

**164942**

Recorded at the request of and  
when recorded return to:  
Seven Gold Corporation  
c/o Thomas P. Erwin  
Erwin Thompson & Hascheff  
One East Liberty Street, Suite 424  
Reno, Nevada 89501

Instructions to Recorder:

1. Index under real estate records.
2. Index under Uniform Commercial Code records

**Memorandum of Joint Venture Agreement**

Notice is given that Silver Eagle Natural Resources, Inc., a Nevada corporation ("SENR"), Jon P. Broderick ("Broderick") and Seven Gold Corporation, a Nevada corporation ("SGC"), have entered into the NEVCO/Silver Eagle Joint Venture Agreement (the "Agreement") dated effective the effective date of this Memorandum of Joint Venture Agreement (the "Memorandum"). Notice is also given that:

1. Pursuant to the Agreement, SENR has contributed to the purposes of the Agreement all of its right, title and interest in and to the patented and unpatented mining claims, leasehold interests, water rights, contract rights and other property, tangible and intangible, identified in Exhibit A attached to and by this reference incorporated in this Agreement, situated in Eureka County, Nevada, (collectively the "Properties"), and SENR and SGC have agreed to participate in the exploration, evaluation and development of mineral resources within the Properties or any other properties acquired under the terms of the Agreement.

2. Under the Agreement, SGC's failure to make its Initial Contribution (as defined in the Agreement) may be deemed to be a withdrawal of SGC from the Agreement and the termination of its right to earn a participating Interest (as defined in the Agreement), including its interest in the Properties, subject to SGC's right to cure such failure as provided in the Agreement.

3. Under the Agreement, title to the Properties shall be held by SENR subject to the terms of the Agreement. Under the Agreement on vesting of SGC's Initial Participating Interest, the Initial Participating Interest of SENR will be forty-nine percent (49%) and the Initial Participating Interest of SGC will be fifty-one percent (51%). Under the Agreement each of the Participants has waived and released all rights of partition, or of sale in lieu of partition, or any other division of Assets (as defined in the Agreement), including any such rights provided by statute, until termination of the Venture pursuant to the Agreement.

4. Under the Agreement, venture operations shall be conducted in the name of the "NEVCO/Silver Eagle Joint Venture" or some other acceptable name. SENR and SGC have executed and filed, or will execute and file, a fictitious name certificate to transact business under such name.

5. Nothing contained in the Agreement constitutes either SENR or SGC the partner of the other, nor, except as expressly provided in the Agreement, constitutes either SENR or SGC agent or legal representative of the other, nor does anything in the Agreement create any fiduciary relationship among the parties. The Agreement provides that it is not the intention of the parties to create, nor shall the Agreement be construed to create, any mining, commercial, or other partnership, and neither SENR nor SGC shall have any authority to act for or assume any obligation or responsibility on behalf of the other, except as expressly provided in the Agreement. The rights, duties, obligations and liabilities of SENR and SGC shall be several and not joint or collective, and each of SENR and SGC shall be responsible only for its respective obligations as described in the Agreement and shall be responsible only for its respective share of the costs and expenses as provided in the Agreement, it being the express purpose and intention of SENR and SGC that their ownership of assets and the rights acquired under the Agreement shall be as tenants in common.

6. Under the Agreement each Participant has granted to each other Participant a security interest, lien and charge on such Participant's right to receive either Products (as defined in the Agreement) in kind or proceeds from the sale of Products and such Participant's interest in the Assets to secure advances made by the Participant or on behalf of any such other Participant.

7. Each Participant's right to transfer its Participating Interest is subject to certain conditions and restrictions described in the Agreement. Under certain circumstances, as described in the Agreement, each Participant shall have the preemptive right to acquire the Participating Interest on the proposed sale of such Participating Interest by any other Participant.

8. The term of the Agreement is the same as described in the Mining Lease Agreement among Jon P. Broderick and Margaret C. Broderick, husband and wife, Silver Eagle Resources Ltd., a British Columbia corporation, and Silver Eagle Gold, Inc., now known as Silver Eagle Natural Resources, Inc., dated effective January 20, 1992, for which the Memorandum of Mining Lease and Notice of Non-Responsibility was recorded in the Office of the Eureka County Recorder on February 27, 1992, Document 140003, Book 232, Official Records, Pages 244-247, affecting the High Dollar Nos. 1-28 and 31-48 unpatented mining claims, Bureau of Land Management Serial Nos. 460793-460838. The interest of Margaret C. Broderick in the Mining Lease Agreement, and the property subject to it, was assigned by Margaret C. Broderick to Jon P. Broderick.

9. Broderick has executed the Agreement to confirm, acknowledge and consent to its terms as lessor under the Mining Lease described in Section 8 above and to consent to the

assignment to SGC of certain rights in the Lease as provided in the Agreement and to be bound by the terms of the Agreement and the sale of Broderick's interest in certain rights as provided in the Agreement.

10. Copies of the Agreement are in the possession of SENR and SGC at their respective addresses which for purposes of the Agreement and this Memorandum of Agreement are:

If to SGC: Seven Gold Corporation  
c/o Thomas P. Erwin  
Erwin Thompson & Hascheff  
One East Liberty Street, Suite 424  
Reno, Nevada 89501

and to: Seven Gold Corporation  
c/o John C. Butt  
115 Apple Creek Blvd., Suite 202  
Markham, Ontario, Canada L3R 6C9

If to SENR or:  
to Broderick 2420 North Huachuca Drive  
Tucson, Arizona 85745-1202

Dated effective August 15, 1996.

Silver Eagle Natural Resources, Inc.

By *Jon P. Broderick*  
Jon P. Broderick, President

Seven Gold Corporation

*John C. Butt*  
John C. Butt, President

*Jon P. Broderick*  
Jon P. Broderick

STATE OF ARIZONA, )  
 )ss.  
COUNTY OF PIMA. )

This Memorandum of Joint Venture Agreement was acknowledged before me on October 4, 1996, by Jon P. Broderick as president of Silver Eagle Natural Resources, Inc.

*Carolyn Lee*  
Notary Public  
My commission expires: 12-8-97

PROVINCE OF ONTARIO )  
 )ss.  
 )

This Memorandum of Joint Venture Agreement was acknowledged before me on October 4, 1996, by John C. Butt as president of Sever Gold Corporation.

*[Signature]*  
Notary Public  
My commission expires: \_\_\_\_\_



STATE OF ARIZONA, )  
 )ss.  
COUNTY OF PIMA. )

This Memorandum of Joint Venture Agreement was acknowledged before me on October 4, 1996, by Jon P. Broderick.

*Carolyn Lee*  
Notary Public  
My commission expires: 12-8-97



BOOK 302 PAGE 168  
OFFICIAL RECORDS  
RECORDED AT THE REQUEST OF  
Thomas P. Erwin  
96 OCT 28 PM 2:14

EUREKA COUNTY NEVADA  
M.N. REBALEATI, RECORDER  
FILE NO. FEES 10.00

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