

138552

MEMORANDUM OF ROYALTY AGREEMENT

This Memorandum of Royalty Agreement (the "Memorandum") is entered into effective as of October 9, 1991, by and between VERNON F. TAYLOR, JR., a married man as to his sole and separate property ("Taylor" or "Royalty Holder"), KENNECOTT EXPLORATIONS (AUSTRALIA) LTD., a Delaware corporation ("Kennecott"), and PLACER DOME U.S. INC., a California corporation ("Placer") (Kennecott and Placer are collectively referred to as the "Payors").

1. Pursuant to a Sale and Purchase Agreement dated effective October 9, 1991, (the "Agreement") the Payors agreed to purchase and Taylor agreed to sell the interests owned or controlled by Taylor in the Cortez Joint Venture and the Cortez Gold Mines Joint Venture (the "Ventures"), the business arrangements constituted and defined by the Cortez Joint Venture Agreement and the Cortez Gold Mines Joint Venture Agreement (the "Venture Agreements") and the real and personal property interests held for the benefit of Taylor under the Venture Agreements.

2. As part of the consideration for the sale of Taylor's interests in the Ventures, the Payors pursuant to a Royalty Agreement by and between Payors and Taylor dated to be effective October 9, 1991 (the "Royalty Agreement") granted a royalty interest in all mineral products produced from the area described in Exhibit A to this Agreement which by this reference is incorporated herein (the "Properties").

3. This Memorandum is executed for the purpose of affording notice of the existence of the Royalty Agreement and the terms and provisions thereof, which terms and provisions are incorporated herein by this reference. This Memorandum is not intended to alter or vary the terms of the Royalty Agreement.

4. Payors hereby grant, assign, and convey to Taylor a royalty on all production of Mineral Products from within the Properties as provided in the Royalty Agreement.

5. The royalty granted by Payors to Taylor under the Royalty Agreement shall terminate upon payment to Taylor by Payors of the total royalty amount specified in the Royalty Agreement.

Executed this 30th day of October, 1991, effective as of October 9, 1991.

VERNON F. TAYLOR, JR.

VERNON F. TAYLOR

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KENNECOTT EXPLORATIONS (AUSTRALIA) LTD.

By: *[Signature]*
 Its: NICE PRESIDENT

PLACER DOME U.S. INC.

By: *[Signature]*
 Its: PRESIDENT 11/1/91

STATE OF Colorado)
) : ss.
 COUNTY OF Denver)

On October 30, 1991, personally appeared before me, a notary public, VERNON F. TAYLOR, JR., who acknowledged that he executed the above instrument.

My Commission Expires:

June 8, 1995

[Signature]
 NOTARY PUBLIC
 Residing at: 1670 Denver Club Bldg
Denver CO 80202

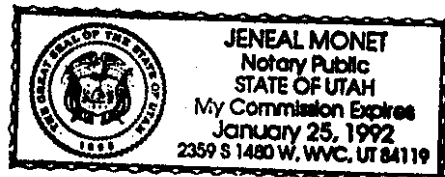
STATE OF UTAH)
) : ss.
 COUNTY OF SALT LAKE)

On Nov. 4, 1991, personally appeared before me, a notary public, Michael P. Bates, of KENNECOTT EXPLORATIONS (AUSTRALIA) LTD., who acknowledged that he executed the above instrument.

My Commission Expires:

1-25-92

[Signature]
 NOTARY PUBLIC
 Residing at: Salt Lake County, UT



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STATE OF California)
COUNTY OF San Francisco : ss.

On November 1, 1991, personally appeared
before me, a notary public, Colc E. McFarland,
President, of PLACER DOME U.S. INC., who
acknowledged that he executed the above instrument.

My Commission Expires:

June 1, 1994

DLD/101791B

Andrea Kawai
NOTARY PUBLIC

Residing at: San Francisco, CA

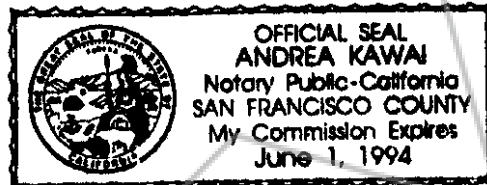
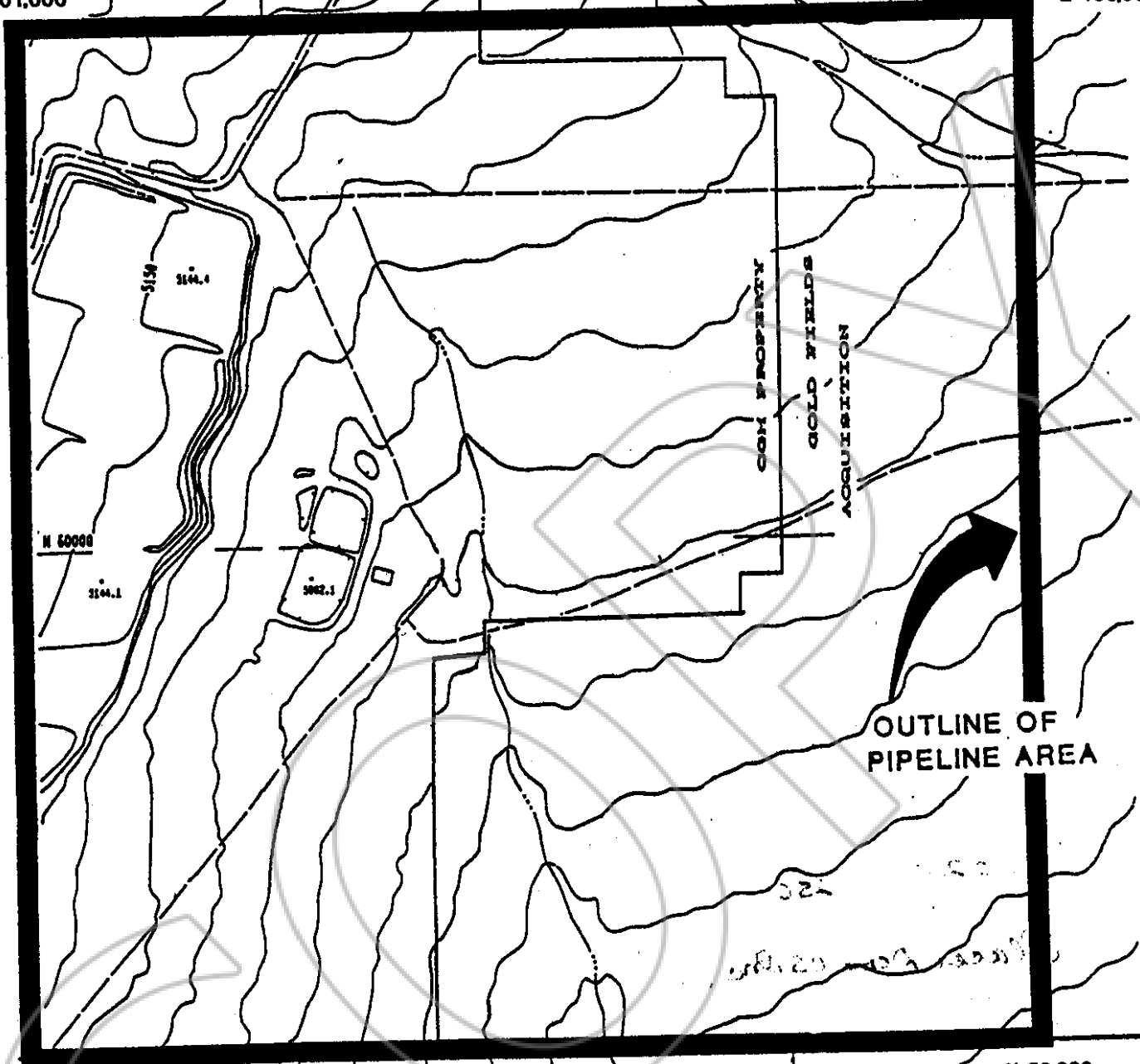


EXHIBIT "A"

N 62,000
E 101,000N 62,000
E 105,000N 58,000
E 101,000N 58,000
E 105,000

Note: The NW corner of Sec. 8, T27N R47E
is 2,940.3 feet (bearing S88.55E)
from survey point N58,000 E101,000.

CORTEZ JOINT VENTURE
PIPELINE DRILLING PROGRAM
(Showing Cortez Joint Venture Grid Coordinates)
Sec. 31, T28N R47E (M.D.M.)
Lander County, Nevada

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OFFICIAL RECORDS
RECORDED AT THE REQUEST OF
Placer Dome US Inc.
91 DEC -9 P4:47

EUREKA COUNTY, NEVADA
M.N. REBALEATI, RECORDER
FILE NO. FEE \$800 171021

138552

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OFFICIAL RECORDS
LANDER CO. NEV
RECORD REQUESTED BY
Placer Dome US Inc
91 NOV 15 PM 1:35

RAYE K. FAGG
RECORDER
FEE 900 DEP. *Inf*