133342

MINING DEED WITHOUT WARRANTY OF TITLE

THIS DEED is made this 15 day of August, 1990, by Michael A. Bagley, trustee of the Chapter 11 bankruptcy estate of ALL MINERALS CORPORATION, Bankruptcy No. 85-A-01062, in the United States Bankruptcy Court for the District of Utah, Central Division (hereinafter called "Trustee") to ARROYO MINERALS, INC., A Utah CORPORATION (hereinafter called "Arroyo").

R E C I T A L S:

1. On or about August 20, 1986 the Trustee applied to the Bankruptcy Court for authority to convey the bankruptcy estate's interest in certain unpatented mining claims and mineral leases owned by the estate, with a reservation of royalties, to Wilcox Logging Company and Brown Drilling Company or their designee, as more particularly described in the Trustee's application made pursuant to 11 U.S.C. 363(b) and 363(f) (the "Application").

2. The United States Bankruptcy Court for the District of Utah, on August 22, 1986, entered its order approving the Application and thereafter Wilcox Logging Company and Brown Drilling Company designated Alpine Minerals, Inc., a Utah corporation ("Alpine") as the entity to receive title to the subject mining claims and mineral leases.

3. Trustee, by mining deed without warranty of title dated August 22, 1986, transferred certain unpatented mining claims in Eureka County, Nevada to Alpine upon certain terms and conditions (the "Mining Deed").

4. On or about March 16, 1987 the Trustee and Alpine entered into that certain Agreement for Clarification of Terms and Conditions for Transfer of the Estate's Interest in Mining Properties (the "Amendment").

5. On or about September 10, 1986 the Articles of Incorporation of Alpine were amended to change its name to Arroyo Minerals, Inc.

6. Trustee and Arroyo wish to confirm that certain unpatented mining claims in Eureka County, Nevada have been segregated into a block separate from the other mineral properties subject to the Application as permitted by the Amendment, to clarify the terms and conditions upon which Arroyo holds such mining claims, and to confirm and clarify the Mining Deed.

NOW, THEREFORE, for and in consideration of the premises and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by Trustee, Trustee does hereby remise, release, quitclaim, transfer and assign to Arroyo Minerals, Inc. all of the right, title and interest of the Trustee and the estate in and to those certain unpatented lode mining claims in Eureka County, Nevada, more particularly described in Exhibit A attached hereto, which claims and any amendment or relocation thereof and the ground included therein are hereinafter collectively called the "Subject Property" and/or the "Claims".

TOGETHER WITH all and singular the tenements, hereditaments and appurtenances thereunto belonging or in anywise appertaining, including all extralateral rights and water rights and all ores, waste and rock therein or thereon, and together with all right, title and interest therein which Trustee or the estate may hereafter acquire.

EXCEPTING AND RESERVING unto Trustee and his successors and assigns, a production royalty equal to one (1%) percent of the net smelter returns, after deduction of transportation, customary smelting and treatment charges, shipper's representative and sampling charges, payable for metal ore or concentrates produced from any portion of the Subject Properties. Net smelter returns shall be payable to the Trustee, or his successor, directly by the smelter, and all deductions and computations shall be reflected on the smelter settlement sheet, showing the net smelter returns and computation of royalty payable therefrom. Should any production be sold to a smelter, private party buyer, or refiner as bullion or as raw or unrefined gold or silver metal or concentrates, or any other metal products in any form, the Trustee shall be entitled to receive payment directly from the purchaser in the amount of one (1%) percent of the net value received for products sold, as represented by the statement or settlement sheet of the purchaser, after deductions only for transportation and any smelting and treatment or refining charges. Should such product be sold as a refined product, it shall be subject to deduction of transportation charges to the refiner and to the cost of refining and other charges of the refiner, as reflected in refiner's statement or settlement sheet; the computation of the Trustee's royalty being made on the basis of the net settlement or statement showing all such deductions and computations.

1. The Trustee represents and warrants to Arroyo that he has full power and authority to execute this Mining Deed and to transfer and assign the Claims.

2. Arroyo may in its sole and exclusive discretion from time to time abandon all or any portion of the Claims, subject to the right of the Trustee to request and receive a transfer of such Claim(s), or portion thereof, in the manner herein described and without payment of consideration. Arroyo shall give Trustee written notice of its intention to abandon any of the Claims or any portion thereof. If, within thirty (30) days after such notice is given, Trustee gives Arroyo written notice of Trustee's election to receive a transfer of such Claim(s) or any portion thereof, Arroyo

shall promptly thereafter execute and deliver to Trustee, Arroyo's quitclaim deed of the Claim(s) or portion thereof described in Trustee's notice. Upon execution and delivery of such documents of conveyance, all rights of Arroyo shall cease and terminate as to the reconveyed Subject Properties. If Trustee fails to give the notice provided for in this paragraph, Arroyo shall thereafter have the right to abandon such Subject Properties in its sole discretion without further liability or obligation to Trustee.

3. Arroyo will perform or cause to be performed at its expense, all assessment work required by law in order to maintain each unpatented mining claim included in the Claims in good standing, and will at its expense timely record with the county recorder and file with the Bureau of Land Management or cause to be so recorded and filed, and furnish copies to Trustee, notices of intent to hold or affidavits of the performance of assessment work; provided that as to any claim abandoned as provided in paragraph 2 hereof more than ninety (90) days before the end of the then current assessment year, Arroyo shall not be required to do the assessment work or cause such affidavits to be recorded or filed with respect to any such mining claim for such assessment year and, in any event, shall not be required to do the assessment work with respect to any such mining claim for any subsequent assessment year. Such assessment work need not be performed on each of the Claims and may be of such nature and may be performed in such manner, at such locations and in such areas, as, in the sole and exclusive judgement of Arroyo, will tend to benefit the Claims either on an individual or group basis, and Arroyo shall not be liable on account of holdings of any court or governmental agency that the work elected and performed by Arroyo does not constitute the required assessment work for purposes of preserving title to the Claims; provided the work so done is performed in a good faith belief that it qualifies as valid assessment work and is of the type customarily claimed as such, and Arroyo has expended a total amount sufficient to meet the minimum requirements with respect to all the unpatented mining claims then included in the Claims. If Arroyo shall be prevented from peaceably entering upon or performing the assessment work on any mining claim by any person asserting governmental authority or by any person claiming, locating, holding or asserting conflicting rights to the surface thereof or to the minerals therein, Arroyo shall not be liable for failure to perform such assessment work; provided it has made timely application for deferment pursuant to 30 U.S.A. P 28b.

Arroyo shall have the right, at any time and from time to time at Arroyo's sole and exclusive discretion to amend the location of or to relocate any or all of the unpatented mining claims included in the Claims, in the name of and on behalf of Arroyo without the necessity of any joinder or consent of Trustee; it being understood and acknowleedged by Arroyo that any amendment or relocation described above shall have no affect upon the royalty and other rights reserved by Trustee, all of which shall continue in effect and apply to any such amendments and relocations made.

Arroyo may also, in its sole and exclusive discretion and at its sole expense, apply for and prosecute in its name application(s) for patent(s) to any or all of the unpatented mining claims included in the Claims without the joinder or consent of Trustee.

All operations on the Subject Properties shall be conducted in accordance with applicable law and in a good and minerlike manner consistent with customary practises in the industry.

Arroyo shall keep the Subject Properties free and clear of all costs, liens and encumbrances arising from its operations, except that it shall not be required to pay the amount of any claim which it disputes in good faith, until the amount and validity thereof have been finally determined.

Arroyo will make available upon request from the Trustee any and all title documents, production records, flow charts, maps and other documents and material relating to the Subject Properties; provided that such title and other documents shall remain the property of Arroyo. Arroyo will keep proper books of accounts and records respecting performance of assessment work and improvements upon the Subject Properties, and such books of accounts and records shall be available for inspection by the Trustee or his successor at such reasonable times and places as may be agreed upon by the parties, and the Trustee shall have the right of access to the Subject Properties for any reasonable purpose including the verification of the performance of assessment work and for the additional purpose of taking assay samples, having surveys conducted, or for any other purpose reasonably related to the verification of royalties. Trustee shall keep confidential any and all proprietary information disclosed by Arroyo.

9. All notices required or permitted hereunder shall be deemed to have been given upon deposit thereof in the United States mail, registered or certified mail, postage prepaid, return receipt requested, enclosed in a sealed envelope addressed:

(i) If to Trustee, to:

Michael A. Bagley, Trustee,
833 Grandridge Drive,
Salt Lake City, Utah 84103; with duplicate original to:
William G. Fowler, Esq. & Gerald H. Sunniville, Esq. Van Cott, Bagley, Cornwall & McCarthy
50 South Main Street, Suite 1600,
P.O. Box 45340,
Salt Lake City, Utah 84145

or to such other address as Trustee shall have designated by written notice to Arroyo;

(ii) If to Arroyo, to:

Arroyo Minerals, Inc.
P.O. Box 21521
Salt Lake City, Utah 84121-0521

or to such other address as Arroyo shall have designated by written notice to Trustee.

10. Arroyo shall have no obligation, express or implied, to explore, develop or mine the Subject Properties or to market minerals therefrom.

11. The construction, interpretation and validity of this deed shall be governed by the laws of the State of Utah.

12. The terms, covenants and conditions hereof shall be deemed to be covenants running with the land and shall extend to, bind and inure to the benefit of the parties hereto and their respective successors and assigns.

13. Arroyo will not assign any rights acquired pursuant hereto without the prior written consent of the Trustee or his successor, which consent will not unreasonably be withheld.

IN WITNESS WHEREOF, this mining deed has been executed as of the date first above written.

Michael A. Bagley

Michael A. Bagley, Trustee of the Chapter 11 Bankruptcy Estate of ALL MINERALS CORPORATION

STATE OF UTAH)
) ss.
County of Salt Lake)

On August, 15, 1990, personally appeared before me, Michael A. Bagley, Trustee of the Chapter 11 Bankruptcy Estate of All Minerals Corporation, Bankruptcy No. 85A-01062, In the United States Bankruptcy Court for the District of Utah, Central Division, the signer of the foregoing instrument who duly acknowledged that he executed the same.

Brenda L. Hammond
Notary Public
Residing in: Salt Lake County, Utah

My commission expires:
7-23-93

Notary Public
BRENDA L. HAMMOND
50 So. Main St. #1600
Salt Lake City, Utah 84144
My Commission Expires
July 23, 1993
State of Utah

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EXHIBIT A

PROPERTY DESCRIPTION

Ten unpatented lode mining claims in Sections 27 and 34, Township 23 North, Range 50 East (Unsurveyed), MDB&M, Eureka County, Nevada:

CLAIM NAME AND NO.	BLM NMC NUMBER	BOOK	PAGE
Lyndall #20	384052	152	257
Lyndall #22	384053	152	258
Lyndall #24	384054	152	259
Lyndall #37	384055	152	260
Lyndall #38	384056	152	261
Lyndall #39	384057	152	262
Lyndall #118	384058	152	263
Lyndall #119	384059	152	264
Lyndall #120	384060	152	265
Lyndall #121	384061	152	266

OFFICIAL RECORDS
RECORDED AT THE REQUEST OF
BOOK 213 PAGE 235
Arroyo Minerals Inc
'90 AUG 27 P4:08
EUREKA COUNTY, NEVADA
M.N. REBALEATI, RECORDER
FILE NO. FEE $ 10—

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