

When recorded, return to:  
David R. Faley  
Newmont Gold Company  
1700 Lincoln, 28th Floor  
Denver, Colorado 80203

**ROYALTY QUITCLAIM DEED AND RELEASE OF NET INCOME INTEREST**

THIS INDENTURE, effective as of the 31st day of January, 1997, is by and between NEWMONT GOLD COMPANY, a Delaware corporation, whose address is 1700 Lincoln Street, Denver, Colorado 80203, herein called "Grantor," and FRANCO-NEVADA MINING CORPORATION, INC., a Nevada corporation, whose address is 6151 Lakeside Drive, Suite 2100, Reno, Nevada 89511, herein called "Grantee."

WHEREAS, pursuant to that certain Settlement Agreement dated as of July 30, 1985 (the "Settlement Agreement") by and between certain parties, including predecessors to Grantor, Grantee and Barrick Goldstrike Mines Inc., a Colorado corporation ("Barrick"), the parties to the Settlement Agreement settled certain litigation and agreed to fix as between them the boundary lines between their respective property interests without regard to where true section and subdivision lines later may be established by a dependent resurvey of Township 36 North, Range 50 East, M.D.B. & M. then being prepared by the Bureau of Land Management.. A Memorandum of Settlement Agreement dated as of July 30, 1985 was filed for recording on April 7, 1986 and recorded in File No. 102263 at Book 143, Page 234, of the Official Records of Eureka County. A Record of Survey was filed on January 21, 1986 in File Number 212534 in the offices of the Elko County Recorder and on January 22, 1986 in File Number 101906 in the offices of the Eureka County Recorder, depicting the Settlement Line. Barrick and Grantor have executed an additional agreement (the "Barrick Agreement") to amend the Settlement Agreement in order to adjust the Settlement Line (as defined in the Settlement Agreement and depicted in the Record of Survey) insofar as it relates solely to the Mineral (as defined below) estate included in the Royalty Parcel in order that Newmont shall have the sole and exclusive right to mine all minerals located in, on and under the Royalty Parcel. A Memorandum of the Barrick Agreement dated as of October 16, 1996 was filed for recording on October 22, 1996 and recorded in File No. 164749 at Book 301, Page 443, of the Official Records of Eureka County (the "Barrick Memorandum").

NOW, THEREFORE, Grantor, for and in consideration of the sum of TEN DOLLARS (\$10.00) lawful money of the United States of America, together with other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, has remised, released, sold, transferred, conveyed and quitclaimed, and by these presents does remise, release, sell, transfer, convey and forever quitclaim unto Grantee a production royalty

(the "Production Royalty") on Precious Metals (as defined below) in and to that certain Royalty Parcel as more fully described in Section 2 of this Deed.

FURTHER, BY THIS INDENTURE, Grantee, as successor-in-interest to East Utah Mining Company, a Utah corporation, does remise, release, convey and quitclaim onto Grantor all of Grantee's right, title and interest in that certain Net Income Interest and right to receive payment of the Net Income Interest as more particularly described in that certain Agreement dated May 14, 1976 among East Utah Mining Company, Swiss Oils of Canada (1959) Ltd., PanCana Industries Inc., and PanCana Industries Ltd., as amended by Letter of Amendment and Clarification dated May 19, 1976, among the same parties, which Agreement and Letter of Amendment and Clarification were filed for recording in the Official Records of Eureka County, Nevada on September 27, 1976, in Book 56 at Pages 504 through 544 (collectively the "Royalty Agreement"), as further amended by that certain unrecorded Net Income Interest Amendment dated July 1, 1993 by and between Barrick and Franco-Nevada Mining Corporation, Inc., insofar and only insofar as the Royalty Agreement and the July 1, 1993 amendment thereto relate to the Royalty Parcel. Grantor as owner of the right to mine Minerals (as defined below) in the Royalty Parcel states and agrees that the Net Income Interest as it relates to the Royalty Parcel shall, with this conveyance to Grantor, be hereby relinquished, extinguished and terminated by merger into the mineral estate.

#### **PRODUCTION ROYALTY:**

##### **1. Property Subject to Production Royalty.**

The Production Royalty shall be a royalty interest in and a burden upon the following property:

(a) The property subject to this Agreement is all of Newmont's right, title and interest in and to the Minerals located in, under or upon those lands within the area formed by Agreement Points 11A, 11B, 11C and 11D on the Settlement Line as revised in the Barrick Agreement and Barrick Memorandum, as depicted on Sheet 1 and coordinates for which points are shown on Sheet 2 of Exhibit A attached hereto and made a part hereof (the "Royalty Parcel"). The "Royalty Parcel" covers the same lands defined in the Barrick Agreement and Barrick Memorandum as the "Deep Star Parcel," which lands consist of:

(i) that portion of that certain patented mining claim known as the Goldstrike No. 3, patented on May 16, 1994 under Patent No. 27-94-0018, situate in the Southeast Quarter of Section 30, Township 36 North, Range 50 East of the Mount Diablo Base and Meridian, Eureka County, Nevada, that is included within the Royalty Parcel, which portion is described as follows:

Beginning at the southeast corner of the Goldstrike No. 3 patented mining claim, Mineral Survey 5062, thence N. 00° 05' 28" E., along the east boundary line of said claim, 324 feet to a point, then S. 89° 42' 46" W., parallel to the south boundary line of said claim, 450 feet to a point, thence S. 00° 05' 28" W., parallel to the east

boundary line of said claim, 324 feet to a point on the south boundary line of said claim, thence N. 89° 42' 46" E., along the south boundary line of said claim, 450 feet to the point of beginning; and

(ii) that portion of the lands covered by that certain unpatented mining claim known as the Goldstrike 39F, Bureau of Land Management Serial No. NMC 641523, situate in the Southeast Quarter of Section 30, Township 36 North, Range 50 East of the Mount Diablo Base and Meridian, Eureka County, Nevada, the location certificate of which was recorded in Book 231 at page 481 of the Official Records of Eureka County, Nevada, or covered by any amendment, relocation, or other succession of such claim, that is included within the Royalty Parcel; and

(iii) that portion of the lands located within Section 31, Township 36 North, Range 50 East of the Mount Diablo Base and Meridian, Eureka County, Nevada, that is included within the Royalty Parcel (such lands were defined in the Barrick Agreement and Barrick Memorandum as the "Section 31 Fee Parcel").

(b) For the purposes of this Deed, the term "Mineral(s)" shall mean any and all metals, minerals and mineral rights of whatever kind and nature (excepting oil, gas and associated liquid or gaseous hydrocarbons, common variety materials, or materials stockpiled on the surface by Barrick Goldstrike Mines Inc., or its successors), whether surface or sub-surface.

**2. Production Royalty.** Grantor shall pay to Grantee a perpetual Production Royalty in an amount equal to:

- (a) one and three-quarters percent (1.75%) of Net Smelter Returns until the first 150,000 ounces of gold produced and sold or otherwise disposed of; and
- (b) two percent (2%) of Net Smelter Returns after the first 150,000 ounces of gold are produced and sold or otherwise disposed of;

from the sale or other disposition of all Precious Metals produced and sold from the Royalty Parcel, determined in accordance with the provisions set forth in this Section 2. For the purpose of this Deed, the term "Precious Metals" shall mean all gold, silver and platinum group metals, and the words "or otherwise disposed of" shall not include processing, milling, beneficiation or refining losses of Precious Metals.

**2.1. Net Smelter Returns.** "Net Smelter Returns" means the gross spot price of the appropriate Precious Metal (London Bullion Market, Afternoon Fix, for gold; New York Commodities Exchange for all other Precious Metals), on the day the smelter, refiner, processor, purchaser or other recipient of such production (collectively, "Payor") makes payment to or otherwise credits the account of Grantor, less the following if actually incurred:

(1) charges for smelting or refining from Beneficiated Precious Metals (as used in this Deed, "Beneficiated Precious Metals" includes only doré or concentrates of Precious Metals produced by Grantor's final mill or processing plant, but does not include raw or crushed ore containing Precious Metals or other preliminarily processed Precious Metals);

(2) penalty substance, assaying, and sampling charges imposed by the Payor for smelting, refining, or processing Beneficiated Precious Metals;

(3) net proceeds of mines and other taxes on mining production, but excluding any and all taxes (a) based upon the net or gross income of Grantor, (b) based upon the value of the Royalty Parcel, the privilege of doing business, and other similarly based taxes, or (c) paid by Grantee;

(4) charges and costs, if any, for transportation and insurance of Beneficiated Precious Metals from Grantor's mill or other final processing plant to places where such Beneficiated Precious Metals are smelted, refined and/or sold or otherwise disposed of; and

(5) an amount equal to any royalty payable on such Precious Metals production by Grantor to the United States of America.

In the event smelting, refining, or processing are carried out in facilities owned, leased or controlled, in whole or in part, by Grantor, then charges, costs and penalties for such smelting or refining shall mean the amount Grantor would have incurred if such smelting or refining were carried out at facilities not owned or controlled by Grantor then offering comparable services for comparable products on prevailing terms, but in no event greater than actual costs incurred by Grantor with respect to such smelting and refining.

**2.2. Insurance Proceeds.** In the event Newmont receives insurance proceeds for loss of production due to a casualty event which, without insurance, would adversely affect the amount of the Royalty, Newmont shall pay to Franco the Royalty percentage of any such insurance proceeds which are received by Newmont for such loss of production.

**2.3. No Production Royalty For Other Minerals.** For the purposes of this Deed, the term "Other Minerals" shall mean all Minerals and the beneficiated products thereof, *which are not or do not contain economically recoverable Precious Metals*. No Production Royalty shall be due or payable on Other Minerals produced and sold from the Royalty Parcel.

**2.4. Hedging Transactions.** All profits and losses resulting from Grantor's sales of Precious Metals, or Grantor's engaging in any commodity futures trading, option trading, or metals trading, or any combination thereof, and any other hedging transactions including trading transactions designed to avoid losses and obtain possible gains due to metal price fluctuations (collectively "hedging transactions") are specifically excluded from Production Royalty calculations pursuant to this Deed. All hedging transactions by Grantor and all profits or losses associated therewith, if any, shall be solely for Grantor's account.



3. **Commingling.** Grantor shall have the right to commingle Minerals and Precious Metals from the Royalty Parcel with minerals from other properties; however, Grantor shall take appropriate measurements in accordance with sound mining and metallurgical practices prior to such commingling, and shall retain all data and analyses for a reasonable amount of time, but not less than 18 months, after receipt by Grantee of the Production Royalties paid with respect to such commingled Minerals from the Royalty Parcel; provided samples taken from the Royalty Parcel shall be retained by Newmont for seven (7) days after collection.

4. **Tailings and Residues.** All tailings, residues, waste rock, spoiled leach materials, and other materials (collectively "Materials") resulting from Grantor's operations and activities on the Royalty Parcel shall be the sole property of Grantor, but shall remain subject to the Production Royalty should the Materials be processed or reprocessed, as the case may be, in the future and result in the production and sale of Precious Metals. Notwithstanding the foregoing, Grantor shall have the right to dispose of Materials from the Royalty Parcel on or off of the Royalty Parcel and to commingle the same with Materials from other properties. In the event Materials from the Royalty Parcel are processed or reprocessed, as the case may be, and regardless of where such processing or reprocessing occurs, the Production Royalty payable thereon shall be determined on a pro rata basis as determined by using the best engineering and technical practices then available.

5. **Other Provisions.** This Deed and the calculation of and audit rights regarding the Production Royalty are subject to the terms and provisions of that certain Letter Agreement dated February 3, 1997 between Grantor and Grantee, which Letter Agreement is hereby incorporated herein by this reference.

TO HAVE AND TO HOLD the Production Royalty in the Royalty Parcel to the Grantee and its successors and assigns forever and TO HAVE AND TO HOLD the Net Income Interest in the Royalty Parcel to the Grantor and its successors and assigns forever.

WHEREFORE, this Deed is executed and delivered effective on the day and year above written.

**GRANTOR**

NEWMONT GOLD COMPANY  
a Delaware corporation,

By: 

W. James Mullin  
Vice President, North American  
Operations

**GRANTEE**

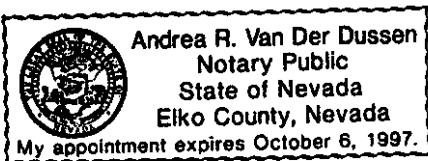
FRANCO-NEVADA MINING  
CORPORATION, INC.  
a Nevada corporation

By: 

M. Craig Haase  
Vice Chairman

STATE OF NEVADA )  
 ) ss.  
CITY OF ELKO )

On this 1 day of February, 1997, personally appeared before me, a Notary Public, W. James Mullin, Vice President, North American Operation, of Newmont Gold Company, a Delaware corporation, personally known or proved to me to be the person whose name is subscribed to the above instrument who acknowledged he executed the above instrument and acknowledged said instrument to be his voluntary act and deed made on behalf of said corporation and for the uses and purposes therein mentioned.



Andrea R. Van Der Dussen  
Notary Public  
My Commission expires: OCTOBER 6, 1997

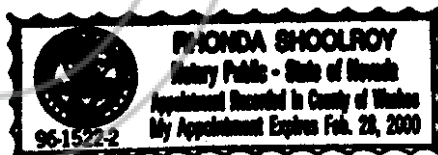
(SEAL)

STATE OF NEVADA )  
 ) ss.  
COUNTY OF WASHOE )

On this 3rd day of February, 1997, personally appeared before me, a Notary Public, M. Craig Haase, the Vice Chairman of Franco-Nevada Mining Corporation, Inc., a Nevada corporation, personally known or proved to me to be the person whose name is subscribed to the above instrument who acknowledged he executed the above instrument and acknowledged said instrument to be his voluntary act and deed made on behalf of said corporation and for the uses and purposes therein mentioned.

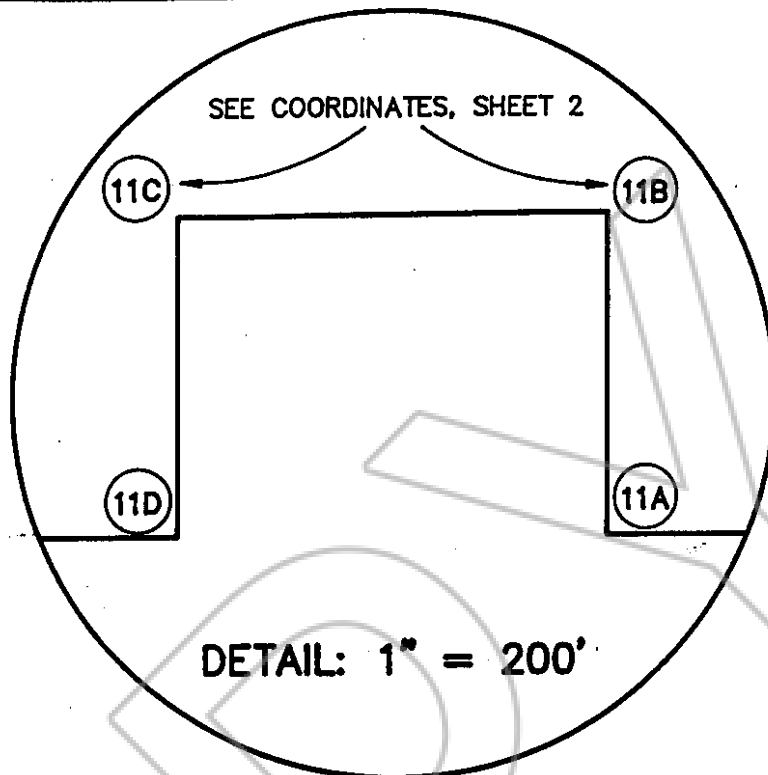
Shonda Shooley  
Notary Public  
My Commission expires:

(SEAL)



SOB  
N 11°23'11" W (BGM) 12886.25  
BGM MINE GRID COORDINATES

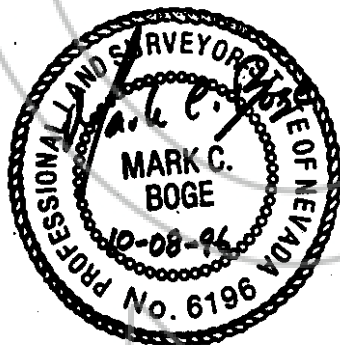
LB9  
BASE POINT FOR BGM  
MINE GRID COORDINATES



1985 AG. PNT. 12

SEE DETAIL  
ABOVE

1985 AG. PNT. 11



TX 195  
BASE POINT FOR NGC  
CARLIN NORTH MINE GRID COORDINATES  
S 25°20'24" E (NGC) 6608.02'  
NGC CARLIN NORTH MINE GRID COORDINATES

SHEET 1 OF 2

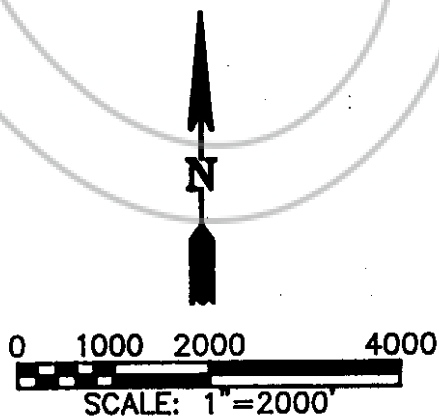


EXHIBIT A  
REVISED SETTLEMENT LINE

BOOK 305 PAGE 584

*Wm G*

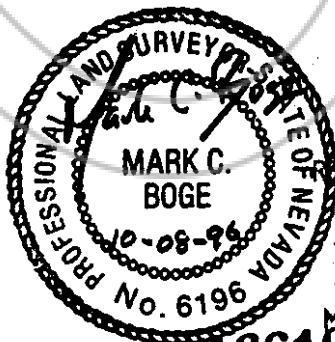
*JL*

## ADDITIONAL SETTLEMENT LINE COORDINATES

(DESCRIPTION)	1985 SETTLEMENT COORDINATES	BGMI MINE GRID COORDINATES	NEWMONT CARLIN NORTH MINE GRID COORDINATES
1985 AG. PNT. NO. 11	N 5011.000 E 15348.660	N 5017.457 E 15348.636	N 41424.824 E 8176.100
11A NEW ANGLE POINT ON ORIGINAL LINE AP #11 TO AP #12	N 5011.000 E 14199.950	N 5016.070 E 14199.927	N 41427.548 E 7027.394
11B NEW ANGLE POINT	N 5345.580 E 14200.439	N 5350.650 E 14200.012	N 41762.125 E 7028.676
11C NEW ANGLE POINT	N 5343.265 E 13750.445	N 5347.792 E 13750.021	N 41760.878 E 6578.678
11D NEW ANGLE POINT, INTERSECT ORIGINAL LINE AP #11 TO AP #12	N 5011.000 E 13749.960	N 5015.527 E 13749.937	N 41428.615 E 6577.405
1985 AG. PNT. NO. 12	N 5011.000 E 10000.020	N 5011.000 E 10000.000	N 41437.509 E 2827.476

## LOCAL MINE SURVEY CONTROL POINTS USED FOR CREATION OF ABOVE COORDINATES

DESCRIPTION	BGMI MINE GRID COORDINATES	NEWMONT CARLIN NORTH MINE GRID COORDINATES
LB9 BASE POINT FOR BGMI MINE GRID COORDINATES	N 6587.870 E 7642.400	N 43022.806 E 475.534
SOB END POINT FOR BGMI BEARING BASE	N 19220.495 E 5098.340	N 55664.455 E -2023.299
TX 195 BASE POINT FOR NGC CARLIN NORTH MINE GRID COORDINATES	N 3142.389 E 11413.831	N 39563.850 E 4234.610
T51 END POINT FOR NGC CARLIN NORTH BEARING BASE	N -2819.678 E 14263.347	N 33591.623 E 7062.770



SHEET 2 OF 2 COORDINATES

BOOK 305 PAGE 578  
OFFICIAL RECORDS  
RECORDED AT THE REQUEST OF  
*Newmont Gold Co.*  
97 FEB 18 PM 1:45

EXHIBIT A

REVISED SETTLEMENT LINE

EUREKA COUNTY NEVADA  
M. REBALEAT, RECORDER  
FEE NO.

FEE \$14.00 BOOK 305 PAGE 585

166163