

THIS SPECIAL WARRANTY DEED AND ASSIGNMENT (this "Deed"), dated effective as of October 1, 1997, is from COMINCO AMERICAN INCORPORATED, a Washington Corporation, whose address is 601 West Riverside Avenue, Spokane, Washington 99201 ("Grantor"), to PLACER DOME U.S. INC., a California corporation, whose address is 240 South Rock Boulevard, Suite 117, Reno, Nevada 89502 ("Grantee").

Recitals

A. Grantor and Grantee, among other parties, are or will become parties to that certain Joint Venture and Operating Agreement dated March 7, 1983, as amended, for the Buckhorn Prospect (the "Operating Agreement"), by which the parties have established a joint venture (the "Venture") to explore, develop and mine lands located within an area of interest described in the Operating Agreement. The parties intend to enter into an amended and restated joint venture operating agreement to replace the Operating Agreement.

B. Grantor and Grantee have entered into an Option Agreement dated effective as of October 1, 1997 (the "Option Agreement"), granting Grantee the option to earn and purchase interests in the Venture and to the properties within the area of interest.

C. This Deed is executed and delivered pursuant to the provisions of the Option Agreement. Capitalized terms used in this Deed, unless otherwise defined herein, shall have the meanings assigned to them in the Option Agreement or the Operating Agreement.

Grant

FOR AND IN CONSIDERATION of Ten Dollars (\$10.00), the mutual promises contained in the Option Agreement, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Grantor hereby grants, sells, assigns, conveys and specially warrants to Grantee all of Grantor's right, title and interest in and to the properties described on Exhibit "A" attached hereto and by reference incorporated herein (the "Royalty Area Properties"), which are located within the Area of Interest described in the Operating Agreement, together with all of Grantor's Participating Interest in the Venture associated with or relating to the Royalty Area Properties (The rights granted hereunder to the Royalty Area Properties and the Participating Interests are collectively referred to herein as the "Interests"); AND, FURTHER,

SUBJECT TO the Operating Agreement and all such other underlying agreements and existing royalties, liens, charges and encumbrances described on Exhibit "A"; AND, FURTHER,

RESERVING UNTO THE GRANTOR a production royalty burdening and encumbering the Royalty Area Properties equal to a per-ounce assessment on each ounce of gold produced from the Royalty Area Properties to be calculated and paid in accordance with the provisions set forth on Exhibit "B" attached hereto and by reference incorporated herein (the "Unit Production Royalty"). The Unit Production Royalty shall be limited to an aggregate payment amount of Two Million Five Hundred Thousand Dollars (\$2,500,000). Upon payment of \$2,500,000 collectively to Grantor and its successors and assigns, the Unit Production Royalty shall automatically convert to a production royalty burdening and encumbering the Royalty Area Properties equal to one percent (1%) gross production royalty for all gold and silver produced and sold from the Royalty Area Properties to be calculated and paid in accordance with the provisions set forth on Exhibit "B" (the "Gross Production Royalty"). The Unit Production Royalty and the Gross Production Royalty shall run with the land as a burden upon the Royalty Area Properties and shall be and remain the obligation of the party or parties owning the Royalty Area Properties or holding or controlling the operating rights in and to the Royalty Area Properties. Grantor may assign, sell or encumber all or a portion of either the Unit Production Royalty and the Gross Production Royalty as provided by Exhibit "B."

TO HAVE AND TO HOLD the Interests unto Grantee, its successors and assigns forever with the special warranty of title from and against all claims, liens, encumbrances, charges and causes of action with respect to the Interests (except as described on Exhibit "A") arising by, through or under Grantor in its individual capacity, but not otherwise. Except as otherwise expressly provided herein, no other representation or warranty is made or given. ALL WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR USE ARE EXPRESSLY EXCLUDED.

This Deed is executed pursuant to and in conformance with the Option Agreement. The representations and warranties set forth in the Option Agreement are by this reference incorporated herein and shall survive execution and delivery of this Deed as provided in the Option Agreement.


All recording references in Exhibit "A" are to the official real property records of Eureka County, Nevada.

This Deed shall bind and inure to the benefit of the parties and their respective successors and assigns.

EXECUTED this 3rd day of December, 1997, to be effective as of the date first above written.

GRANTOR:

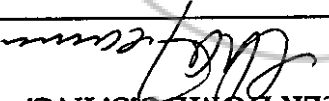
COMINCO AMERICAN
INCORPORATED

By: 

Its: Vice President

GRANTEE:

PLACER DOMESTIC, INC.

By: 

Its: VP + Secretary

PROXY

ROSALIND J. FOUCAULT
Barrister & Solicitor
600 - 1055 DUNSMUIR STREET
VANCOUVER, B.C.
V7X 1L3 661-1991

ATTEST: (Secretary or
Assistant Secretary)

SEAL:

Rosalind J. Foucault

This 18th day of December, A.D. 1997, personally came before me Charles A. Teardo, who, being by me duly sworn, says that he/~~she~~ is VP and Secretary of Plover Dome U.S. Inc., and that the seal affixed to the foregoing instrument in writing is the corporate seal of said Company and that said writing was signed and sealed by him/~~her~~ in behalf of said corporation by its authority duly given. And the said Charles A. Teardo acknowledged the said writing to be the act and deed of said corporation.

STATE OF British Columbia
COUNTY OF _____
):
): ss



Deborah A. Frost

Deborah A. Frost

ATTEST: (Secretary or
Assistant Secretary)

SEAL:

This 3rd day of December, A.D. 1997, personally came before me George Cole, who, being by me duly sworn, says that he/~~she~~ is V.P., Explorator of Cominco American Incorporated, and that the seal affixed to the foregoing instrument in writing is the corporate seal of said Company and that said writing was signed and sealed by him/~~her~~ in behalf of said corporation by its authority duly given. And the said George Cole acknowledged the said writing to be the act and deed of said corporation.

STATE OF Washington
COUNTY OF Spokane
):
): ss

EXHIBIT "A"

Royalty Area Properties

The Royalty Area consists of four non-contiguous areas located in Eureka County, Nevada, and designated as the Buckhorn, Aspen, Crusher and West Sinter areas. These areas are described in this Exhibit "A" by reference to three sources: (1) a Mine Coordinate System; (2) the Mining Claims within the public land survey; and (3) a Map. The descriptions are intended to be complementary and to describe a single area made up of four separate area components. To the extent there is a conflict among the sources describing the various areas, the Mine Coordinate System description shall control.

Each area encompasses the surface delineated below and a vertical zone from the surface to a depth of 500 vertical feet below the surface as it existed on August 1, 1993. (This definition is consistent with section 2.1a of the 1993 Amendment to the Buckhorn Mines Co. Lease.)

Mine Coordinate System

The lateral limits of the four areas are defined by the following coordinates using the mine coordinate system established by Bethex in 1981 and subsequently adopted by CAI and Pathfinder for mining and exploration.

Buckhorn Area: start at: 13,500 N14,000 E end at: 13,500 N11,000 E

13,500 N11,000 E
23,500 N11,000 E
23,500 N14,000 E
13,500 N14,000 E

Aspen Area:

start at:

12,000 N10,000 E
12,000 N 8,000 E
16,000 N 8,000 E
16,000 N10,000 E
12,000 N10,000 E
12,000 N10,000 E

end at:

Crusher Area:

start at:

11,000 N12,500 E
11,000 N11,000 E
12,500 N11,000 E
12,500 N12,500 E
11,000 N12,500 E

end at:

West Sinter Area:

start at:

26,000 N16,000 E
26,000 N14,000 E
28,000 N14,000 E
28,000 N16,000 E
26,000 N16,000 E

end at:

A-1

The mine coordinates are tied to two public survey monuments:

USGS Benchmark (GWM-32) 11,855.77 N20,706.83 E
USLM 228 15,516.31 N11,484.10 E

Note: USLM 228 misplotted on government maps.

Mining Claims

The Royalty Area covers and relates to all or a portion of the following patented and unpatented mining claims located in Eureka County, Nevada, in the identified Sections by Township and Range:

Buckhorn Area:

T. 27 N., R. 49 E., Mt. Diablo Meridian, Nevada
Sections 19, 30 and 31

Unpatented Claims

Total: Buckaroo 8
Oro 2, 3
Buckhorn Fraction

Partial: Buckaroo 7, 21, 23, 25, 27, 29, 31
Sage 103, 104, 105, 106, 108, 109, 130

Santa Fe Fraction
Humboldt 3
Pinon 1
Oro Fino

Aspen 14, 21, 22, 24, 48
Oro 1, 4, 5, 6
UP 9
Oro

Citizen Fraction 1
New Citizens Fraction

Patented Claims

Total: M & M Fraction No. 1
Red Ant
Eagle

Sunday Fraction
Lame Bull No. 1 & 2
Noonday Fraction
Lone Star Fraction

Sunset
Humboldt No. 1 & 2
Buckhorn No. 1-9

A-2

BOOK 3 | 7 PAGE 4 7 4

E and P Fraction
 Narrow Gage Lode Fraction
 Partial: D.P.M. Fraction
 Buckhorn No. 10
 Monarch
 Easter No. 1 & 2

Aspen Area:

T. 27 N. R. 49 E. Mt. Diablo Meridian, Nevada
 Section 31

T. 27 N. R. 48 E. Mt. Diablo Meridian, Nevada
 Section 25

Unpatented Claims

Total: Aspen 2, 3, 5
 Tufta

Partial: Aspen 1, 4, 6, 7, 12, 13, 15, 31, 32, 33, 49, 50, 51, 53,
 Sage 17
 55

Crusher Area:

T. 27 N. R. 49 E. Mt. Diablo Meridian, Nevada
 Section 31

Unpatented Claims

Partial: Aspen 8, 9, 16, 17, 18, 19, 22, 23

West Sinter Area:

T. 27 N. R. 49 E. Mt. Diablo Meridian, Nevada
 Section 17, 18, 19 and 20

Unpatented Claims

Total: Buckaroo 10, 12, 229

Partial: Buckaroo 9, 11, 13, 14, 35, 37, 39, 225, 226, 230, 233,
 234

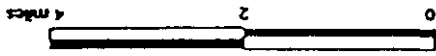
Maps

Maps of the Royalty Area depicting the Buckhorn, Aspen, Crusher and West Sinter areas are attached on pages A-4 and A-5.




A-3

A-4

BGiverson 9/26/97



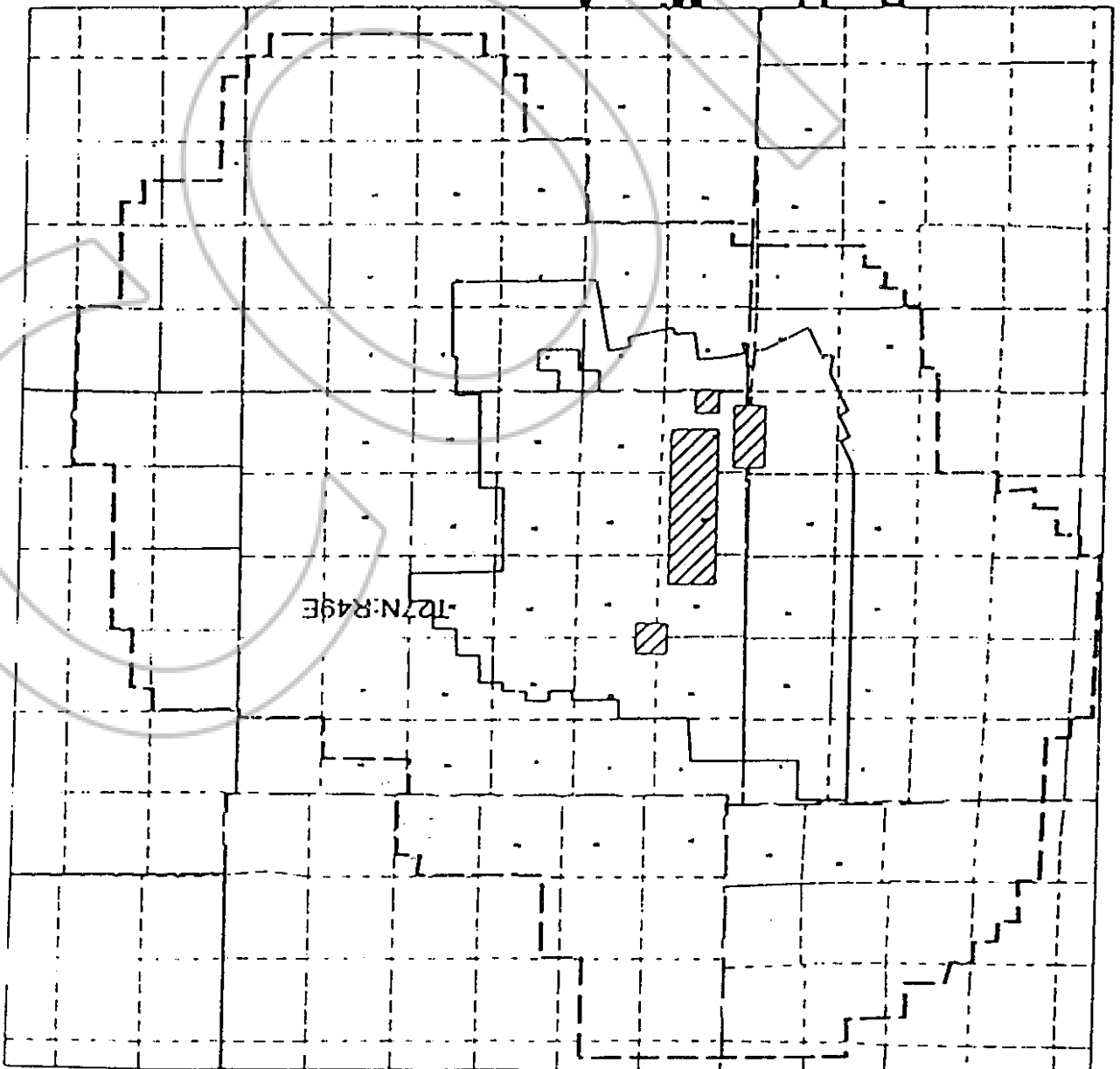
Scale 1" = 2 miles

-  Buckhorn Mine Royalty Areas
-  Buckhorn Mines claimed area
-  Area of Interest - Buckhorn Mines

Eureka County, Nevada

Buckhorn Mine Area

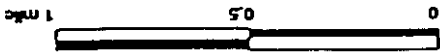
N



-127N:R49E

A-5

BGlvetson 9/26/97



Scale 1" = 0.5 miles



Buckhorn Mine Royalty Areas



Patented Claims



Eureka County, Nevada

Buckhorn Mine Royalty Areas



The Royalty Area Properties are subject to the following:

1. Lease Agreement dated December 6, 1979, by and between Bar Resources Limited and Bethlehem Copper Corporation, as amended by the following agreements:
 - a. Memorandum of Agreement dated June 30, 1980, between Bethlehem Copper Corporation and Bar Resources Limited;
 - b. Memorandum of Agreement dated April 19, 1982, among Bar Resources Limited, Bar Resources Inc., Bethlehem Copper Corporation and Exploram Minerals Ltd.;
 - c. Agreement dated March 7, 1988, among Bar Resources Limited, Bar Resources Inc., Cominco American Resources Incorporated, and Equinox Resources Inc.;
 - d. Release and Agreement dated June 8, 1989, among Bar Resources Limited, Bar Resources Inc., Cominco American Resources Incorporated, and Equinox Resources Inc.;
 - e. Partial Release of Mining Lease dated August 23, 1993, from Cominco American Resources Incorporated and Equinox Resources, Inc.; and,
 - f. Agreement dated effective August 1, 1996, among Pathfinder Exploration Corporation, Cominco American Incorporated, Equinox Resources, Inc. and Texas Gulf Petroleum Corporation.
2. Mining Lease dated January 15, 1979, among Buckhorn Mines Co., Hennes-Westex Corporation, and Bar Resources, Inc., as amended by the following agreements:
 - a. Extension of Mining Lease dated October 10, 1986, among Buckhorn Mines Company, Hennes-Westex Corporation and Bar Resources, Inc.; and,
 - b. Amendment to Mining Leases dated effective as of August 1, 1993, among Buckhorn Mines Co., Medard Schmitz, Martha True Schmitz
3. The Joint Venture and Operating Agreement dated March 7, 1983, as amended.

EXHIBIT "B"

(to Special Warranty Deed and Assignment)

Production Royalty

1.0 Unit Production Royalty. The Unit Production Royalty shall be equal to a per-ounce assessment on each ounce of gold produced from the Royalty Area Properties as follows:

Production from Royalty Area Properties (price of gold/ounce)	Royalty Payment
\$350 or less/ounce	\$ 8.00/ounce
\$351 to \$450/ounce	\$10.00/ounce
\$451 or greater/ounce	\$20.00/ounce

1.1 "Produced" shall mean all gold resulting from mining operations conducted on or from the Royalty Area Properties, whether such operations result in ores, concentrates, or derivatives. If the operations result in a product other than refined gold from ores mined from the Royalty Area Properties and such products are not otherwise sold on the basis of a per gold ounce price, the total ounces of gold contained in such products shall be calculated in accordance with engineering, metallurgical and cost accounting practices generally accepted in the industry, and all matters relative thereto shall be subject to audit or review.

1.2 The Unit Production Royalty shall be limited to an aggregate payment amount of \$2,500,000. Upon payment of \$2,500,000 of Unit Production Royalty, the Unit Production Royalty shall automatically convert to the Gross Production Royalty described in Section 2.0 below.

2.0 Gross Production Royalty. The Gross Production Royalty shall be equal to one percent (1%) of the "Gross Value" of all gold and silver produced from ores, minerals, metals and materials mined and removed from the Royalty Area Properties and deemed to have been sold by or for Grantee.

2.1 "Gross Value" shall have the following meanings for the following categories of metals, mineral production and minerals produced or sold by Grantee:

2.1.1 If Grantee causes refined gold meeting or exceeding generally accepted commercial standards for the sale of

B-1

refined gold (it being understood that the specification for refined gold published by the London Bullion Market Association presently meets such standards) to be produced from ores mined from the Royalty Area Properties, for purposes of determining the Gross Production Royalty the refined gold shall be deemed to have been sold at the Monthly Average Gold Price (as defined below) for the month in which it was produced, and the Gross Value shall be determined by multiplying the Gold Production (as defined below) for the month by the Monthly Average Gold Price. As used herein, "Gold Production" means the quantity of refined gold returned to Grantee's pool account (or to a third-party account for the benefit of Grantee) by an independent third-party refinery for gold produced from the Royalty Area Properties during the calendar month on either a provisional or final settlement basis. As used herein, "Monthly Average Gold Price" shall mean the average London Bullion Market Association P.M. Gold Fix, calculated by dividing the sum of all such prices reported for the month by the number of days for which such prices were reported.

2.1.2

If Grantee causes refined silver meeting or exceeding generally accepted commercial standards for the sale of refined silver (it being understood that the specification for refined silver published by Handy & Harman presently meets such standards) to be produced from ore mined from the Royalty Area Properties, for purposes of determining the Gross Production Royalty, the refined silver shall be deemed to have been sold at the Monthly Average Silver Price (as defined below) for the month in which it was produced, and the Gross Value shall be determined by multiplying Silver Production (as defined below) during the calendar month by the Monthly Average Silver Price. As used herein, "Silver Production" shall mean the quantity of refined silver returned to Grantee's pool account (or to a third-party account for the benefit of Grantee) by an independent third-party refinery for silver produced from the Royalty Area Properties during the calendar month on either a provisional or final settlement basis. As used herein, "Monthly Average Silver Price" shall mean the average New York silver price as published daily by Handy & Harman, calculated by

dividing the sum of all such prices reported for the calendar month by the number of days for which such prices were reported.

2.1.3 If Grantee sells raw ores principally valuable for their precious metals content or concentrates of precious metals or dore produced from ores mined from the Royalty Area Properties, then the Gross Value shall be calculated as set forth above in subsections 1.1.1 and 1.1.2, except that the Gold Production or Silver Production shall, in each case, be equal to the gold and silver contained in such raw ores, concentrates or dore sold in the specified month multiplied by (i) the recovery rate contractually determined between Grantee and a third-party processor, or (ii) if there is not a specifically contracted recovery rate, then by an assumed recovery rate equal to the average actual recovery rate for such metal during beneficiation by Grantee for the latest calendar quarter ended prior to such month in which ores of such metal from the Royalty Area Properties were beneficiated by Grantee. In the event that such ores have not been so beneficiated by Grantee during any such calendar quarter, the recovery rate shall be the actual recovery rate experienced by the purchaser or such ores, concentrates or dore determined in good faith by Grantee.

3.0 Commingling. Grantee shall have the right to commingle or mine from the Royalty Area Properties (herein after called the "Mining Property Ore") with other ore. Before any commingling, the Mining Property Ore and other ore shall be weighed and sampled by Grantee in accordance with sound mining and metallurgical practice for moisture and pay metal content. Representative samples of the Mining Property Ore and other ore shall be retained by Grantee and assays of these samples shall be made before commingling to determine the pay metal content of each ore. Detailed records shall be kept by Grantee showing weights, moisture, assays of pay metal content, and gross pay metal content of the Mining Property Ore and other ore.

4.0 Payment of Production Royalty.

4.1 All payments of Unit Production Royalty shall be made on or before the 15th day of the month following the calendar quarter in which any of the following events occurs: Grantee receives payment or is deemed to have received payment for refined gold

B-3

or silver; Grantee's smelter or pool account is credited with a quantity of gold or silver; or Grantee sells raw ores principally valuable for their precious metals content or concentrates of precious metals or dore. All payments of Gross Production Royalty shall be made on or before the 15th day of the month following the calendar quarter in which payment is received or deemed to have been received for such ores, minerals or other products. All royalty payments shall be accompanied by a statement indicating the amount of ores, minerals, concentrates or other products sold or processed and the computation for the royalty being paid. Upon requests made by Grantor within sixty (60) days following payment of a quarterly Production Royalty, Grantee will allow Grantor access to its production records for such quarter for Grantor's review and informal audit of such records. The time and place of such review and audit shall be determined by mutual agreement of the parties.

4.2

All payments of Production Royalty due or payable to Grantor hereunder may be made by check or draft mailed or delivered on or before the due date to Grantor in the name of the person designated and at the address provided in Section 8.2 of the Agreement.

4.3

If Grantor objects to a particular quarterly statement herein provided, Grantor shall, for a period of one hundred twenty (120) days after Grantee's receipt of notice of such objection, have the right, upon reasonable notice and a reasonable time, to have Grantee's accounts and records relating to the calculation of the Production Royalty in question audited by a certified public accountant acceptable to Grantor and to Grantee. If such audit determines that there has been a deficiency or an excess in the payment made to Grantor, such deficiency or excess shall be resolved by adjusting the next quarterly production payment due hereunder. Grantor shall pay all costs of such audit unless a deficiency of twenty percent (20%) or more of the amount due is determined to exist. Grantee shall pay the cost of such audit if a deficiency of twenty (20%) or more of the amount due is determined to exist. All books and records used by Grantee to calculate the Production Royalty due hereunder shall be kept in accordance with generally accepted industry practices. Failure on the part of Grantor to make a claim on Grantee for adjustment in such 120-day period shall establish the correctness and preclude the filing of exceptions thereto or making of claims for adjustment thereon.

B-4

5.0 Change in Ownership of Royalty. No change or division in the ownership of the Production Royalty, however accomplished, shall enlarge the obligations or diminish the rights of Grantee. Grantor covenants that any change in ownership of the Production Royalty or payment thereof shall be accomplished in such a manner that Grantee shall be required to make payments and give notice to no more than one person, firm, corporation or entity, and upon breach of this covenant, Grantee shall retain all payments otherwise due Grantor until the breach has been cured. No change or division in the ownership in the Production Royalty shall be binding on Grantee until thirty (30) days after Grantor has given Grantee a certified copy of the recorded instrument evidencing the change or division in ownership.

6.0 Commodities Sales and Trading Activities Excluded from Production Royalty. Grantor acknowledges that it is the intent of the parties that the Gross Production Royalty be determined and paid on the basis of value of the refined metal produced from ores mined from the Royalty Area Properties as established by the London Bullion Brokers P.M. Gold Fix for gold, and the Handy & Harman noon silver quotation, regardless of the price or proceeds actually received by Grantee for or in connection with such metal or the manner in which a sale of refined metal to a third party is made by Grantee. Grantor further acknowledges that Grantee shall have the right to market and sell to third parties the refined gold or silver produced from the Royalty Area Properties in any manner it chooses, which shall include the right to use forward sales, future trading or commodity exchanges, and other price hedging, price protection, and speculative arrangements, and that Grantor shall not be entitled to participate in the proceeds or be obligated to share in any losses generated by Grantee's actual marketing or sales practices.

7.0 In-Kind Royalty. Grantor may elect to receive its Gross Production Royalty in-kind for any calendar year, by notifying Grantee of its election on or before December 1 in the preceding calendar year. An election by Grantor to receive the Gross Production Royalty in-kind shall be irrevocable for the calendar year for which it is made. Failure of Grantor to notify Grantee by December 1 of its election to take the Gross Production Royalty in-kind shall be deemed a waiver by Grantor of all rights to take the Gross Production Royalty in-kind during the following calendar year. The amount of refined product to be paid as Gross Production Royalty shall be determined for each product by dividing the cash amount of the Gross Production Royalty (as determined above) by the Monthly Average Price for such product. If

more than one product is produced from the ores mined from the Royalty Area Properties, the amount of such product to be paid in-kind shall be established by use of the ratio of sales proceeds received or deemed to be received by Grantee from the sale of each such product during the calendar month and the Monthly Average Price for each such product. Grantee shall instruct the refiner to credit the account of Grantor the quantity of product or products determined as above provided.

8.0 Royalty on Stockpiled Ore. If Grantee stockpiles any ores, minerals or other products on or off the Royalty Area Properties for a period longer than three months, Grantee shall pay Grantor a provisional royalty of fifty percent (50%) of the amount which Grantee estimates in good faith would be due to Grantor as Production Royalty if such ores, minerals or other products were sold in an arms-length transaction. When such ores, minerals or other products are sold or deemed to be sold or processed by Grantee, Grantee shall pay to or recover from Grantor the difference between the provisional royalty paid to Grantor pursuant to this Section and the amount of the Production Royalty determined hereunder.

BOOK 317 PAGE 469
OFFICIAL RECORDS
RECORDED AT THE REQUEST OF
Class Done US One
98 JAN 30 PM 2:00
SUNDEKA COUNTY NEVADA
M.H. REDELEATH, RECORDER
FILE NO. FEES \$2.00

169624

B-6

BOOK 317 PAGE 484