

When recorded, return to:  
Haase and Harris  
Post Office Box 70250  
Reno, Nevada 89570-0250

132107

MINING DEED

GRANT: THIS INDENTURE is made this 2nd day of ~~March~~ <sup>April</sup>, 1990, by and between INTERNATIONAL METALS AND ENERGY CORP., a Utah corporation, WILLIAM S. GRAY & CO., a Delaware corporation, W. ROY HOGAN, HUGH E. HANAGAN, EDWARD W. McRAE, JAMES C. RICHARD, hereinafter collectively referred to as Grantor, and EURO-NEVADA MINING CORPORATION, INC., a Nevada corporation, hereinafter referred to as Grantee. The Grantor, for and in consideration of the sum of TEN DOLLARS (\$10.00) lawful money of the United States of America, together with other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and subject only to the exceptions and reservations set forth in the numbered Sections below and the paramount title of the United States of America, has granted, bargained, remised, released, sold, transferred, conveyed and quitclaimed, and by these presents does grant, bargain, remise, release, sell, transfer, convey and forever quitclaim unto the Grantee, all of the right, title and interest in and to those certain unpatented mining claims ("Property") located in the Eureka County, Nevada more particularly described as follows:

<u>Claim Name</u>	<u>Book: Page</u>	<u>BLM Serial No.</u>
KBM 1-15	197: 436-450	NMC 560098-560112
IK 1-35	197: 451-485	NMC 560113-560147
EM 1-31	197: 486-516	NMC 560148-560178
WP 1-114	197: 517-630	NMC 560179-560292
WP 115-248	198: 001-134	NMC 560293-560426

EXCEPTION AND RESERVATION: The Grantor excepts and reserves from the foregoing grant and conveyance to the Grantee the following:

1. Net Smelter Return Royalty. A royalty on production equal to two percent (2%) of Net Smelter Returns ("2% NSR") on all ores and minerals, and the beneficiated products thereof ("Ore") produced within the vertical boundaries of the Property.

1.1 Net Smelter Returns. The term "Net Smelter Returns" as used herein shall mean the gross receipts of the Grantee or other operator of the Property (collectively, the "Operator") from the sale or other disposition of Ore less the following expenses actually incurred and borne by the Operator:

(1) All taxes, except taxes upon the income of the Operator or its successors, payable with respect to the sale or disposition of the Ore;

(2) Charges and costs, if any, for transportation from the mine or mill to places where the Ore is smelted, refined and/or sold; and

(3) Charges, costs, including assaying and sampling costs specifically related to smelting and/or refining, and all penalties, if any, for smelting and/or refining the Ore.

In the event smelting or refining is carried out in facilities owned or controlled, in whole or in part, by the Operator, then charges, costs and penalties for such operations shall mean the amount the Operator would have incurred if such operations were carried out at facilities not owned or controlled by the Operator then offering comparable services for comparable products on prevailing terms, but in no event greater than actual costs incurred by the Operator.

In the event the Operator determines to engage in forward sales or other hedging activities with respect to the sale or other disposition of Ore ("Forward Sales"), the Operator shall give written notice thereof to the Agent (as defined below). Within fifteen (15) days of receipt of such notice, the Grantor shall give written notice to the Operator of the Grantor's election to thereafter have the determination of Net Smelter Returns based upon gross receipts from Forward Sales rather than upon spot prices for Ore sold or otherwise disposed of. In the event Grantor timely elects to have Net Smelter Returns based upon gross receipts from Forward Sales, then from and after such election all Net Smelter Returns shall be based upon gross receipts from Forward Sales. Once so elected, the Grantor may not change that election. In the event the Grantor does not timely elect to have Net Smelter Returns based upon gross receipts from Forward Sales, then Net Smelter Returns shall be based upon the spot price of gold, London Bullion Market P.M. Fix, and the closing spot price of silver, Handy & Harmon on the New York Commodity Exchange, on the day Ore is delivered to the smelter or refinery for treatment. The failure of the Grantor to timely elect to have Net Smelter Returns based upon gross receipts from Forward Sales shall constitute a conclusive waiver and release of any and all rights of Grantor to thereafter have the Net Smelter Returns based upon gross receipts from Forward Sales.

1.2 Time and Manner of Payment. All 2% NSR shall be computed and paid to Grantor on or before forty-five (45) days following the close of the calendar quarter during which the Operator shall have received payment for Ore sold by the Operator. At the time of making each such payment, the Operator

shall deliver to the Grantor a statement showing the amount of such production royalties and the manner in which it was determined. All records relating to the calculation of the 2% NSR shall be available for an annual inspection by an authorized representative of Grantor for the purpose of confirming the accuracy of such statements. Any such inspection shall be for a reasonable length of time during regular business hours, at a mutually convenient time, upon reasonable notice by the Grantor. Any complaint, notice to inspect, and objection which Grantor may wish to raise with respect to the 2% NSR payable hereunder shall be made by Grantor to the Operator in writing within one hundred eighty (180) days after the end of the calendar year in which such payment was paid to the Grantor. Any complaint, notice to inspect or objection not timely made by Grantor shall be deemed to have been absolutely waived by Grantor, and the 2% NSR paid for such calendar year shall be conclusively deemed to be correct.

2. Sale or Other Disposition Royalty. In the event the Grantee sells, conveys, joint ventures, or otherwise disposes of the Property, the Grantor shall receive, in lieu of the 2% NSR, twenty percent (20%) of all consideration received, or interest retained, by the Grantee at the time of the sale, conveyance, joint venture, or other disposition and thereafter ("Sale Interest").

2.1 Termination of the 2% NSR. At the time of a sale, conveyance, joint venture or other disposition of the Property by the Grantee, each and every of the rights of the Grantor under and pursuant to Section 1 above shall forever cease and terminate, and all rights of the Grantor with respect to the Property shall be governed by this Section 2.

2.2 Non-Application of This Section 2. The terms and provisions of this Section 2 shall not be applicable to a sale, conveyance, joint venture, or other disposition of up to a fifty percent (50%) interest in the Property by the Grantee to Franco-Nevada Mining Corporation, Inc., a Nevada corporation. Provided, however, that in the event of such a sale, conveyance, joint venture, or other disposition of an interest in the Property, Franco-Nevada Mining Corporation, Inc., shall first agree to be bound by all of the terms and conditions of this Mining Deed, including specifically and without limitation the obligations of Grantee under this Section 2. This Section 2 shall also have no application to that portion of the Property not subject to a sale, conveyance, joint venture or other disposition of an interest.

2.3 Inspection Rights. Grantor shall have the right to inspect such documents and data as are necessary to confirm that a sale, conveyance, joint venture, or other disposition of the Property by the Grantee has occurred and to

determine the consideration paid and/or to be paid to Grantee.

2.4 Grantor's Rights Under Grantee's Agreement; No Partnership. The Grantor shall have the same contractual rights to inspect, audit, take in-kind, and other non-participatory matters as are retained by the Grantee in the sale, conveyance, joint venture, or other disposition of an interest in the Property; provided, however, the Grantor shall have no right to act or participate as a participating party or partner with respect to operations on or affecting the Property. In this regard, the Grantor shall not in any manner be deemed to be a partner or agent of Grantee, and Grantee shall have no fiduciary or trust duties to Grantor.

3. Appointment of Division Agent. Grantor shall appoint an agent ("Agent") to act on behalf of all of the parties comprising Grantor for the purpose of receiving and distributing the 2% NSR or the Sale Interest as well as performing all inspections of information and data. All of the obligations of the Grantee and the Operator with respect to payment of the 2% NSR or the Sale Interest and the delivery of the requisite information and data shall be fulfilled at such time as the Agent has received the 2% NSR or the Sale Interest together with the requisite information and data, and the Grantor shall indemnify and hold the Grantee and the Operator harmless from any and all claims, liabilities, and damages, including attorney fees and costs, arising from acts or omissions of the Agent. All costs and expenses of the Agent shall be borne by the Grantor, and the Grantee and Operator shall have no obligation with respect thereto. Grantor may change its Agent at any time by giving timely notice thereof to Grantee and the Operator.

4. Confidentiality. Grantor shall not, without the prior written consent and approval of the Operator, knowingly disclose to any third party any information or data obtained by Grantor pursuant to the provisions of this Mining Deed, which information or data is not generally available to the public; provided, however, Grantor may disclose information or data pertaining to the Property: (i) if required for compliance with applicable laws, rules, regulations or orders for a governmental agency or stock exchange having jurisdiction; (ii) to any third party to whom Grantor, in good faith, anticipates selling or assigning Grantor's interest hereunder, or (iii) to a prospective lender to whom an interest in payments to be made to Grantor hereunder has been granted as security, provided that the Operator shall have been provided with a confidentiality agreement executed by such third party or lender, which agreement shall include the confidentiality provisions of this Section 4. Grantor shall not issue any press releases or



similar public disclosures except upon giving the Operator ten (10) days advance written notice of the contents thereof; this provision shall not be applicable to press releases or public disclosures by Grantor of information otherwise generally available to the public.

5. Maintenance of Property. Until all of the Property has been abandoned or conveyed by quit claim deed to Grantor pursuant to the provisions of Section 6 below, Grantee covenants as follows:

5.1 Maintain Good Title. Grantee shall keep the Property in effect as permitted and required by law with good title in Grantee or its successors; and

5.2 Assessment Work. Grantee shall provide an annual report of assessment work and all other activities affecting the Property. Such report shall be delivered to the Agent during the month of March. If more frequent reports are received by Grantee, a copy thereof shall be promptly delivered to the Agent.

6. Abandonment. In the event Grantee intends to abandon any of the unpatented mining claims comprising the Property ("Abandonment Claims"), Grantee shall first give notice of such intention to the Agent at least (90) days in advance of the proposed date of abandonment. If Grantee receives from the Agent written notice not later than ten (10) days before the proposed date of abandonment that Grantor desires Grantee to convey the Abandonment Claims to Grantor, Grantee shall not abandon the Abandonment Claims but shall convey the same by quit claim deed, without warranty, to Grantor.

7. Grantee's First Right of Refusal. In the event that one or all of the parties comprising the Grantor agrees to sell or otherwise dispose of all or a portion of that Grantor's rights and interests under this reservation and exception to a third party, such selling or disposing Grantor ("Seller") shall offer the same right and interest to Grantee on the same terms and conditions as are provided for in the agreement to sell such right and interest to a third party. Sales or transfers from one of the parties comprising the Grantor to another of the parties comprising the Grantor shall not be subject the provisions of this Section 7. Grantee shall have thirty (30) days after receipt of the offer from the Seller to give notice of Grantee's exercise of this first right of refusal. Upon a Seller's timely receipt of Grantee's notice of exercise, the Seller shall convey to Grantee the right and interest to be sold or otherwise disposed of in accordance with the terms and provisions of the agreement to sell such right or interest to a third party. All consideration payable in the form of goods, stock, or other non-monetary property shall be converted to a

monetary amount equal to the fair market value of such property. If Grantee does not timely exercise this first right of refusal, the Seller may sell or dispose of such right or interest on terms not less favorable than offered to Grantee for a period of one hundred twenty (120) days thereafter, after which period the Seller's obligations under this Section 7 shall begin anew.

8. Binding Effect. The terms and provisions of this Exception and Reservation shall be binding on the heirs, successor and assigns of the parties to this Mining Deed.

ESTATE GRANTED. TO HAVE AND TO HOLD the foregoing together with all of the ores, minerals, dips, spurs, angles thereof, extralateral rights, and all and singular the tenements, hereditaments and appurtenances thereunto belonging, or in anywise appertaining, the reversion and reversions, remainder and remainders, rents, issues, profits thereof, all water rights, geothermal resources, petroleum, natural gas, other hydrocarbons, if any, and any and all other minerals and mineral and surface rights to the Grantee and its successors and assigns forever.

GRANTOR: INTERNATIONAL METALS AND ENERGY CORP.,  
a Utah corporation

By Fred J. Dushkin  
Title: President

WILLIAM S. GRAY & CO.,  
a Delaware corporation

By William S. Gray  
Title: President

W. Roy Hogan  
W. ROY HOGAN

Hugh E. Hanagan  
HUGH E. HANAGAN

Edward W. McRae  
EDWARD W. MCRAE

James C. Richard  
JAMES C. RICHARD

GRANTEE: EURO-NEVADA MINING CORPORATION,  
INC., a Nevada corporation

By *Pierre Lassonde*  
Pierre Lassonde, President

STATE OR PROVINCE OF TEXAS )  
COUNTY OR CITY OF Wichita ) ss.

On this 28th day of MARCH, 1990, personally appeared before me, a Notary Public, Fred J. Backhaus, the President of INTERNATIONAL METALS AND ENERGY CORP., a Utah corporation, personally known or proved to me to be the person whose name is subscribed to the above instrument who acknowledged he executed the above instrument and acknowledged said instrument to be his voluntary act and deed made on behalf of said corporation and for the uses and purposes therein mentioned.

SEAL

My commission expires: November 25, 1992

*Anna Jane Hamilton*  
Notary Public Anna Jane Hamilton  
Notary Public  
Wichita County, Texas

STATE OR PROVINCE OF Connecticut )  
COUNTY OR CITY OF Fairfield ) ss. Stamford

On this 29th day of March, 1990, personally appeared before me, a Notary Public, William S. Gray, the President of WILLIAM S. GRAY & CO., a Delaware corporation, personally known or proved to me to be the person whose name is subscribed to the above instrument who acknowledged he executed the above instrument and acknowledged said instrument to be his voluntary act and deed made on behalf of said corporation and for the uses and purposes therein mentioned.

*Seanna McKenna*  
Notary Public

SEANNA MCKENNA  
NOTARY PUBLIC  
MY COMMISSION EXPIRES MARCH 31, 1994

SEAL  
Affixed

- 7 -

STATE OF TEXAS )  
COUNTY OF Wichita ) ss.

On this 28th day of MARCH, 1989<sup>90</sup>, personally appeared before me, a Notary Public, W. ROY HOGAN, personally known or proved to me to be the person whose name is subscribed to the above instrument who acknowledged she executed the instrument.

My comission expires:  
November 25, 1992

Anna Jane Hamilton  
Notary Public  
Anna Jane Hamilton  
Notary Public  
Wichita, Kansas

STATE OF NEW MEXICO )  
COUNTY OF CHAVES ) ss.

On this 30th day of March, 1989<sup>90</sup>, personally appeared before me, a Notary Public, HUGH E. HANAGAN, personally known or proved to me to be the person whose name is subscribed to the above instrument who acknowledged she executed the instrument.

My Commission expires:  
8/12/93

Hugh E. Hanagan  
Notary Public

STATE OF TEXAS )  
COUNTY OF WICHITA ) ss.

On this 28th day of MARCH, 1989<sup>90</sup>, personally appeared before me, a Notary Public, EDWARD W. MCRAE, personally known or proved to me to be the person whose name is subscribed to the above instrument who acknowledged she executed the instrument.

My commission expires:  
November 25, 1992

Anna Jane Hamilton  
Notary Public  
Anna Jane Hamilton  
Notary Public  
Wichita, Kansas



STATE OF Texas )  
 ) ss.  
COUNTY OF Wichita )

On this 28th day of March, 1989, personally appeared before me, a Notary Public, JAMES C. RICHARD, personally known or proved to me to be the person whose name is subscribed to the above instrument who acknowledged she executed the instrument.

**SEAL**  
**Affixed**

My commission expires:  
November 25, 1992

Anna Jane Hamilton  
Notary Public

STATE OF NEVADA )  
 ) ss.  
COUNTY OF WASHOE)

On this 2nd day of April, 1989, personally appeared before me, a Notary Public, Pierre Lassonde, the President of EURO-NEVADA MINING CORPORATION, INC., a Nevada corporation, who acknowledged that he executed the foregoing instrument on behalf of the Corporation for the uses and purposes stated therein.

Pierre Lassonde  
Notary Public

6436IME.MD/7/#4



OFFICIAL RECORDS  
RECORDED AT THE REQUEST OF  
BOOK 209 PAGE 405  
Haase & Harris  
90 APR -5 P2:45

EUREKA COUNTY, NEVADA  
M.N. REBALEATI, RECORDER  
FILE NO. FEE \$ 13.00

132107

- 9 -