

WHEN RECORDED RETURN TO:  
Cominco American Incorporated  
601 West Riverside Avenue  
Post Office Box 3087  
Spokane, Washington 99220

**ROYALTY DEED AND AGREEMENT**

THIS ROYALTY DEED AND AGREEMENT (this "Deed"), dated effective as of January 1, 1996, is from Cominco American Incorporated, a Washington corporation, whose address is 601 West Riverside Avenue, Post Office Box 3087, Spokane, Washington, 99220, ("Grantor"), to Lyle F. Campbell, Sole Trustee of The Lyle F. Campbell Trust under an Agreement dated August 5, 1986 and amended on May 21, 1987, August 19, 1987, and April 29, 1991, whose address is Post Office Box 7377, Reno, Nevada 89510 ("Grantee").

**Recitals**

A. Great Basin Exploration & Mining Co., Inc. and Grantee are parties to that certain Afgan Mineral Lease dated effective November 8, 1993 as amended by that certain First Amendment to Mineral Lease dated effective May 19, 1994 and that certain Second Amendment to Mineral Lease dated effective November 20, 1995 (the "Afgan Mineral Lease").

B. Great Basin Exploration & Mining Co., Inc. and Grantor are parties to that certain Joint Venture Operating Agreement dated effective January 1, 1996, to which the Afgan Mineral Lease is subject.

C. This Deed is executed and delivered in consideration for the amended provisions granted pursuant to the Second Amendment to Mineral Lease of the Afgan Mineral Lease referred to hereinabove.

**Grant**

FOR AND IN CONSIDERATION of Ten Dollars (\$10.00), the mutual promises contained in the Agreement, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Grantor hereby conveys, grants and assigns to Grantee one percent (1%) production royalty burdening and encumbering the real property more particularly described in Schedule I attached hereto (the "Property") to be calculated and paid pursuant to and in accordance with the provisions of the "Production Royalty Administration" described in Schedule II attached hereto (hereinafter, the "Production Royalty").

TO HAVE AND TO HOLD the Production Royalty unto Grantee, its successors and assigns forever.

It is mutually understood and agreed that this Deed is granted only under such title as Grantor may now hold or hereafter acquire and that in the event that Grantor shall hereafter be divested of such title, Grantor shall not be liable for any damages sustained by Grantee; additionally, Grantor shall not be liable in damages or otherwise, on account of Grantee's possession of the interests granted herein being destroyed or interrupted. Grantee's only remedy

in the event of failure of Grantor's title is provided in the last sentence of this paragraph hereinbelow. It is understood and agreed that in the event of adverse claim or claims affecting said mining claims or the land covered thereby, Grantee shall be under no obligation to defend title, nor to contribute to the defense of title thereto, and it is specifically understood in such event that Grantor shall be under no obligation to defend title. Concerning possible conflicts with unpatented mining claims of third parties, neither party is under a specific obligation of title defense; Grantor grants merely whatever title Grantor might have in such area of conflict. To the extent that Grantee desires to enter an area of conflict and endeavor to prove upon the title to Grantor's claims, Grantee does so at its own risk and expense. Grantor represents that Grantor has no knowledge of claims of third parties. It is expressly agreed that Grantor does not warrant title to the Property. Grantor does, however, represent and warrant that the Property is free and clear of all liens, encumbrances and leases of third parties claiming by and through Grantor; provided, however, that the unpatented mining claims constituting the Property are acknowledged to be subject to the paramount title of the United States. Grantee's sole and exclusive remedy for any breach or default by Grantor under this paragraph is to release its possession of the interests granted in this Deed.

Notice is hereby given that for One Dollar (\$1.00) of additional consideration, and other good and sufficient consideration, the sufficiency and receipt whereof are acknowledged by the Grantor's signature below, the Grantor has agreed, that if Grantor, or Grantor's successors and assigns, elects to abandon its interest in all or any portion of the Property which would result in termination of the rights to said Property as granted pursuant to the laws of the United States, then Grantor shall first offer to transfer such portion of the Property to Grantee by providing thirty (30) days advance written notice to Grantee identifying such portion of the Property to Grantee. Grantee shall have thirty (30) days from receipt of notice from Grantor in which to elect in writing to accept assignment of said Property, and upon timely receipt of such election Grantor shall execute and tender to Grantee a good and sufficient Quitclaim Deed in recordable form for those claims which Grantee has elected to accept. From and after delivery of such Quitclaim Deed, Grantor shall be released and relieved of all further obligations which might otherwise thereafter accrue, applicable to the claims so quitclaimed to Grantee.

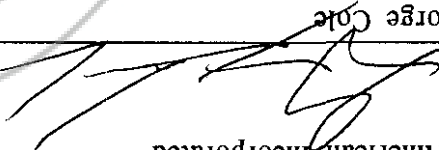
The Production Royalty created by this Deed shall burden and run with the Property. Nothing contained herein shall constitute an affirmative covenant or obligation of Grantor to operate, produce from or sell the Property in a manner to generate proceeds from the Property that would be subject to the Production Royalty hereunder. Grantee shall look solely to the current owner of the Property or the successor-in-interest of the Grantor for satisfaction and discharge of the Production Royalty, and Grantor shall not be personally liable for the payment and discharge thereof. Grantor shall not be personally liable for payment of sums which become due and payable after passage of title to Grantor's successor.

The Grantee may freely transfer, sell, assign or otherwise dispose of its entire interest in the Production Royalty; provided, however, that Grantor shall have no obligation to pay proceeds of the Production Royalty to any party other than the Grantee until Grantee, its successors and assigns shall have provided Grantor with written notice of a transfer, sale or assignment of all or a portion of the Production Royalty, together with a copy of the applicable instruments of sale or conveyance.

All recording references in Schedule I are to the official real property records of Eureka County, Nevada, and the U.S. Department of the Interior, Bureau of Land Management.

This Deed shall bind and inure to the benefit of the parties and their respective successors and assigns.  
EXECUTED this 5th day of January, 1996, to be effective as of the date first above written.

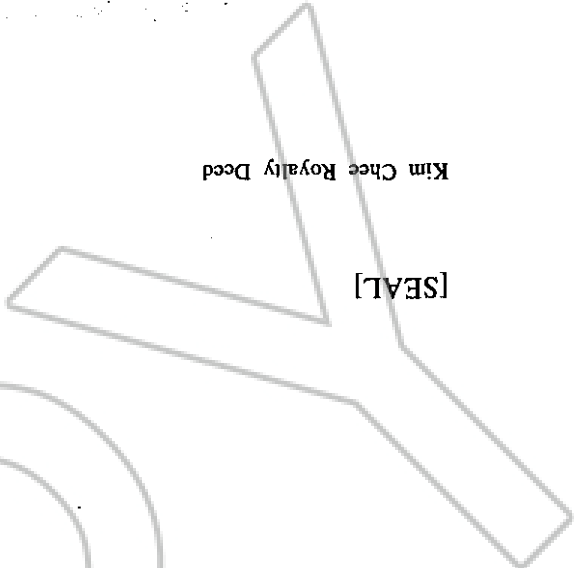
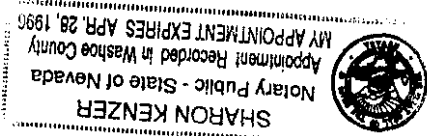
GRANTOR  
Cominco American Incorporated

By:   
George Cole  
Its: Vice President, Exploration

GRANTEE

By:   
Lyle F. Campbell, Sole Trustee of  
THE LYLE F. CAMPBELL TRUST

Kim Chee Royalty Deed



[SEAL]

Sharon Kenzer  
Notary Public  
My Commission Expires: April 28, 1990

On this 9th day of January, 1996, personally appeared before me, a Notary Public, in and for the state and county aforesaid, Lyle F. Campbell, the Sole Trustee of THE LYLE F. CAMPBELL TRUST, under an Agreement dated August 5, 1986 and amended on May 21, 1987, August 19, 1987 and April 29, 1991, personally known (or proved) to me to be the person named in and whose name is subscribed to the foregoing instrument who acknowledged that he executed the foregoing instrument on his own behalf and on behalf of THE LYLE F. CAMPBELL TRUST for purposes express therein.

STATE OF NEVADA )  
: ss. )  
COUNTY OF WASHOE )

[SEAL]

Dawn R. Phillips  
Notary Public in and for the State of Washington,  
residing at Spokane  
My Commission Expires: May 19, 1997



Given under my hand and official seal the day and year in this certificate first above written.

On this 5th day of January, 1996, before me personally appeared GEORGE COLE, to me known to be the Vice President, Exploration of COMINCO AMERICAN INCORPORATED, the corporation that executed the foregoing instrument, and acknowledged the said instrument to be the free and voluntary act of said corporation, for the uses and purposes therein mentioned, and on oath stated that he was authorized to execute the said instrument on behalf of said corporation.

STATE OF WASHINGTON )  
: ss. )  
COUNTY OF SPOKANE )

**SCHEDULE I  
PROPERTY**

This Schedule I is attached to and made a part of that certain Royalty Deed and Agreement dated effective January 1, 1996, from Cominco American Incorporated, a Washington corporation ("Grantor"), to Lyle F. Campbell, Sole Trustee of The Lyle F. Campbell Trust ("Grantee"). The Property referred to in the Royalty Deed and Agreement pertains to the following described contiguous group comprised of one hundred twenty-nine (129) unpatented lode mining claims of the KIM CHEE property described herein below, all under the common control or ownership of Cominco American Incorporated, and all of said contiguous group being located in portions or all of Sections 1, 2, 3, 4, 10, 11, Township 21 North, Range 50 East, and Sections 25, 26, 33, 34, 35, 36, Township 22 North, Range 50 East, Mount Diablo Meridian, Eureka County, State of Nevada, and more particularly described below.

The name and address of the claim owner are:

Cominco American Incorporated  
15120 East Euclid Avenue  
Spokane, Washington 99216

Claim Name/Number	BLM Number	Book	Page	County
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KIM CHEE # 4500	NMCG-687693	256	403	
KIM CHEE # 4501	NMCG-687694	256	404	
KIM CHEE # 4502	NMCG-687695	256	405	
KIM CHEE # 4503	NMCG-687696	256	406	
KIM CHEE # 4504	NMCG-687697	256	407	
KIM CHEE # 4505	NMCG-687698	256	408	
KIM CHEE # 4506	NMCG-687699	256	409	
KIM CHEE # 4507	NMCG-687700	256	410	
KIM CHEE # 4595	NMCG-687701	256	411	
KIM CHEE # 4596	NMCG-687702	256	412	
KIM CHEE # 4597	NMCG-687703	256	413	
KIM CHEE # 4598	NMCG-687704	256	414	
KIM CHEE # 4599	NMCG-687705	256	415	
KIM CHEE # 4603	NMCG-687706	256	416	
KIM CHEE # 4604	NMCG-687707	256	417	
KIM CHEE # 4605	NMCG-687708	256	418	
KIM CHEE # 4606	NMCG-687709	256	419	
KIM CHEE # 4607	NMCG-687710	256	420	
KIM CHEE # 4608	NMCG-687711	256	421	
KIM CHEE # 4609	NMCG-687712	256	422	
KIM CHEE # 4695	NMCG-687713	256	423	
KIM CHEE # 4696	NMCG-687714	256	424	
KIM CHEE # 4697	NMCG-687715	256	425	

Claim Name/Number	BLM Number	County	Book	Page
KIM CHEE # 4708	NMC-687716		256	426
KIM CHEE # 4709	NMC-687717		256	427
KIM CHEE # 4794	NMC-687718		256	428
KIM CHEE # 4795	NMC-687719		256	429
KIM CHEE # 4796	NMC-687720		256	430
KIM CHEE # 4797	NMC-687721		256	431
KIM CHEE # 4887	NMC-687722		256	432
KIM CHEE # 4894	NMC-687723		256	433
KIM CHEE # 4895	NMC-687724		256	434
KIM CHEE # 4896	NMC-687725		256	435
KIM CHEE # 4986	NMC-687726		256	436
KIM CHEE # 4987	NMC-687727		256	437
KIM CHEE # 4988	NMC-687728		256	438
KIM CHEE # 4989	NMC-687729		256	439
KIM CHEE # 4990	NMC-687730		256	440
KIM CHEE # 4991	NMC-687731		256	441
KIM CHEE # 4992	NMC-687732		256	442
KIM CHEE # 4993	NMC-687733		256	443
KIM CHEE # 4994	NMC-687734		256	444
KIM CHEE # 4995	NMC-687735		256	445
KIM CHEE # 4996	NMC-687736		256	446
KIM CHEE # 5007	NMC-687737		256	447
KIM CHEE # 5008	NMC-687738		256	448
KIM CHEE # 5009	NMC-687739		256	449
KIM CHEE # 5010	NMC-687740		256	450
KIM CHEE # 5011	NMC-687741		256	451
KIM CHEE # 5085	NMC-687742		256	452
KIM CHEE # 5086	NMC-687743		256	453
KIM CHEE # 5087	NMC-687744		256	454
KIM CHEE # 5088	NMC-687745		256	455
KIM CHEE # 5089	NMC-687746		256	456
KIM CHEE # 5090	NMC-687747		256	457
KIM CHEE # 5091	NMC-687748		256	458
KIM CHEE # 5092	NMC-687749		256	459
KIM CHEE # 5093	NMC-687750		256	460
KIM CHEE # 5094	NMC-687751		256	461
KIM CHEE # 5095	NMC-687752		256	462
KIM CHEE # 5096	NMC-687753		256	463



Claim Name/Number

BLM Number

County Book Page

KIM CHEE # 5106	NMC-687754	256	464
KIM CHEE # 5107	NMC-687755	256	465
KIM CHEE # 5108	NMC-687756	256	466
KIM CHEE # 5109	NMC-687757	256	467
KIM CHEE # 5110	NMC-687758	256	468
KIM CHEE # 5111	NMC-687759	256	469
KIM CHEE # 5182	NMC-687760	256	470
KIM CHEE # 5183	NMC-687761	256	471
KIM CHEE # 5184	NMC-687762	256	472
KIM CHEE # 5185	NMC-687763	256	473
KIM CHEE # 5186	NMC-687764	256	474
KIM CHEE # 5187	NMC-687765	256	475
KIM CHEE # 5188	NMC-687766	256	476
KIM CHEE # 5189	NMC-687767	256	477
KIM CHEE # 5190	NMC-687768	256	478
KIM CHEE # 5191	NMC-687769	256	479
KIM CHEE # 5192	NMC-687770	256	480
KIM CHEE # 5193	NMC-687771	256	481
KIM CHEE # 5194	NMC-687772	256	482
KIM CHEE # 5195	NMC-687773	256	483
KIM CHEE # 5206	NMC-687774	256	484
KIM CHEE # 5207	NMC-687775	256	485
KIM CHEE # 5208	NMC-687776	256	486
KIM CHEE # 5209	NMC-687777	256	487
KIM CHEE # 5210	NMC-687778	256	488
KIM CHEE # 5211	NMC-687779	256	489
KIM CHEE # 5212	NMC-687780	256	490
KIM CHEE # 5213	NMC-687781	256	491
KIM CHEE # 5282	NMC-687782	256	492
KIM CHEE # 5283	NMC-687783	256	493
KIM CHEE # 5284	NMC-687784	256	494
KIM CHEE # 5285	NMC-687785	256	495
KIM CHEE # 5286	NMC-687786	256	496
KIM CHEE # 5287	NMC-687787	256	497
KIM CHEE # 5288	NMC-687788	256	498
KIM CHEE # 5289	NMC-687789	256	499
KIM CHEE # 5290	NMC-687790	256	500
KIM CHEE # 5291	NMC-687791	256	501
KIM CHEE # 5292	NMC-687792	256	502
KIM CHEE # 5293	NMC-687793	256	503
KIM CHEE # 5294	NMC-687794	256	504
KIM CHEE # 5295	NMC-687795	256	505

Kim Chee Royalty Deed

Claim Name/Number

BLM Number

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KIM CHEE # 5382	NMC-687796	256	506
KIM CHEE # 5383	NMC-687797	256	507
KIM CHEE # 5384	NMC-687798	256	508
KIM CHEE # 5385	NMC-687799	256	509
KIM CHEE # 5386	NMC-687800	256	510
KIM CHEE # 5387	NMC-687801	256	511
KIM CHEE # 5388	NMC-687802	256	512
KIM CHEE # 5389	NMC-687803	256	513
KIM CHEE # 5390	NMC-687804	256	514
KIM CHEE # 5391	NMC-687805	256	515
KIM CHEE # 5392	NMC-687806	256	516
KIM CHEE # 5393	NMC-687807	256	517
KIM CHEE # 5394	NMC-687808	256	518
KIM CHEE # 5482	NMC-687809	256	519
KIM CHEE # 5483	NMC-687810	256	520
KIM CHEE # 5484	NMC-687811	256	521
KIM CHEE # 5485	NMC-687812	256	522
KIM CHEE # 5486	NMC-687813	256	523
KIM CHEE # 5487	NMC-687814	256	524
KIM CHEE # 5488	NMC-687815	256	525
KIM CHEE # 5489	NMC-687816	256	526
KIM CHEE # 5490	NMC-687817	256	527
KIM CHEE # 5491	NMC-687818	256	528
KIM CHEE # 5492	NMC-687819	256	529
KIM CHEE # 5493	NMC-687820	256	530
KIM CHEE # 5494	NMC-687821	256	531

Kim Chee Royalty Deed



**SCHEDULE II  
PRODUCTION ROYALTY ADMINISTRATION**

This Schedule II is attached to and made a part of that certain Royalty Deed and Agreement dated effective January 1, 1996, from Cominco American Incorporated, a Washington corporation ("Grantor"), to Lyle F. Campbell, Sole Trustee of The Lyle F. Campbell Trust ("Grantee"). The Production Royalty referred to in the Royalty Deed and Agreement shall be calculated and paid pursuant to and in accordance with the following provisions, to wit:

1. Grantor shall pay to Grantee a royalty (hereinafter "Production Royalty") for all Mineral Substances removed, sold or otherwise disposed of from the Property. For the purposes of this Deed, "Mineral Substances" shall mean all minerals or any valuable products of any nature whatsoever in, on or under the Property, including, but not limited to, ore, minerals, concentrates, dore, refined materials and any other product of any process whether or not now known and regardless of the state of milling, refining, upgrading or other processing title passes to buyer, but excluding oil, gas, hydrocarbons and geothermal resources. Grantor may stockpile Mineral Substances only after giving Grantee notice of Grantor's intention to do so, which notice shall specify the date such stockpiling is to commence and the proposed location of the stockpile. Grantor shall keep a full and complete record of the grade and quantity of all Mineral Substances so stockpiled, and shall provide such information to Grantee within thirty (30) days of determining such information. In the event any Mineral Substances are stockpiled for five (5) continuous years, such stockpiling shall be deemed a sale or disposition thereof requiring the payment of the Production Royalty thereon; in such event, the Production Royalty shall be determined upon the gross value of the Mineral Substances so stockpiled as of the fifth (5th) anniversary of the date stockpiling commenced. In determining such value, the reference price shall be the base price of the Mineral Substances as published in The Wall Street Journal, New York Commodity Exchange, on such fifth (5th) anniversary or the first trading day thereafter.

2. Grantor shall pay Grantee a Production Royalty of one percent (1%) of the gross sales price of any Mineral Substance, such Production Royalty to be computed before any deductions whatsoever from the gross sales prices of the Mineral Substances sold as shown on the buyer's settlement sheet or other document for each separate sale thereof. If milling, processing, refining or treatment costs or penalties are paid in kind, the Production Royalty shall be computed on the amount of gold, silver, platinum, palladium or other valuable product contained in the Mineral Substance before deducting any such costs or payments in kind.

3. In addition to the Production Royalties payable under paragraph 1 hereinabove, Grantor shall pay to Grantee as a Production Royalty one percent (1%) before any deductions whatsoever, of any bonus, subsidy or similar payment or allowance made for whatever reason to Grantor by any governmental agency, ore buyer or others with respect to any production, transport or sale of Mineral Substances hereunder.

Payment of Production Royalty, other than Production Royalty taken in kind by Grantee, shall be made by Grantor to Grantee on or before thirty (30) days after receipt of payment by Grantor for the Mineral Substances sold or otherwise disposed of and for which the Production Royalty is payable, or within sixty (60) days after delivery of the Mineral Substances by Grantor to a third party, whichever is earlier.

It is mutually understood and agreed that Grantee shall have the right and option to take his Production Royalty in kind in the form in which Grantor sell such Mineral Substances. On

or before October 1st of each calendar year, Grantee shall give Grantor written notice of whether Grantee elects to take his Production Royalty in kind throughout the following calendar year. If Grantee fails to give such notice for the first calendar year in which Production Royalty is due to Grantee, Grantee shall be deemed to have elected not to take his Production Royalty in kind for that calendar year. If Grantee fails to give such notice by October 1st of any subsequent year, the election then in effect will continue throughout the following calendar year. Grantee hereby agrees that each election to take or not to take his Production Royalty in kind shall remain in effect for calendar year increments and that all persons or entities constituting the Grantee shall be required to make this same election whether or not to take in kind.

If Grantor enters into an agreement for the sale of Mineral Substances from the Property, it shall not include in such agreement sale of that portion of the Mineral Substances which Grantee has the right to take in kind, without the prior written agreement of Grantee.

If Grantee elects to take his Production Royalty in kind, Mineral Substances shipped to third parties shall be shipped in the joint names of Grantor and Grantee. Grantor shall make necessary arrangements so that Grantee shall be a party to any agreements that Grantor makes with refiners for refining Mineral Substances from the Property. If Grantee elects to take his Production Royalty in kind, Grantee shall bear all risks associated with taking his Production Royalty in kind, and shall bear all additional costs incurred by Grantor as a result of Grantee's taking in kind, such as increased costs due to separate pouring, storage, insurance, security, transportation and monitoring. Grantee shall have the right to inspect procedures used by Grantor to make payment in kind, and at his option, Grantee, or his agent, shall have the right to be present to observe sampling and splitting procedures and to review all records and procedures related to division of Mineral Substances for the purpose of taking in kind.

In the event the purchases of any of the Mineral Substances produced and sold by Grantor hereunder shall be owned or controlled by Grantee, the purchase agreement(s) covering such Mineral Substances shall be commercially fair and shall provide that the price to be received by Grantor therefor shall be commercially fair and shall not be less than the price currently received by other sellers of Mineral Substances of like quality and quantity who sell to the nearest independent refinery or smelter in the market area where such Mineral Substances are ordinarily sold. For the purposes of this Deed, "owned and controlled" shall mean that Grantor holds sufficient interest in the purchaser to substantially direct its operations on a continuing basis.

Production Royalty payments to Grantee shall be accompanied by a statement, together with smelter or refinery settlement sheets, agreements, invoices, or their equivalent, showing in reasonable detail the computation and derivation of such payments.

160924

EUREKA COUNTY NEVADA  
M.N. REBALEATI, RECORDER  
FILE NO. FEES 16.00

96 JAN 16 PM 2:23  
RECORDED AT THE REQUEST OF  
*Cominco American Inc*  
OFFICIAL RECORDS

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Kim Chee Royalty Deed