

WARRANTY DEED

EARL A. POULSEN and KENNETH J. POULSEN, Grantors, whose address is 210 East 5th Street, Salt Lake City, Utah 84111 for the consideration of Ten Dollars (\$10.00) and other valuable consideration in hand paid, the receipt and sufficiency of which are hereby acknowledged, do by these presents grant, bargain, sell, and convey unto WESTMONT MINING INC., an Illinois corporation, whose address is 4949 South Syracuse Street, Suite 4200, Denver, Colorado 80237, Grantee, and its successors and assigns forever, all of Grantors' undivided seventy-seven and one-half percent (77 1/2%) interest in and to the following described patented lode mining claims situated in the Lynn Mining District in Sections 1, 2, 11, and 12 of Township 35 North, Range 50 East, M.D.B.&N., Eureka County, Nevada (the "Property"):

<u>Claim Name</u>	<u>U.S. Mineral Survey No.</u>	<u>U.S. Patent No.</u>
Big Six No. 3	4332	783757
Holt	4422	881735
July	4528	935874
Great Divide	4393	945439
Bald Eagle	4527	046758

Together with all dips, spurs, angles, and extralateral rights and all appurtenances and water rights incident thereto.

EXCEPTING AND RESERVING unto the Grantors, their heirs, successors and assigns, a Production Royalty of one percent (1%) of the "Net Smelter Returns" from all ores, metals (expressly including gold and silver), minerals and mineral substances and products of every nature and character whatsoever (hereinafter "Minerals") produced and sold from the Property until, and only until, the Production Royalty paid to the Grantors hereunder totals Fifty Thousand Dollars (\$50,000), U.S. After the payment of said Fifty Thousand Dollars to Grantors, this Production Royalty reservation shall automatically terminate and expire and Grantors shall not be entitled to receive any further Production Royalties from the Property. Upon receipt of the Fifty Thousand Dollars, Grantors agree to execute and deliver to Grantee a quitclaim deed relinquishing all right, title, and interest in the Property and in the reserved Production Royalty. For purposes herein, Net Smelter Returns shall be defined to mean the entire proceeds received from a smelter, reduction works, refinery, or other purchaser from the sale of Minerals produced from the Property, less:

- (i) all charges and costs, including insurance, for transportation of Minerals from Grantee's processing facilities to the place of sale;
- (ii) all charges, costs, deductions, and penalties for smelting and refining the Minerals.

PAYMENT METHOD

Grantors shall be paid Production Royalty payments monthly, on or before the 30th day of the month succeeding each calendar month that Grantee receives proceeds from the sale of Minerals produced from the Property. All payments shall be made to the Grantors at the address specified in this Deed unless Grantors designate to Grantee, in writing, a different receiving address or account to receive such payments. In the event of a present or future division of Grantors' Production Royalty interest, payment to such single address or account shall constitute full satisfaction of Grantee's obligation to pay Production Royalties, and Grantee shall be relieved from any responsibility and liability for the division of disbursements as among the various Grantors.

COMMINGLING

Grantee shall have the right to commingle the Minerals produced from the Property with similar ore or minerals from other properties for the purpose of transportation, storage, milling, processing, leaching and/or sale or disposition. In the event that such commingling occurs, Grantee shall perform sufficient monitoring, sampling, and analysis to make an accurate determination of Production Royalties.

BOOKS, RECORDS, AND INFORMATION

As long as Grantors retain a Production Royalty interest in the Property, Grantee shall keep accurate records of Minerals derived and sold from the Property and of calculations relative to Production Royalty payments and commingled ore from the Property. Production Royalty payments and adjustments shall be accompanied by a statement of Production Royalty payment calculations, deductions, and adjustments. Upon thirty (30) days prior written notice, Grantors shall be entitled to an independent audit of the matters covered by the statement, during normal business hours and at Grantors' expense, provided they select for the audit, an accounting firm of recognized standing, at least one of whose members is a Certified Public Accountant.

INSPECTION

As long as Grantors retain a Production Royalty interest in the Property, Grantors shall have the right to inspect the Property during normal business hours upon giving Grantee at least 24 hours prior notice and subject to the reasonable safety requirements of Grantee.

TO HAVE AND TO HOLD unto the Grantee, its successors and assigns forever. Grantors do hereby represent and warrant that they have not heretofore conveyed their undivided interest in the Property, that their interest in the Property is their sole and separate property, and is free and clear from all liens and encumbrances and Grantors shall warrant and defend title to the above described property against all persons whomsoever.

IN WITNESS WHEREOF, Grantors and Grantee have executed this Warranty Deed this 28<sup>th</sup> day of September, 1988.

GRANTEE

WESTMONT MINING INC.

By: Paul Taylor

Title: Vice President

GRANTORS

Earl A. Poulsen  
Earl A. Poulsen

Kenneth J. Poulsen  
Kenneth J. Poulsen

State of UTAH )  
County of SALT LAKE ) ss.

On the 25<sup>th</sup> day of September, 1988, personally appeared before me, a Notary Public, Earl A. Poulsen and Kenneth J. Poulsen who acknowledged that they executed the above instrument as their free act and deed.

My Commission Expires: 11-2-91

SEAL  
Affixed

Earl A. Poulsen  
Notary Public Residing at

SALT LAKE COUNTY

State of Colorado )  
County of Denver ) ss.

On the 21<sup>st</sup> day of September, 1988, personally appeared before me, a Notary Public, Paul Taylor, Vice President of Westmont Mining Inc. and he acknowledged that he executed the above instrument as his free act and deed on behalf of the corporation.

My Commission Expires:

SEAL  
Affixed

Sharon Q. Ellsworth  
Notary Public Residing at

1949 S. Syracuse St. #1200  
Denver, Co 80237

RECORDED AT THE REQUEST OF

BOOK 193 PAGE 408

Earl A. Poulsen

'89 JUN 18 AM 41

OFFICIAL RECORDS  
FUREKA COUNTY, NEVADA  
M.N. REBALEATI, RECORDER

FILE NO. FEL 5702

126185