as follows:

1. DETERMINATION OF JOINT PROPERTY BOUNDARIES WITHIN SECTIONS 19, 30 AND 31: The parties have accepted and do hereby accept, as between the CARLIN GROUP and, collectively, the WESTERN GROUP and INTRAMERICAN, and as between the WESTERN GROUP and INTRAMERICAN, and their respective successors and assigns, the boundary lines between their respective property interests within Sections 19, 30 and 31 of the TOWNSHIP (the "SETTLEMENT LINE"), as described by coordinates in Exhibit A attached hereto

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and incorporated herein by reference, subject to the terms and conditions set forth in the SETTLEMENT AGREEMENT. The SETTLEMENT LINE shall be binding upon the parties hereto and their respective successors and assigns regardless of the results of any other survey or resurvey of the TOWNSHIP, or any portion thereof or any challenge thereto, as may be initiated or completed by any party hereto, governmental instrumentality or third party.

2. CARLIN GROUP SURFACE AND MINERAL RIGHTS: The WESTERN GROUP and INTRAMERICAN have each granted and do hereby each grant to the CARLIN GROUP an exclusive and irrevocable license, subject to the provisions of the SETTLEMENT AGREEMENT, to exercise any and all rights of possession and ownership of property and MINERALS (as hereinafter defined) which may be now, or hereafter, held respectively by the WESTERN GROUP or INTRAMERICAN anywhere within those certain lands referred to herein as Parcel A and Parcel C, as depicted in Exhibit B attached hereto and incorporated herein by reference. In the event of a conflict between the SETTLEMENT LINE as described in Exhibit A and depicted in Exhibit B, Exhibit A shall control. For purposes of the SETTLEMENT AGREEMENT and as used herein, "MINERALS" shall mean all ores, minerals, metals and materials now recognized as being subject to location by unpatented lode mining claims located after 1955 under the General Mining Law, regardless of the grade, quantity or amenability to mining of such ores, minerals, metals or materials, or of whether deposits thereof are mineable underground or from the surface.

3. WESTERN-JVI SURFACE AND MINERAL RIGHTS: The CARLIN GROUP has granted and does hereby grant to WESTERN-JVI an exclusive and, for its term, irrevocable license, subject to the provisions of the SETTLEMENT AGREEMENT, to exercise any and all rights of possession and ownership of property and MINERALS which may be now, or hereafter, held by the CARLIN GROUP anywhere within those certain lands referred to herein as Parcel B and Parcel D, as depicted in Exhibit B attached hereto, to be subject to INTRAMERICAN's royalty and net profits interest the same as in the remainder of Parcel B and Parcel D. The license granted to WESTERN-JVI pursuant to the SETTLEMENT AGREEMENT and hereby shall continue only for so long as WESTERN-JVI, or either of its co-venturers, its or their successors and assigns, shall own, maintain or control any patented or unpatented mining claims within Parcel B or Parcel D. Said license shall not be construed to be a conveyance of any part of the CARLIN GROUP's surface ownership interest in any lands, except as may be expressly provided in the SETTLEMENT AGREEMENT.

4. PIT SLOPE LAYBACK AGREEMENTS: Subject to and in accordance with the provisions of the SETTLEMENT AGREEMENT, the CARLIN GROUP and WESTERN-JVI, to the extent of their respective interests now held or hereafter acquired, have each granted and do each hereby grant to the other and its respective successors and assigns (as "receiving party") such nonexclusive easements upon and covenants not to object to the use of the surface and mineral lands and mining claims within their respective Parcels (A, B, C and D) for the layback of mine pit slopes thereon as may

be reasonable and necessary for the full use and enjoyment of the mineral interests of the receiving party.

5. ABANDONMENT: Notwithstanding any other provision of the SETTLEMENT AGREEMENT or this Memorandum to the contrary, or the implied obligations of each party to maintain its mining claims presently subsisting or hereafter located or acquired within Parcels A, B, C and/or D, any party may, at any time and in its sole discretion, elect to abandon any or all of such mining claims; provided, however, the granting party wishing to abandon any or all of its said mining claims shall comply with the provisions of the SETTLEMENT AGREEMENT pertaining to the abandonment thereof.

6. CHOICE OF LAW: The SETTLEMENT AGREEMENT and this Memorandum shall be deemed contracts made and entered into in the State of Nevada, and the SETTLEMENT AGREEMENT and this Memorandum, and the terms thereof, shall be governed by the laws of the State of Nevada.

7. NON-PARTNERSHIP: Neither the SETTLEMENT AGREEMENT nor this Memorandum shall constitute or create or be construed to constitute a partnership, mining partnership, joint venture or joint operation between the parties hereto. Each party shall retain full control and determination as to the manner, extent and character of any and all exploration, mining or mineral processing operations on its respective mineral lands or mining claims subject to the terms and provisions of the SETTLEMENT AGREEMENT.

8. BINDING EFFECT; ASSIGNMENT: All the terms, conditions, warranties, covenants and agreements contained in the SETTLEMENT AGREEMENT and herein shall be binding upon, and inure to the benefit of, the parties hereto and their affiliates, successors and assigns. The terms, conditions, warranties, covenants and agreements contained in the SETTLEMENT AGREEMENT and herein shall run with the land and shall not be assigned or otherwise transferred separately from the ownership interest in the surface and mineral lands and/or mining claims which are intended to be burdened or benefited thereby. Subject to the foregoing, each party's interest in the SETTLEMENT AGREEMENT shall be freely assignable; provided, however, no such assignment shall operate to relieve the assigning party of its obligations under the SETTLEMENT AGREEMENT.

In the event the WESTERN GROUP, its successors or assigns, shall at any time relinquish its mining claims within Parcel B and Parcel D to INTRAMERICAN, then, in such event, each member of the WESTERN GROUP has agreed to and shall thereupon assign to INTRAMERICAN all of its respective right, title and interest in and to the SETTLEMENT AGREEMENT and in and to the license, easements and other rights set forth in the SETTLEMENT AGREEMENT, or to be created pursuant thereto, in WESTERN-JVI or the WESTERN GROUP, upon INTRAMERICAN's covenant to faithfully and fully discharge the duties and obligations of WESTERN-JVI and the WESTERN GROUP under the provisions of the SETTLEMENT AGREEMENT.

9. RECORDING PURPOSE: This Memorandum has been entered into by the parties hereto effective as of the date first stated

hereinabove for the sole purpose of giving notice of the provisions of the SETTLEMENT AGREEMENT pursuant to the laws of the State of Nevada. All rights and obligations of the parties hereto shall be governed solely by the provisions of the SETTLEMENT AGREEMENT, and this Memorandum shall not limit, affect, or modify the rights and obligations of the parties as provided under the terms and provisions of the SETTLEMENT AGREEMENT.

IN WITNESS WHEREOF, the parties hereto have set their hands as of the day first above written.

CARLIN GROUP:

CARLIN GOLD MINING COMPANY,
a Delaware corporation

BY: 

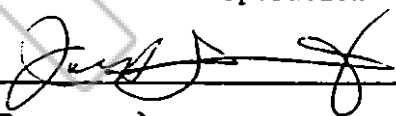
TITLE: VICE PRESIDENT

ELKO LAND AND LIVESTOCK COMPANY,
a Nevada corporation

BY: 

TITLE: PRESIDENT

NEWMONT EXPLORATION, LTD.,
a Delaware corporation

BY: 

TITLE: VICE PRESIDENT

Snake River Cattle Trucking Co.,
an Idaho corporation

BY: [Signature]
TITLE: President

WESTERN GROUP:

WESTERN STATES MINERALS CORPORATION,
a Utah corporation

BY: Arden B. Morrow
TITLE: President

PANCANA MINERALS, INC.,
a Colorado corporation

BY: [Signature]
TITLE: VICE-PRESIDENT, FINANCE

WESTERN STATES MINERALS-JVI,
a Joint Venture

BY: WESTERN STATES MINERALS
CORPORATION, Operator

BY: Arden B. Morrow
TITLE: President

PANCANA MINERALS, INC.,
a Colorado corporation

BY: [Signature]
TITLE: VICE-PRESIDENT, FINANCE

PAN CANA RESOURCES LTD.,
a Canadian corporation

BY: *Thomas Ed Chard*

TITLE: VICE - PRESIDENT, FINANCE

INTRAMERICAN:

INTRAMERICAN OIL & MINERALS, INC.,
a Pennsylvania corporation

BY: *W. Hanson*

TITLE: President

C O P Y

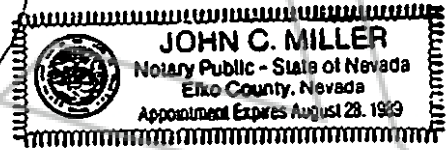
STATE OF Nevada)
COUNTY OF Elko) ss.

The foregoing instrument was acknowledged before me this 3rd day of April, 1986 by Carmen Finiani as Vice-President of Carlin Gold Mining Company, a Delaware corporation.

Witness my hand and official seal.

My commission expires: _____

John C. Miller
Notary Public



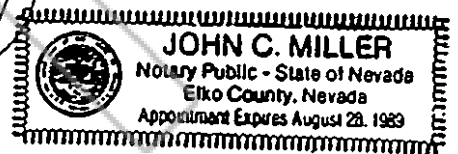
STATE OF Nevada)
COUNTY OF Elko) ss.

The foregoing instrument was acknowledged before me this 3rd day of April, 1986 by Carmen Finiani as President of Elko Land and Livestock Company, a Nevada corporation.

Witness my hand and official seal.

My commission expires: _____

John C. Miller
Notary Public



STATE OF ARIZONA)
) ss.
COUNTY OF PIMA)

The foregoing instrument was acknowledged before me this 11th day of June, 1986 by John F. Johnson, Jr. as Vice President of Newmont Exploration, Ltd., a Delaware corporation.

Witness my hand and official seal.

My commission expires: 3-20-90

Carol Zaccagnini
Notary Public



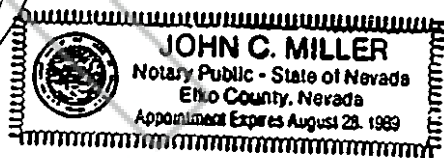
STATE OF Nevada)
) ss.
COUNTY OF Elko)

The foregoing instrument was acknowledged before me this 5th day of May, 1986 by Robert Rebolto as President of Snake River Cattle Trucking Co., an Idaho corporation.

Witness my hand and official seal.

My commission expires: _____

J. C. Miller
Notary Public



STATE OF Colorado)
COUNTY OF Jefferson) ss.

The foregoing instrument was acknowledged before me this 20th day of March, 1986 by Arden B Morrow as President of Western States Minerals Corporation, a Utah corporation.

Witness my hand and official seal.

My commission expires: My Commission expires January 16, 1990

Rayna L. Pannell
Notary Public



hwj PROVINCE
STATE OF ALBERTA)
hwj JUDICIAL DISTRICT) ss.
COUNTRY OF CALGARY)

The foregoing instrument was acknowledged before me this 7th day of MARCH, 1986 by EDWARD CHWYL as AGENT of Pancana Minerals, Inc., a Colorado corporation.

Witness my hand and official seal.

My commission expires: AT HER MAJESTY'S PLEASURE.

SAMUEL W. INGRAM

Sam Ingram
Notary Public



STATE OF Colorado)
COUNTY OF Jefferson) ss.

The foregoing instrument was acknowledged before me this 20th day of March, 1986 by Arden B. Morrow as President of Western States Minerals Corporation, Operator of Western States Minerals-JVI, a joint venture.

Witness my hand and official seal.

My commission expires: My Commission expires January 16, 1990

Rayna L. Larnell
Notary Public

SEAL
AFFIXED

pub PROVINCE
STATE OF ALBERTA)
JUDICIAL DISTRICT) ss.
COUNTY OF ALGARY)

The foregoing instrument was acknowledged before me this 7th day of MARCH, 1986 by EDWARD CHWYL as AGENT of Pancana Minerals, Inc., a Colorado corporation.

Witness my hand and official seal.

My commission expires: AT HER MAJESTY'S PLEASURE

SAMUEL INGRAM

Sam Ingram
Notary Public

SEAL
AFFIXED

PROVINCE
STATE OF ALBERTA)
JUDICIAL DISTRICT) ss.
COUNTRY OF CALGARY)

7th The foregoing instrument was acknowledged before me this
day of MARCH, 1986 by EDWARD CHWYL
as VICE PRESIDENT of Pan Cana Resources Ltd., a
Canadian corporation.

Witness my hand and official seal.

My commission expires: AT HER MAJESTY'S PLEASURE

SAMUEL W. INGRAM

Sam Ingram
Notary Public



STATE OF TEXAS)
COUNTY OF DALLAS) ss.

The foregoing instrument was acknowledged before me this
17th day of MARCH, 1986 by C. B. Harrison, JR.
as President of Intramerican Oil & Minerals,
Inc., a Pennsylvania corporation.

Witness my hand and official seal.

LISA A. JUSTUS, Notary Public
In and for the State of Texas. My
Commission Expires July 7, 1988

My commission expires:

Lisa A. Justus
Notary Public



EXHIBIT A
TO
MEMORANDUM OF SETTLEMENT AGREEMENT
(SETTLEMENT LINE)

The definitive location of the SETTLEMENT LINE is described below by the coordinates of the terminuses of the line segments. The parties hereto recognize and understand that such SETTLEMENT LINE may, or may not, coincide with the boundaries and subdivisions of the nominal parcels of land as may be determined pursuant to a resurvey of Township 36 North, Range 50 East M.D.B. & M. (the "TOWNSHIP") by the Bureau of Land Management, but agree to be bound by the SETTLEMENT LINE, nonetheless.

In 1914 the General Land Office of the United States of America resurveyed the southern boundary of the TOWNSHIP and installed brass caps to monument such line (the "1914 GLO SURVEY"). Thereafter, between 1968 and 1970, Mark Chilton, Nevada Registered Land Surveyor #1404, performed the field work to prepare that certain Record of Survey No. 2, filed in the records of the County Recorder of Elko County, Nevada on September 16, 1970 as File No. 54489 (the "CHILTON SURVEY"), which survey reconstructed the westerly boundary of the TOWNSHIP (i.e., the Range Line) tying the same to the 1914 GLO SURVEY and placing section division monuments by proportionate methods.

For purposes of this Exhibit A and notwithstanding its apparently erroneous location on the ground (it should have been placed 11.25 feet South 00°04'09" West of its current location on the ground), the parties hereto have adopted and hereby adopt as a control point that certain brass cap monument, set as the SW

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Corner of Section 30 (the "SW 30") by Surveyor Mark Chilton during the CHILTON SURVEY, and assign to it the coordinates of 5000.00 feet in a North direction (5000.00N) and 10000.00 feet in an East direction (10000.00E).

The western terminus of the boundary line separating Sections 30 and 31 shall be set exactly eleven feet (11.00 feet) northerly of SW 30 along the Range Line, thus having a northerly coordinate of 5011.00N.

Further, for the purposes hereof, the parties hereto have accepted and hereby accept the following assumptions:

a. That the Range Line bears North-East 00 Degrees, 04 Minutes, and 09 Seconds, but that the true direction of all other North-South subdivision lines shall be determined from the coordinates given below.

b. That all East-West subdivision lines are in a true East-West direction.

Finally, all references to sections or to subdivisions of sections herein and in Exhibit B are based upon the foregoing assumptions, without regard for where they may be located following any subsequent resurvey of the TOWNSHIP, and are solely intended to permit the location and identification of the SETTLEMENT LINE on the ground.

Based on the above, the location of the SETTLEMENT LINE within Sections 19, 30 and 31 of the TOWNSHIP is as follows:

Northerly Boundary of Section 19

That portion of the northern boundary of Section 19 separating the NW1/4 of Section 19 and the SW1/4 of Section 18 would be a line determined by two points having the following coordinates:

Point #01:	15526.24N	10012.71E
Point #02:	15526.24N	12684.72E

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Separation Within SW Quarter of Section 19

The boundary separating the SW1/4NW1/4 and the NW1/4SW1/4 of Section 19 would be a line determined by two points having the following coordinates:

Point #03: 12897.49N 10009.54E
Point #04: 12897.49N 11345.63E

The boundary separating the NE1/4SW1/4 and the NW1/4SW1/4 of Section 19 would be a line determined by two points having the following coordinates:

Point #04: 12897.49N 11345.63E
Point #05: 11584.15N 11344.08E

The boundary separating the NE1/4SW1/4 and the SE1/4SW1/4 of Section 19 would be a line determined by two points having the following coordinates:

Point #05: 11584.15N 11344.08E
Point #06: 11584.15N 12680.21E

The boundary separating the SW1/4SE1/4 and the SE1/4SW1/4 of Section 19 would be a line determined by two points having the following coordinates:

Point #06: 11584.15N 12680.21E
Point #07: 10268.75N 12678.71E

Separation Within Section 30

The boundary separating the SW1/4SE1/4 of Section 19 and the NW1/4NE1/4 of Section 30 would be a line determined by two points having the following coordinates:

Point #07: 10268.75N 12678.71E
Point #08: 10268.75N 14014.88E

The boundary separating the E1/2NE1/4, NE1/4SE1/4 and the W1/2NE1/4, NW1/4SE1/4 of Section 30 would be a line determined by two points having the following coordinates:

Point #08: 10268.75N 14014.88E
Point #09: 6325.62N 14012.35E

The boundary separating the NE1/4SE1/4 and the SE1/4SE1/4 of Section 30 would be a line determined by two points having the following coordinates:

Point #09: 6325.62N 14012.35E
Point #10: 6325.62N 15349.26E

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Easterly Boundary of Section 30

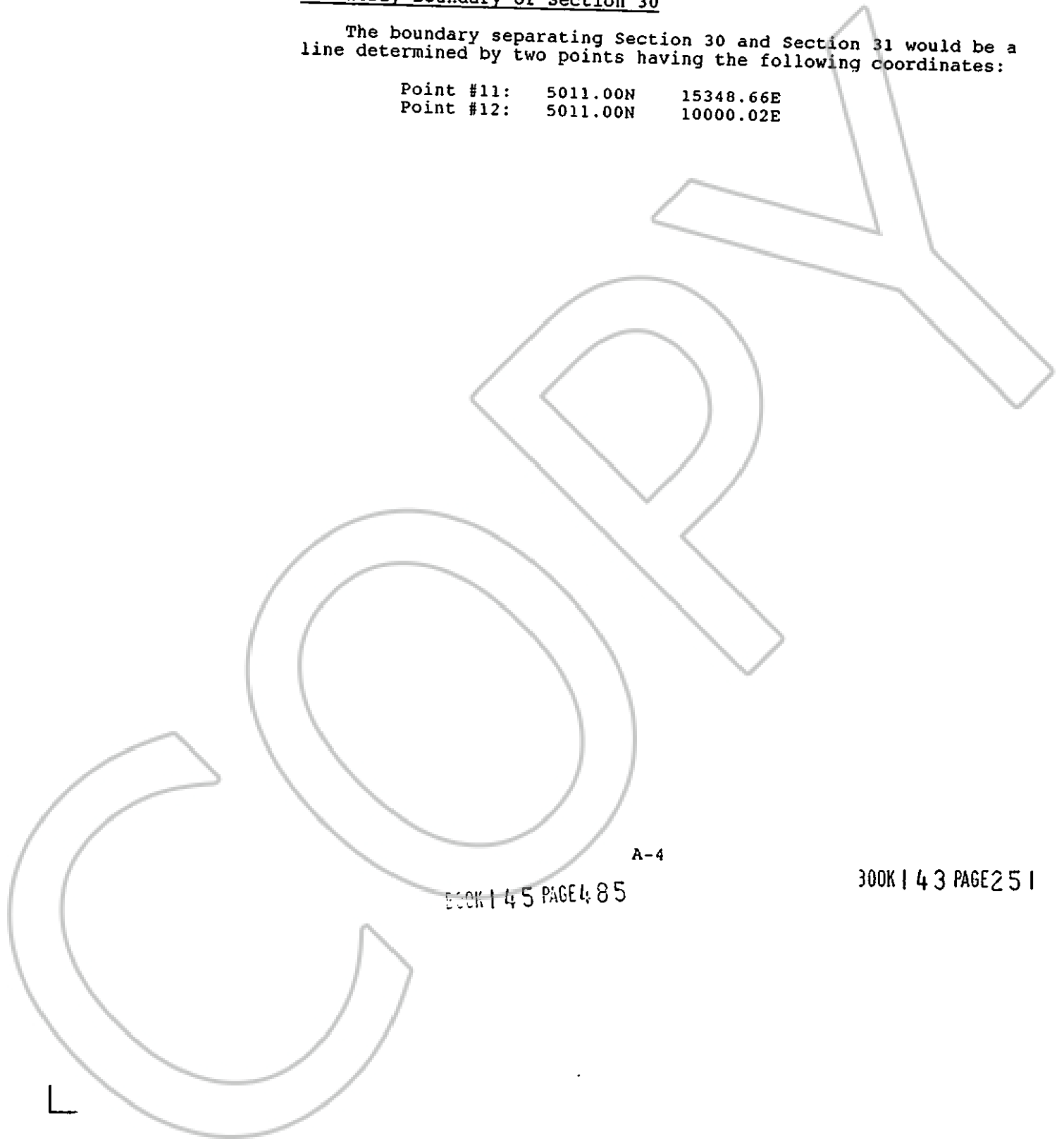
The boundary separating the SW1/4SW1/4 of Section 29 and the SE1/4SE1/4 of Section 30 would be a line determined by two points having the following coordinates:

Point #10: 6325.62N 15349.26E
Point #11: 5011.00N 15348.66E

Southerly Boundary of Section 30

The boundary separating Section 30 and Section 31 would be a line determined by two points having the following coordinates:

Point #11: 5011.00N 15348.66E
Point #12: 5011.00N 10000.02E

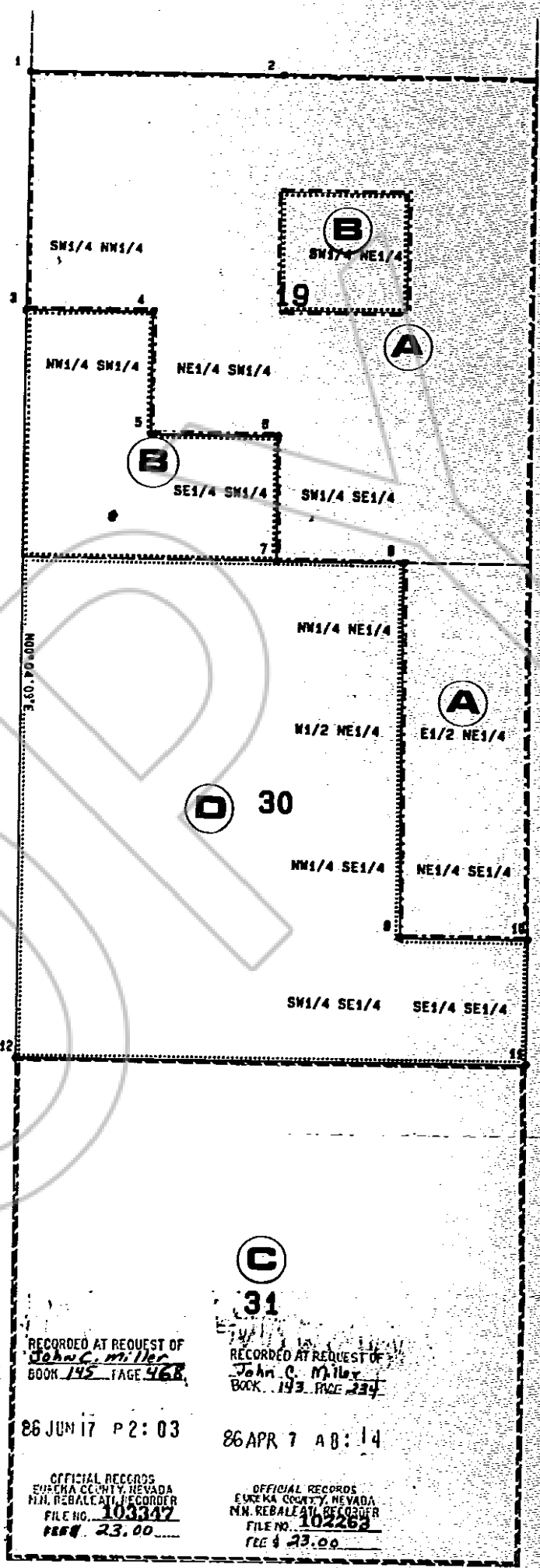


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PT. #	CODDINATES NORTHINGS	EASTINGS
1	45528.24	10012.71
2	45528.24	12884.72
3	42887.48	10009.54
4	42887.48	11345.83
5	41584.15	11345.83
6	41584.15	11342.08
7	40288.75	12880.21
8	40288.75	14014.89
9	3925.82	14012.35
10	3925.82	15348.88
11	5011.00	15348.88
12	5011.00	10000.02



SCALE: 1"=1000'

EXHIBIT B
TO
SETTLEMENT AGREEMENT
SECTIONS 19, 30 AND 31
TOWNSHIP 36 NORTH, RANGE 50 EAST M. D. B. & M.
EUREKA COUNTY, NEVADA

(C)
31

RECORDED AT REQUEST OF
John C. Miller
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OFFICIAL RECORDS
EUREKA COUNTY, NEVADA
M.M. REBALATI, RECORDER
FILE NO. 103347
FEE \$ 23.00

RECORDED AT REQUEST OF
John C. Miller
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OFFICIAL RECORDS
EUREKA COUNTY, NEVADA
M.M. REBALATI, RECORDER
FILE NO. 102268
FEE \$ 23.00