

C. On January 18, 1982, Lynn Michael Barstow, Kathryn Lee Barstow, Carlin Gold Mining Company, a Delaware corporation, and Southern Pacific Land Company, a California corporation, entered into an Agreement for Unitization of Ore Reserves. Said Unitization Agreement is

paragraph A (hereinafter "8% royalty").
B. The deeds described in paragraph A above reserved to Lynn Michael Barstow and Kathryn Lee Barstow a production royalty equal to eight per cent (8%) of gross sales of production from the mining properties described in

above identified deeds.
inclusive, all of which are specifically described in the 10 and 11, the Lot 1, 2 and 3, and the KL 1 through 9 Eureka County, Nevada, known as the Les 1, 2, 3, 4, 8, 9, Range 51 East of the Mount Diablo Base and Meridian, in claims located in sections 34 and 35 of Township 34 North, 273 and 336-337. Said mining properties are more particularly described as follows: 20 unpatented mining Records of Eureka County, Nevada, in Book 68 at pages 271-273 and 336-337. Said mining properties are more of January, 1979, which are recorded in the official deeds dated the 9th day of December, 1978 and the 10th day of January, 1979, which are recorded in the official Records of Eureka County, Nevada, in Book 68 at pages 271-273 and 336-337. Said mining properties are more particularly described as follows: 20 unpatented mining claims located in sections 34 and 35 of Township 34 North, Range 51 East of the Mount Diablo Base and Meridian, in Eureka County, Nevada, known as the Les 1, 2, 3, 4, 8, 9, 10 and 11, the Lot 1, 2 and 3, and the KL 1 through 9 inclusive, all of which are specifically described in the above identified deeds.

RECITALS

A. Under agreements dated October 20, 1977, and July 1, 1978, Lynn Michael Barstow and Kathryn Lee Barstow agreed to option to Carlin Gold Mining Company, a Delaware corporation, certain mining properties known as the Maggie Creek Mine. Said mining properties were conveyed to Carlin Gold Mining Company, a Delaware corporation, by Lynn Michael Barstow and Kathryn Lee Barstow by those certain deeds dated the 9th day of December, 1978 and the 10th day of January, 1979, which are recorded in the official Records of Eureka County, Nevada, in Book 68 at pages 271-273 and 336-337. Said mining properties are more particularly described as follows: 20 unpatented mining claims located in sections 34 and 35 of Township 34 North, Range 51 East of the Mount Diablo Base and Meridian, in Eureka County, Nevada, known as the Les 1, 2, 3, 4, 8, 9, 10 and 11, the Lot 1, 2 and 3, and the KL 1 through 9 inclusive, all of which are specifically described in the above identified deeds.

ROYALTY DIVISION AGREEMENT

THIS AGREEMENT is made this 6th day of January, 1988, by and between Lynn Michael Barstow, Kathryn Lee Barstow, James Harness, Leslie J. Harness, Ruth Harness, and Euro-Nevada Mining Corporation, Inc., a Nevada corporation, hereinafter collectively referred to as the "parties".

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When recorded, return to:
M. Craig Haase
P. O. Box 70250
Reno, Nevada 89570-0250

not recorded in Eureka County, Nevada. Pursuant to the terms of the Unitization Agreement, Lynn Michael Barstow and Kathryn Lee Barstow were to receive (a) sixty-two and seven tenths per cent (62.7%) of the 8% royalty payable on production of mill grade ores from the property subject to the Unitization Agreement and (b) sixty-eight and seven tenths per cent (68.7%) of the 8% royalty payable on production of leach grade ores from the property subject to the Unitization Agreement (hereinafter "Unitization Agreement royalty"). The property subject to the Unitization Agreement is described in Exhibit A attached hereto.

D. After January 18, 1982 and prior to August, 1982, Lynn Michael Barstow and Kathryn Lee Barstow entered into a written agreement wherein they divided the 8% royalty reserved in the deeds described in paragraph A above and their interests in the Unitization Agreement royalty described in paragraph C above. Said agreement conveyed thirty-five per cent (35%) of the 8% royalty and Unitization Agreement royalty to Lynn Michael Barstow, thirty-five per cent (35%) of the 8% royalty and Unitization Agreement royalty to Kathryn Lee Barstow, fifteen per cent (15%) of the 8% royalty and Unitization Agreement royalty to James Harness, and fifteen per cent (15%) of the 8% royalty and Unitization Agreement royalty to Leslie J. Harness and Ruth Harness. Said agreement of conveyance is not recorded in Eureka County, Nevada.

E. On December 16, 1987, Kathryn Lee Barstow, James Harness, Leslie J. Harness and Ruth Harness conveyed by royalty deed to Euro-Nevada Mining Corporation, Inc., a Nevada corporation, (a) approximately sixty-seven and 30,769/100,000ths per cent (67.30769%) of their sixty-five per cent (65%) interest in the 8% royalty, equal to an undivided three and one-half per cent (3.5%) gross sales royalty and (b) sixty-seven and 30,769/100,000ths per cent (67.30769%) of their sixty-five per cent (65%) interest in the 8% royalty, equal to an undivided three and one-half per cent (3.5%) gross sales royalty and (b) sixty-seven and 30,769/100,000ths per cent (67.30769%) of their sixty-five per cent (65%) interest in the 8% royalty. Said royalty deed is recorded in the Official Records of Eureka County, Nevada in Book 170 at pages 363-366.

F. On January 6, 1988, Lynn Michael Barstow conveyed by royalty deed to Euro-Nevada Mining Corporation, Inc., a Nevada corporation, (a) a fifty per cent (50%) interest in his thirty-five per cent (35%) interest in the 8% royalty, equal to an undivided one and four tenths per cent (1.4%) gross sales royalty, and (b) a fifty per cent (50%) interest in his thirty-five per cent (35%) interest in the 8% royalty. Said royalty deed is recorded in the Official Records of Eureka County, Nevada in Book 171 at pages 243-245.

G. As a result of the foregoing divisions of royalty interests between the parties, and for the purpose of facilitating the efficient and economic payment of royalties by the royalty obligor to the various parties, the parties desire that the 8% royalty and the Unitization Agreement royalty be paid by the royalty obligor in a lump sum to a division agent, who shall thereafter divide the royalty payments as hereinafter set forth.

HEREFORE, in consideration of the premises and other good and valuable consideration, the parties agree as follows:

1. Effective December 16, 1987, the parties owned the following respective interests in the 8% royalty and the Unitization Agreement royalty:

a. Lynn Michael Barstow: a thirty-five per cent (35%) interest in the 8% royalty and the Unitization Agreement royalty;

b. Kathryn Lee Barstow: an eleven and 44,231/100,000ths per cent (11.44231%) interest in the 8% royalty and the Unitization Agreement royalty;

c. James Harness: a four and 903,845/1,000,000ths per cent (4.903845%) interest in the 8% royalty and the Unitization Agreement royalty;

d. Leslie J. Harness and Ruth Harness: a four and 903,845/1,000,000ths per cent (4.903845%) interest in the 8% royalty and the Unitization Agreement royalty;

e. Euro-Nevada Mining Corporation: a forty-three and seventy-five hundredths per cent (43.75%) interest in the 8% royalty and the Unitization Agreement royalty.

2. Effective January 6, 1988, the parties owned the following respective interests in the 8% royalty and the Unitization Agreement royalty:

a. Lynn Michael Barstow: a seventeen and one half per cent (17.5%) interest in the 8% royalty and the Unitization Agreement royalty;

b. Kathryn Lee Barstow: an eleven and 44,231/100,000ths per cent (11.44231%) interest in the 8% royalty and the Unitization Agreement royalty;

c. James Harness: a four and 903,845/1,000,000ths per cent (4.903845%) interest in the 8% royalty and the

Unitization Agreement royalty;

d. Leslie J. Harness and Ruth Harness: a four and 903,845/1,000,000ths per cent (4.903845%) interest in the 8% royalty and the Unitization Agreement royalty;

e. Euro-Nevada Mining Corporation: a sixty-one and twenty-five hundredths per cent (61.25%) interest in the 8% royalty and the Unitization Agreement royalty.

3. All 8% and Unitization Agreement royalties due and payable on production from the properties described in paragraphs A and C above from and after December 16, 1987 shall be paid by the royalty obligor or any person receiving the same to First Interstate Bank of Nevada, Main Branch, Attention: Michael J. Moreno, One East First Street, Reno, Nevada 89501 (herein sometimes referred to as the "division agent"), to be divided by the division agent and paid in accordance with the terms and provisions of this Agreement. Any party or person who receives any royalties subject to this paragraph 3, which royalties have not been distributed by the division agent to such party or person pursuant to the requirements of this paragraph 3, shall immediately deliver all such royalties so received to the division agent at the above address so that such royalties can be distributed in accordance with the terms and provisions of this Agreement.

4. This Agreement shall be effective as of December 16, 1987, and shall remain in effect for so long as the 8% and Unitization Agreement royalties are paid or until this Agreement is otherwise terminated or modified by the parties hereto in accordance with the provisions hereof.

5. First Interstate Bank of Nevada is hereby appointed by the parties as their exclusive division agent for the purposes of effecting the terms and provisions of this Agreement. The parties hereby instruct the division agent to receive the 8% royalty and Unitization Agreement royalty and distribute the same in strict accordance with the terms and provisions of this Agreement. Further, the parties instruct the royalty obligor to pay all of the 8% royalty and Unitization Agreement royalty described in paragraph 3 above to the division agent, and the parties agree that, so long as the royalty obligor shall comply with this instruction, the royalty obligor shall not be liable to any of the parties upon any claim that the royalty obligor did not pay the royalties subject to this Agreement to a party not entitled to receive the same. The fees of the division agent shall be paid by the parties as follows: before distributing any sums to any of the parties, the division agent shall pay its fees from the gross amount of royalties

on hand and charge the account of each of the parties for the following per cent of such fees:

a. Lynn Michael Barstow: seventeen and one half per cent (17.5%);

b. Kathryn Lee Barstow: eleven and 44,231/100,000ths per cent (11.44231%);

c. James Harness: four and 903,845/1,000,000ths per cent (4.903845%);

d. Leslie J. Harness and Ruth Harness: four and 903,845/1,000,000ths per cent (4.903845%); and

e. Euro-Nevada Mining Corporation: sixty-one and twenty-five hundredths per cent (61.25%).

6. Within ten (10) days of each receipt by the division agent of any and all royalties subject to this Agreement, and after deducting from such royalties the fees and costs of the division agent incurred with respect to such royalties, the division agent shall pay such royalties to the parties in the following manner:

a. For all 8% and Unitization Agreement royalties paid and based on production from December 16, 1987 through January 5, 1988, each of parties shall be paid their respective portion of such royalties equal to their respective per cent interest in such royalties set forth in paragraph 1 above;

b. For all 8% and Unitization Agreement royalties paid and based on production commencing January 6, 1988, each of the parties shall be paid their respective portion of such royalties equal to their respective per cent interest in such royalties set forth in paragraph 2 above.

Each payment of royalties to each of the parties shall include a copy of the settlement sheet or other applicable documents delivered by the royalty obligor indicating the computation of royalties together with a brief accounting by the division agent showing the date and amount of royalties received, the production period to which such royalties are applicable, the deduction of any fees and costs, and the net royalty payment to the party receiving the same. Royalty payments and supporting documentation shall be delivered to the parties at the following addresses:

Lynn Michael Barstow
Analytical Services

7. In consideration for First Interstate Bank of Nevada acting as division agent, the parties agree that it shall not be liable for the failure of the royalty obligor to timely pay the correct amount of royalties or properly account for the same. The division agent shall not be liable for the failure of any party to this Agreement to comply with any of the provisions of this Agreement, nor shall it be liable for forgeries or false personation. Should any controversy arise between the parties with respect to the subject matter of this Agreement, the division agent shall not be required to take any action contrary to any order from any court having jurisdiction, and it may act in accordance with the provisions of any such order without liability to any party until such order is no longer binding or applicable.

Delivery of royalty payments may be made personally or by deposit in the United States mail, first class postage prepaid. Any party may change its address from time to time by giving the division agent and all other parties notice of such change of address in the manner provided for in this paragraph, but no such change of address shall be effective until actually received by the party to be notified.

For deposit of funds:
 Euro-Nevada Mining Corporation, Inc.
 First Interstate Bank of Nevada
 Main Branch, One East First Street
 Reno, Nevada 89501
 Attention: Michael Moreno
 Account No. 200-90258
 For delivery of documents:
 Mr. Pierre Lassonde
 Suite 2000
 20 Eglington Avenue West
 Toronto, Ontario M4R 1K8

James Harness
 4601 East Shangri-La
 Phoenix, Arizona 85028

Leslie J. Harness and Ruth Harness
 4701 East Desert Cove
 Phoenix, Arizona 85028

Kathryn Lee Barstow
 2524 Ranch Road
 Placerville, California 95667

Elko, Nevada 89801
 140 River Street

8. This Agreement may be recorded in the Official Records of Eureka County, Nevada at the request of any party, but shall be binding on the parties hereto without recordation.

9. This Agreement is irrevocable and may not be modified, changed, or terminated without the written consent of all of the parties hereto; provided, however, that any party may convey all or a portion of such party's interests in the 8% royalty or the Unitization Agreement royalty without obtaining the consent of any other party hereto if the transferee first agrees to be bound by the terms and provisions of this Agreement as such terms and provisions may affect the royalty interest to be transferred. Subject to the foregoing, this Agreement shall be binding on the heirs, successors, and assigns of the parties hereto. This Agreement shall be construed in accordance with the laws of the State of Nevada, and only the courts located in the State of Nevada shall have jurisdiction to resolve any disputes between the parties pertaining to the subject matter of this Agreement.

IN WITNESS WHEREOF, the parties have executed this Agreement on the day and year first above written.

Lynn M. Barstow
Lynn Mychael Barstow

Kathryn Lee Barstow
Kathryn Lee Barstow

James H. Harness
James Harness

Leslie J. Harness
Leslie J. Harness

Ruth Harness
Ruth Harness

Pierre Lassonde
Euro-Nevada Mining Corporation, Inc.
By *Pierre Lassonde*
Pierre Lassonde, President



On this 15th day of January, 1988, personally appeared before me, a Notary Public, Leslie J. Harness, who acknowledged that he executed the foregoing Royalty Division Agreement.

Walter Mayhew
Notary Public

My Commission Expires July 1, 1991



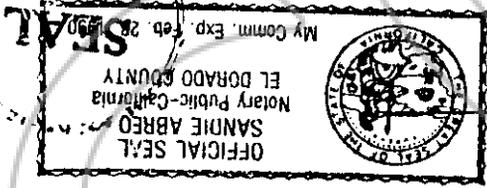
State of ARIZONA
County of MARICOPA
ss.)
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On this 15th day of January, 1988, personally appeared before me, a Notary Public, James Harness, who acknowledged that he executed the foregoing Royalty Division Agreement.

Walter Mayhew
Notary Public

My Commission Expires July 1, 1991

Affixed



State of CALIFORNIA
County of EL DORADO
ss.)
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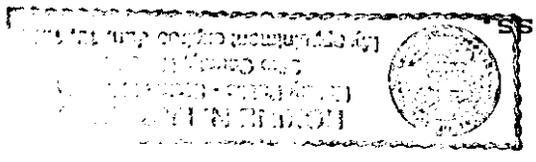
On this 26th day of January, 1988, personally appeared before me, a Notary Public, Kathryn Lee Barstow, who acknowledged that she executed the foregoing Royalty Division Agreement.

Frankie White
Notary Public

My Comm. Exp. Feb 28, 1990

Robert M. Gentry
Notary Public

On this 9th day of January, 1988, personally appeared before me, a Notary Public, Lynn Mychael Barstow, who acknowledged that he executed the foregoing Royalty Division Agreement.



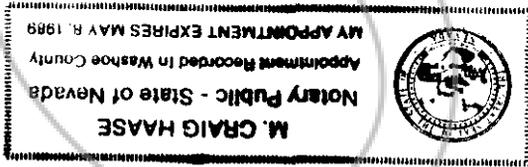
State of NEVADA
County of CLARK
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BOOK 217 PAGE 286

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BOOK 217 PAGE 278
RECORDED AT THE REQUEST OF
Euro-Nevada Mining Corp.
90 NOV -9 P1:51
EUREKA COUNTY, NEVADA
M.N. REBAL/ATI. REORDER
FILE NO. FEE \$13-



Notary Public

On this 9th day of January, 1988, personally appeared before me, a Notary Public, Pierre Lassonde, known to me to be the President of Euro-Nevada Mining Corporation, Inc., a Nevada corporation, who acknowledged that he executed the foregoing Royalty Division Agreement on behalf of the corporation.

Pierre Lassonde
Notary Public

ss.)

State of Nevada
County of Washoe
Canada

Notary Public

My Commission Expires July 7, 1991

On this 19th day of January, 1988, personally appeared before me, a Notary Public, Ruth Harness, who acknowledged that she executed the foregoing Royalty Division Agreement.

Ruth Harness
Notary Public

ss.)

State of Arizona
County of Maricopa

