

132427

ROYALTY DEED

THIS ROYALTY DEED dated to be effective as of the 28th day of December, 1989, is from BARRICK GOLDSTRIKE MINES INC., a Colorado corporation, P.O. Box 29, Elko, Nevada 89801 ("Grantor"), to SFP MINERALS CORPORATION, a Delaware corporation, 6200 Uptown Blvd. N.E., Suite 400, P. O. Box 27019, Albuquerque, New Mexico 87125 ("Grantee").

Grantor, for valuable consideration, the receipt and sufficiency of which are hereby acknowledged, grants to Grantee, without warranty, a royalty interest equal to four percent of the "net smelter returns" received from the sale of any ores, minerals, or mineral substances mined, removed and sold from the following described property situated in Eureka County, Nevada (the "Subject Property"):

Township 36 North, Range 49 East, M.D.B.&M.

Section 25: West one-half, above the elevation of
4600 feet above mean sea level.

(a) The royalty shall be equal to four percent of the "net smelter returns" actually received by Grantor from the sale of ore or other products produced from the Subject Property and sold by Grantor.

(b) "Net smelter returns" shall mean the actual proceeds of sale received by Grantor in an arms-length transaction with a purchaser of ore, concentrates, dore or any other products produced from the Subject Property and sold by Grantor, less only transportation charges to the point of sale, insurance, custom smelting or treatment charges, metal losses and penalties, and severance or other taxes, if any, measured by minerals production. When Grantor does not actually sell product but receives refined bullion from a mint or refinery, for purposes of calculating the royalty the refined bullion will be deemed to have been sold on the date such bullion is made available to Grantor at the price established by the London P.M. fix (or an equivalent price if the London P.M. fix is not available). In no event shall the price used to calculate the royalty reflect any price that might be available to Grantor under any "hedging", "price protection" or "trading" techniques employed by Grantor. Except as provided in (c) below, payment for royalties will be made by Grantor to Grantee within 30 days following the end of the month in which product is sold.

(c) Grantee may elect, on an annual basis, to receive its royalty "in kind". In such event, Grantee shall be entitled to receive four percent of the total ounces of refined bullion produced from the Subject Property at the time of each

settlement by the refiner with Grantor, by tendering to Grantor Grantee's share of the deductible costs set out in (b) above.

(d) At such time as Grantee has received a total of \$500,000 in net smelter returns (or refined bullion equivalent), the royalty shall be extinguished and Grantee shall execute a document, in recordable form and satisfactory to Grantor, relinquishing such royalty to Grantor.

(e) Grantee agrees that Grantor shall be entitled to commingle ore or other products produced from the Subject Property with ore or other products produced from other land owned or controlled by Grantor in the same manner as is presently permitted by Mining Lease No. SPL-634, a memorandum of which is recorded in Book 75 at page 427 of the records of Eureka County, Nevada, with respect to the east one-half of Section 25, subject to the commingling provisions contained in the First Amendment to Mining Lease No. SPL-634 between Grantor, Grantee and Santa Fe Pacific Mining, Inc.

TO HAVE AND TO HOLD the above-described royalty, together with all and singular the rights and appurtenances thereto in anywise belonging, unto the said Grantee, its successors and assigns forever.

"GRANTOR"

BARRICK GOLDSTRIKE MINES INC.

By

Its VICE PRESIDENT.

Province
STATE OF ONTARIO)
COUNTRY : SS.
COUNTY OF CANADA)

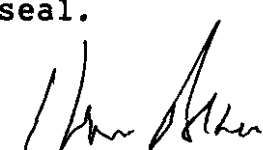
VICE -

On December 28, 1989, personally appeared before me, a notary public, HOWARD S. BLACK, ALAN RICHARD HILL, President of BARRICK GOLDSTRIKE MINES INC., personally known to be the person whose name is subscribed to the above instrument, who acknowledged that he or she executed the instrument.

Witness my hand and seal.

My Commission Expires:

NO EXPIRATION DATE


NOTARY PUBLIC

Residing at: CITY OF TORONTO,
PROVINCE OF ONTARIO



224:121689A

OFFICIAL RECORDS
RECORDED AT THE REQUEST OF
BOOK 210 PAGE 522

SFP Minerals
90 JUN -4 P153

EUREKA COUNTY, NEVADA
M.N. REBALEATI, RECORDER
FILE NO. FEE \$ 700

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