

THIS DEED ("this Deed") is made and entered into effective as of 12:02 a.m., August 7, 1990 (the "Effective Date"), by and between HIGH DESERT MINERAL RESOURCES, INC., a Nevada corporation ("grantor") whose address for purposes of notice under this Deed is P.O. Box 2008, Elko, NV 89801; and BULLION-MONARCH VENTURE, ("grantee"), whose address for purposes of notice under this Deed is c/o Westmont Gold Inc., 4949 S. Syracuse Street, Suite 4200, Denver, CO 80237. Grantor and grantee are described collectively below as "the Parties".

For and in consideration of certain conveyances of property from grantee to grantor, the receipt of which are hereby acknowledged by grantor, and of the terms and conditions of this Deed, the Parties agree as set forth herein.

1. Definitions. For purposes of this Deed, the following terms shall have the following definitions:

A. "Affiliate" means any person, partnership, joint venture, corporation or other form of enterprise that directly or indirectly controls, is controlled by or is under common control with grantor. For purposes of the preceding sentence, "control" means the ability to determine or direct the actions, decisions, or policies of the entity or person in question.

B. "Gold production" means the quantity of refined gold returned to grantor's account by an independent third party refinery for gold produced from the Property during the calendar month on either a provisional or final settlement basis.

C. "Gross Value" shall be determined on a calendar month basis and have the following meanings with respect to the following Minerals:

(1) Gold:

(a) If grantor sells unprocessed gold ores, or gold dore or gold concentrates produced from Minerals, then Gross Value shall be equal to the proceeds received by grantor during the calendar month from such sales. Grantor shall have the right to sell such unprocessed gold ores, gold dore and gold concentrates to an Affiliate, provided that such sales shall be considered, solely for the purpose of determining Gross Value, to have been sold at prices and on terms no less favorable than those that would be obtained from a non-Affiliate in similar quantities and under similar circumstances.

DEED OF NON-PARTICIPATING NET SMELTER RETURN ROYALTY

(b) If grantor produces refined gold (meeting the specifications of the London Bullion Market Association) from Minerals, and if subsection 1.c(1)(a) above is not applicable, then for purposes of determining Gross Value, the refined gold shall be deemed to have been sold at the Monthly Average Gold Price for the month in which it was refined. The Gross Value shall be determined by multiplying Gold Production during the calendar month by the Monthly Average Gold Price.

(2) Silver:

(a) If grantor sells unprocessed silver ores, or silver dore or silver concentrates produced from Minerals, then Gross Value shall be equal to the proceeds received by grantor during the calendar month from such sales. Grantor shall have the right to sell such unprocessed silver ores, silver dore and silver concentrates to an Affiliate, provided that such sales shall be considered, solely for the purpose of determining Gross Value, to have been sold at prices and on terms no less favorable than those that would be obtained from a non-Affiliate in similar quantities and under similar circumstances.

(b) If grantor produces refined silver (meeting the specifications for refined silver subject to the New York Silver Price published by Handy & Harmon) from Minerals, and if subsection 1.c(2)(a) above is not applicable, the refined silver shall be deemed to have been sold at the Monthly Average Silver Price for the month in which it was refined. The Gross Value shall be determined by multiplying Silver Production during the calendar month by the Monthly Average Silver Price.

(3) All other Minerals:

(a) If grantor sells unprocessed ores, dore or concentrates of any Minerals other than gold or silver, then the Gross Value shall be equal to the amount of proceeds received by grantor during the calendar month from such sales. Grantor shall have the right to sell such

unprocessed ores, dore or concentrates to an Affiliate, provided that such sales shall be considered, solely for the purpose of determining gross value, to have been sold at prices and on terms no less favorable than those that would be obtained from a non-Affiliate in similar quantities and under similar circumstances.

(b) If grantor produces refined or processed metals from Mineral other than refined gold or refined silver, and if subsection 1.C(3)(a) above is not applicable, then gross value shall be equal to the amount of the proceeds received by grantor during the calendar month from the sale of such refined or processed metals. Grantor shall have the right to sell such refined or processed metals to an Affiliate, provided that such sales shall be considered, solely for purposes of determining gross value, to have been sold at prices and on terms no less favorable than those that would be obtained from a non-Affiliate in similar quantities and under similar circumstances.

D. "Minerals" means all metallic and non-metallic substances which grantor, as owner of the property is legally entitled to mine, remove, process and sell, including all such substances to which grantor is entitled pursuant to extralateral rights under the mining laws of the United States.

E. "Monthly Average Gold Price" means the average London Bullion Market Association Gold Fix, calculated by dividing the sum of all such prices reported for the calendar month by the number of days for which such prices were reported during that month. In the event that the London Bullion Market Association Afternoon Gold Fix ceases to be published, all such references shall be replaced with references to prices of gold for immediate sale in another established market selected by grantor, as such prices are published in Metals Week magazine.

F. "Monthly Average Silver Price" means the average New York Silver Price as published daily by Handy & Harmon, calculated by dividing the sum of all such prices reported for the calendar month by the number of days in such calendar month for which such prices were reported. In the event that the Handy & Harmon quotations cease to be published, all such references shall be replaced with references to prices of silver for immediate sale in another established market selected by grantor as published in Metals Week magazine.

G. "Net Smelter Returns" means the Gross Value of all Minerals, less all costs, charges and expenses paid or incurred by Grantor with respect to the transportation, processing, treatment and upgrading of such Minerals, including without limitation:

(1) Charges for treatment in the smelting and refining processes (including handling, processing, interest and provisional settlement fees, sampling, assaying and representation costs, penalties and other processor deductions);

(2) Actual costs of transportation (including freight, insurance, security, transaction taxes, handling, port, demurrage, delay and forwarding expenses incurred by reason of or in the course of such transportation) of Minerals to the place of treatment, including any costs incurred by Grantor for transportation of such Minerals from the Property to the place of sale;

(3) Actual sales and brokerage costs on Minerals for which the Net Smelter Returns royalty is payable and an allowance for reasonable sales and brokerage costs for refined metals, the gross value of which is determined pursuant to subsections 1.c(1)(b), 1.c(2)(b) or 1.c(3)(b) above;

(4) Sales, use, severance, net proceeds of mine, ad valorem taxes applicable under local, state and federal law and any other tax or governmental levy or fee relating to the Minerals on which the Net Smelter Returns Royalty is payable (other than taxes based upon income); and

(5) The costs of governmental or other royalties when and if applicable.

H. "Property" means the patented and unpatented mining claims described in Exhibit A hereto, as well as any unpatented mining claims owned, leased or otherwise controlled by grantor on April 26, 1990 that overlap or conflict with any of the unpatented mining claims described in Exhibit A. If grantor, its successors or assigns amends, relocates or patents any of the unpatented mining claims described in said Exhibit A, or if grantor converts any of such claims into leases or other types of property rights or interests pursuant to any amendment of the United States Mining Law of 1872, such claims, rights and interests shall be deemed to be included within the Property, it being understood that grantor's Net Smelter Returns royalty is to apply to all ore mined from lands currently subject to said Exhibit A, regardless of the means by which rights to those lands have been acquired.

I. "Silver Production" means the quantity of refined silver returned to grantor's account by a non-affiliate third-party refinery for silver produced from the Property during the calendar month on either a provisional or final settlement basis.

2. Conveyance of Royalty. Grantor hereby conveys and agrees to pay to grantee, its successors and assigns, a non-participating royalty of one percent (1%) of Net Smelter Returns; PROVIDED, HOWEVER, that said royalty shall be subject to the following conditions, limitations, and exceptions:

A. If royalties in excess of the equivalent of 2% of Net Smelter Returns burden any of the Property (other than: (i) the 5% royalty on the Joe and Don claims described in paragraph 1(c) of Exhibit A hereto; and (ii) the 1% Net Smelter Return royalty reserved in the Warranty Deed dated September 28, 1988, described more specifically in paragraph 2 of Exhibit A hereto; and (iii) the royalty obligation arising under the Agreement dated May 10, 1979, between Bullion Monarch Company, Polar Resources Co., et al.), grantor shall have the right to set off, as and when production occurs from the lands subject to such excess royalty, the amount of that excess against the 1% Net Smelter Return royalty granted to grantee by this Deed, and thereby reduce the total amount payable from such lands pursuant thereto;

B. the Net Smelter Return royalty granted by this Deed shall cease at such time as a total of \$2,000,000 (which sum shall not be reduced by the offset and reduction described in Section 2.A above) has been paid pursuant to such royalty; and

C. with respect to the patented mining claims described in paragraph 2 of Exhibit A, the royalty shall be 775/1000 of 1% Net Smelter Returns (i.e., a royalty of 0.775% of Net Smelter Returns).

3. Patenting, Relocation or Conversion of Unpatented Claims. If grantor applies for and is granted a mineral patent to any unpatented mining claims included in the Property or any portion thereof, or if any such unpatented mining claims are relocated or converted as described in Section 1.H above, then within ninety (90) days after such patent, relocation or conversion occurs, grantor shall execute, acknowledge and deliver to grantee such conveyances as may be reasonably necessary or desirable to confirm, preserve, or protect the royalty granted in Section 2 above.

4. Accrual of Obligation. Grantor's obligation to pay the Net Smelter Returns royalty shall accrue upon the sale of unrefined metals, dore, concentrates, ores or other Minerals products or, if refined metals are produced, upon the outturn of refined metals

meeting the requirements of the specified published price to grantor's account.

5. Futures or Forward Sales, Etc. Except as provided in subsections 1.C(1)(a), 1.C(2)(a) and 1.C(3)(a) above (with respect to sales of unprocessed gold and silver and sales of minerals other than gold and silver), gross value shall be determined irrespective of any actual arrangements for the sale or other disposition of minerals by grantor, specifically including but not limited to forward sales, futures trading or commodities options trading, and any other price hedging, price protection, and speculative arrangements that may involve the possible delivery of gold, silver or other metals produced from minerals.

6. Sampling and Commingling. All Minerals for which a Net Smelter Returns royalty is payable shall be weighed or measured, sampled and analyzed in accordance with sound mining and metallurgical practices. After such measurement, grantor may mix or commingle Minerals with ores from properties other than the Property.

7. Monthly Calculations and Payments. Net Smelter Returns royalties shall be determined on a calendar month basis. Net Smelter Return royalties shall be paid on or before the last business day of the calendar month immediately following the last day of the calendar month in which same accrued.

8. Statements. At the time of payment of the Net Smelter Returns royalty, grantor shall accompany such payment with a statement showing in reasonable detail the quantities and grades of refined gold, silver or other metals or dore, concentrates or ores produced and sold or deemed sold by grantor in the preceding calendar month; the Monthly Average Gold Price and Monthly Average Silver Price, as applicable; costs and other deductions, and other pertinent information in reasonable detail to explain the calculation of the Net Smelter Returns royalty payment with respect to such calendar month. Payment shall be made as provided in Section 13 below.

9. Inventories and Stockpiles. Grantor shall include in all monthly statements a description of the quantity and quality of any gold or silver dore that has been retained as inventory for more than ninety (90) days. Grantee shall have thirty (30) calendar days after receipt of the statement to either (a) elect that the dore be deemed sold, with gross value to be determined as provided in subsections 1.C(1)(a), with respect to gold, and 1.C(2)(a), with respect to silver, as of such thirtieth day utilizing the mine weights and assays for such dore and utilizing a reasonable recovery rate for refined metal and reasonable deemed charges for all deductions specified in Section 1.F above, or (b)

elect to wait until such time as royalties otherwise would become payable pursuant to subsections 1.c(1)(b) and 1.c(2)(b) hereof. The failure of grantee to respond within such time shall be deemed to be an election to use the methods set forth in (b) above. No Net Smelter Returns royalty shall be due with respect to stockpiles of ores or concentrates unless and until such ores or concentrates are actually sold.

10. Final Settlement. All Net Smelter Returns royalty payments shall be considered final and in full satisfaction of grantor's obligations with respect thereto, unless grantee gives grantor written notice describing and setting forth a specific objection to the calculation thereof within one year after receipt by grantee of the monthly statement provided for in Section 8 above. If grantee objects to a particular monthly statement, it shall have the right, for a period of thirty (30) days after grantor's receipt of such objection, upon reasonable notice and at a reasonable time, to have grantor's accounts and records relating to the calculation of the Net Smelter Returns royalty payment with respect to the calendar month in question audited by an independent certified public accountant. If such audit determines that there has been a deficiency or an excess in the payment made to grantee, such deficiency or excess shall be resolved by adjusting the next monthly Net Smelter Returns royalty payment due grantee. Grantee shall pay all costs of such audit unless a deficiency of five percent (5%) or more of the Net Smelter Returns royalty due for the calendar month in question is determined to exist. Grantor shall pay the costs of such audit if a deficiency of five percent (5%) or more of the amount due for the calendar month in question is determined to exist. All books and records used by grantor to calculate the Net Smelter Returns royalties due hereunder shall be kept in accordance with accounting principles generally utilized in the mining industry.

11. Transfer or Encumbrance of Royalty. Grantee may transfer, pledge, mortgage, charge or otherwise encumber all or any part of its right, title and interest in and to the Net Smelter Returns royalty; provided, however, that grantor shall be under no obligation to make its payments to such assignee, transferee, pledgee or other third party until grantor's receipt of written notice concerning the assignment, transfer or pledge.

12. Control of Operations. Grantor shall have the sole and exclusive option to determine the timing and the manner of any production from the Property and all related exploration, development and mining activities on or for the benefit of the Property. Nothing under this Deed shall require grantor to explore, develop or mine or continue operations on the Property.

13. Notices. All notices, statements, payments, or other communications between the Parties required, permitted, or made necessary by the terms of this Deed shall be written and shall be addressed to the Party to receive the communication at the address for that Party specified in the initial paragraph of this Deed. Except as otherwise specifically provided to the contrary herein, communications mailed in the manner provided in this Section 13 shall be deemed made and given on the date of mailing. Either of the Parties may change its address or addressee or notice from time to time by giving notice of such change to the other Party in the manner specified in this Section 13.

14. Inurement; Royalty to Run with the Land. The royalty granted by this Deed shall burden and run with the Property, including any patents, relocations and conversions of unpatented claims, as described in Section 3 above, and shall be binding upon and inure to the benefit of the Parties' respective successors and assigns.

WHEREFORE, grantor has executed this Deed as of the time and date first above written.

HIGH DESERT MINERAL RESOURCES, INC.

By: Lee Hawkins
Vice President



STATE OF COVADO
COUNTY OF LEWIS

On the 24 day of August, 1990, before me personally appeared Lee Hawkins, known to me or proved to me to be Vice-President of High Desert Mineral Resources, Inc., a Nevada corporation, who, being first duly sworn, acknowledged that he/she executed the foregoing instrument in the name of said entity, that he/she had the authority to execute the same, and that he/she executed the same as the act and deed of said entity for the uses and purposes therein stated.

Witness my hand and official seal.

My commission expires:

Feb. 23, 1991
Donald A. Jones
Notary Public



EXHIBIT A

DEED OF NON-PARTICIPATING NET SMELTER ROYALTY

from

HIGH DESERT MINERAL RESOURCES, INC., as GRANTOR

to

BULLION-MONARCH VENTURE, as GRANTEE

Property situated in

Township 35 North, Range 50 East, Eureka County, Nevada

UNPATENTED CLAIMS

Paragraph 1(a):

Claim	Location Certificate	Recording Data	Page	BLM Serial Number(s)
H111 Top			104	N-MC-11231
H111 Top #1			106	N-MC-11232
H111 Top #2			108	N-MC-11233
H111 Top Fraction			110	N-MC-11234
H111 Top #1 Fraction			112	N-MC-11235
H111 Top #2 Fraction			484	N-MC-11228
H111 Top #3 Fraction			486	N-MC-11229
H111 Top #4 Fraction			488	N-MC-11230

Paragraph 1(b): Unpatented mining claims subject to a lease and Option dated August 13, 1969 by and between R. D. Rubright and Mary Jo Rubright, his wife, and Fred Kurtz and Bullion Monarch Company recorded in Book 71 at page 433 of the Eureka County, Nevada records.

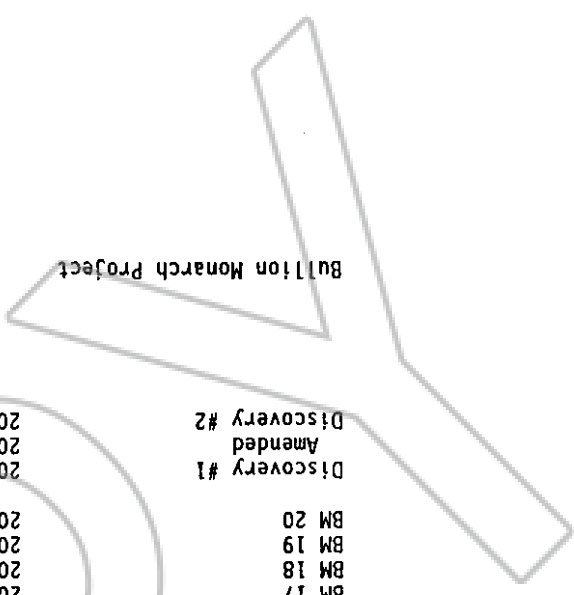
Claim	Location Certificate	Recording Data	Page	BLM Serial Number(s)
Badger			259	N-MC-11243
Badger #1			260	N-MC-11244
Unity #1			247	N-MC-11240
Unity #2			248	N-MC-11241
Junction			330	N-MC-11445
Compromise #4			261	N-MC-11245
Compromise #5			262	N-MC-11442
Compromise #6			262	N-MC-11443
Compromise #7			263	N-MC-11444
Lamira			259	N-MC-11242

Claim	Location Certificate	Recording Data	Page	BLM Serial Number(s)
Joe			73	N-MC-92823
Don			73	N-MC-92824
Big Jim			45	N-MC-11196
Big Jim #1			0	N-MC-11197
Big Jim #2			46	N-MC-11198
Bullion Monarch Project			0	N-MC-11198

BOOK 2 | 2 PAGE 3 2 3

BLM Serial Number(s)	Page	Book	Location Certificate Recording Data	Claim
N-MC-11199	48	0	Big Jim #3	Big Jim #3
N-MC-11200	49	0	Big Jim #4	Big Jim #4
N-MC-11201	50	0	Big Jim #5	Big Jim #5
N-MC-11202	51	0	Big Jim #6	Big Jim #6
N-MC-11203	52	0	Big Jim #7	Big Jim #7
N-MC-11204	53	0	Big Jim #8	Big Jim #8
N-MC-11205	54	0	Big Jim #9	Big Jim #9
N-MC-11206	55	0	Big Jim #10	Big Jim #10
N-MC-11207	56	0	Big Jim #11	Big Jim #11
N-MC-11208	57	0	Big Jim #12	Big Jim #12
N-MC-11209	58	0	Big Jim #13	Big Jim #13
N-MC-11210	59	0	Big Jim #14	Big Jim #14
N-MC-11211	60	0	Big Jim #15	Big Jim #15
N-MC-11212	61	0	Big Jim #16	Big Jim #16
N-MC-11213	62	0	Big Jim #17	Big Jim #17
N-MC-11214	63	0	Big Jim #18	Big Jim #18
N-MC-11215	64	0	Big Jim #19	Big Jim #19
N-MC-11216	65	0	Big Jim #20	Big Jim #20
N-MC-11217	66	0	Big Jim #21	Big Jim #21
N-MC-11218	67	0	Big Jim #22	Big Jim #22
N-MC-11219	68	0	Big Jim #23	Big Jim #23
N-MC-11220	69	0	Big Jim #24	Big Jim #24
N-MC-11221	70	0	Big Jim #25	Big Jim #25
N-MC-11222	71	0	Big Jim #26	Big Jim #26
N-MC-11223	72	0	Big Jim #27	Big Jim #27
N-MC-11224	73	0	Big Jim #28	Big Jim #28
N-MC-11225	74	0	Big Jim #29	Big Jim #29
N-MC-72757	111	71	Big Jim #30	Big Jim #30
N-MC-72758	112	71	Cracker Jack #1	Cracker Jack #1
N-MC-11174	23	0	Cracker Jack #2	Cracker Jack #2
N-MC-11175	24	0	Cracker Jack #3	Cracker Jack #3
N-MC-11176	25	0	Cracker Jack #4	Cracker Jack #4
N-MC-11177	26	0	Cracker Jack #5	Cracker Jack #5
N-MC-11178	27	0	Yellow Rose #8	Yellow Rose #8
N-MC-11179	28	0	Yellow Rose #9	Yellow Rose #9
N-MC-11182	31	0	Yellow Rose #10	Yellow Rose #10
N-MC-11183	32	0	Yellow Rose #11	Yellow Rose #11
N-MC-11184	33	0	Yellow Rose #12	Yellow Rose #12
N-MC-11185	34	0	Yellow Rose #13	Yellow Rose #13
N-MC-11186	35	0	Yellow Rose #14	Yellow Rose #14
N-MC-11187	36	0	Yellow Rose #15	Yellow Rose #15
N-MC-11188	37	0	Yellow Rose #16	Yellow Rose #16
N-MC-11189	38	0	Yellow Rose #17	Yellow Rose #17
N-MC-11190	39	0	Yellow Rose #18	Yellow Rose #18
N-MC-11191	40	0	Yellow Rose #19	Yellow Rose #19
N-MC-11192	41	0	Yellow Rose #20	Yellow Rose #20
N-MC-11193	42	0	Polar #1	Polar #1
N-MC-11194	43	0	Polar #2	Polar #2
N-MC-11195	44	0	Polar #3	Polar #3
N-MC-11154	385	54	Polar #4	Polar #4
N-MC-11155	386	54	Polar #5	Polar #5
N-MC-11156	387	54	Polar #6	Polar #6
N-MC-11157	388	54	Polar #7	Polar #7
N-MC-11158	389	54	Polar #8	Polar #8
N-MC-11159	390	54	Polar #9	Polar #9
N-MC-11160	391	54	Polar #10	Polar #10
N-MC-11161	392	54	Polar #11	Polar #11
N-MC-11162	393	54	Polar #12	Polar #12
N-MC-11163	394	54	Polar #13	Polar #13
N-MC-11164	395	54	Polar #14	Polar #14
N-MC-11165	396	54	Polar #15	Polar #15
N-MC-11166	397	54	Polar #16	Polar #16
N-MC-11167	398	54	Polar #17	Polar #17
N-MC-11168	399	54	Polar #18	Polar #18
N-MC-11169	400	54	Polar #19	Polar #19
N-MC-11170	401	54	Polar #20	Polar #20

Bullion Monarch Project



Bullion Monarch Project

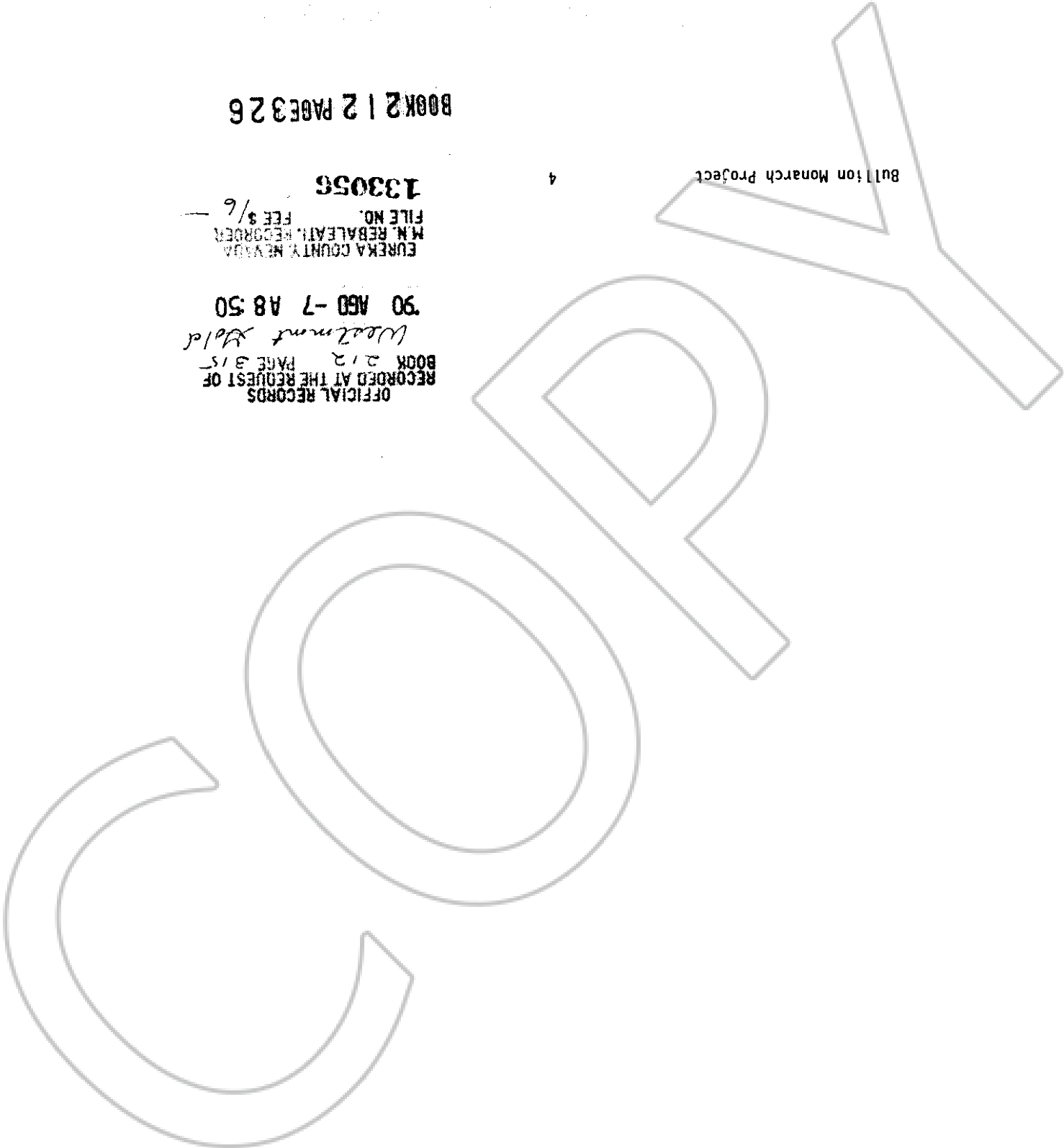
Claim	Discovery #1	Amended Discovery #2	Book	Page	BLM Serial Number(s)
BM #1	200	200	132	241	N-MC-333061
BM #2	200	200	132	242	N-MC-333062
BM #3	200	200	132	243	N-MC-333063
BM #4	200	200	132	244	N-MC-333064
BM #5	200	200	132	245	N-MC-333065
BM #6	200	200	147	79	N-MC-372458
BM #7	200	200	147	80	N-MC-372459
BM #8	200	200	147	81	N-MC-372460
BM 9	200	200	175	175	N-MC-565082
BM 10	200	200	176	176	N-MC-565083
BM 11	200	200	177	177	N-MC-565084
BM 12	200	200	178	178	N-MC-565085
BM 13	200	200	179	179	N-MC-565086
BM 14	200	200	180	180	N-MC-565087
BM 15	200	200	181	181	N-MC-565088
BM 16	200	200	182	182	N-MC-565089
BM 17	200	200	183	183	N-MC-565090
BM 18	200	200	184	184	N-MC-565091
BM 19	200	200	185	185	N-MC-565092
BM 20	205	205	456	456	N-MC-574082
Discovery #1	205	458			N-MC-574084
Amended	208	491			N-MC-588702
Discovery #2	208	490			

Claim	Patent No.	United States	Survey No.
Big Six #3	783757	United States	4332
Holt	881735	United States	4422
July	935874	United States	4528
Great Divide	945439	United States	4393
Bald Eagle	946758	United States	4527

Paragraph 2. An undivided 77.5% interest in the following described Patented Mining Claims is subject to the 1% Net Smelter Return Royalty reserved in that certain Warranty Deed dated September 28, 1988, and recorded at Book 185, Page 73 of the Eureka County, Nevada records.

Claim	Location Certificate	Recording Data	Book	Page	BLM Serial Number(s)
Polar #18	54	402			N-MC-11171
Polar #19	54	403			N-MC-11172
Polar #20	54	404			N-MC-11173
RJV	62	318			N-MC-13741
Paragon #1	M	216			N-MC-11237
Paragon #2	M	217			N-MC-11238
Paragon #3	M	218			N-MC-11239
Paragon Fraction	M	215			N-MC-11236
Bullion #1 M1115ite	70	563			N-MC-72752
Bullion #2 M1115ite	70	564			N-MC-72753
Bullion #3 M1115ite	70	565			N-MC-72754
Bullion #4 M1115ite	70	566			N-MC-72755
Bullion #5 M1115ite	70	567			N-MC-72756

The Bullion Monarch Project properties are subject to the following agreement:
Agreement dated May 10, 1979, among Bullion Monarch Company; Polar Resources Co.; Universal Gas (Montana) Inc.; Universal Explorations, Ltd.; Camseil River Investments, Ltd.; Lambert Management Ltd.; and Elite Holdings Ltd.



OFFICIAL RECORDS
RECORDED AT THE REQUEST OF
BOOK 212 PAGE 315
Waltman Wild
90 AGO-7 AB 50
EUREKA COUNTY, NEVADA
M.N. REBALANCE RECORDS
FILE NO. 133056
FEE \$ 6/6

BOOK 212 PAGE 326