

## CARRIED INTEREST AND OPERATING AGREEMENT

This Carried Interest and Operating Agreement (the "Agreement"), dated as of May 3, 1999 (the "Effective Date"), is between Newmont Gold Company, a Delaware corporation ("Newmont"), and High Desert Mineral Resources, Inc., a Delaware corporation ("High Desert") (each a "Party" and together the "Parties").

Recitals

- A. High Desert is successor-by-merger to SLH Co., a Delaware corporation.
- B. Barrick Goldstrike Mines Inc., a Colorado corporation ("Barrick"), is successor-by-merger to Barrick HD Inc., which was formerly known as High Desert Mineral Resources of Nevada, Inc.
- C. Newmont and Barrick were parties to that certain Newmont Gold and High Desert Venture Agreement, dated as of December 23, 1991, a memorandum of which is recorded at Book 230, Page 487 of the Official Records of Eureka County, Nevada, which was amended by a First Amendment, dated as of August 17, 1994, a memorandum of which is recorded at Book 275, Page 210 of the Official Records of Eureka County, Nevada, and by a Second Amendment dated May 1, 1998 (as amended, the "Venture Agreement"). Pursuant to the Venture Agreement, the parties established the Newmont/Barrick HD Venture (the "Venture") relating to the patented and unpatented mining claims and other real property identified in Exhibit A to this Agreement (the "Property") and to certain personal property.
- D. Barrick and High Desert entered into that certain Participating Interest Purchase and Sale Agreement (the "Participation Agreement") dated November 30, 1995. Pursuant to such agreement and the documents executed and delivered by Barrick and High Desert pursuant thereto, High Desert obtained a two percent Participating Interest in the Venture and a two percent undivided interest in and to the Property.
- E. Newmont and Barrick filed an election with the IRS (on Form 1065) to exclude the Venture from treatment as a tax partnership effective as of January 1, 1998.
- F. Immediately prior to the execution of this Agreement, (i) Newmont and Barrick agreed to terminate, and did terminate, the Venture and the Venture Agreement, and High Desert consented to this termination; and (ii) Barrick and High Desert agreed, subject to and contingent upon the execution of this Agreement, to terminate, and did terminate, the Participation Agreement.
- G. Immediately prior to the execution of this Agreement, Barrick conveyed its 38 percent undivided interest in and to the Property to Newmont, and High Desert consented to this conveyance.
- H. As a result of the foregoing transactions, Newmont currently owns a 98 percent undivided interest in and to the Property, and High Desert currently owns a two percent undivided interest in and to the Property (the "Carried Interest").

I. The Parties desire to enter into this Agreement regarding their respective rights and obligations with respect to the Property.

### Agreements

NOW, THEREFORE, in consideration of the mutual promises, covenants and agreements contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged and confessed, Newmont and High Desert hereby agree as follows:

1. Releases. Each Party unconditionally releases and discharges the other Party and its respective officers, directors, shareholders, Affiliates, predecessors, successors and assigns, from any and all liabilities, obligations, claims, demands, actions, causes of actions, accounts, sums of money, contracts, agreements, debts, dues, costs and expenses whatsoever, in law or in equity, known or unknown, in any matter related to, incurred pursuant to or arising out of or under the Venture Agreement or the Venture which it ever had or has as of the Effective Date or may acquire hereafter against the other Party, excepting the respective obligations of the Parties under this Agreement and the enforcement of such obligations. "Affiliate" shall mean, for purposes of this Agreement, any person, partnership, joint venture, corporation or other form of enterprise which directly or indirectly controls, is controlled by, or is under common control with, a Party. For purposes of the preceding sentence, "control" means possession, directly or indirectly, of the power to direct or cause direction of management and policies through ownership of voting securities, contract, voting trust or otherwise.

2. Representations and Warranties. Each Party represents and warrants to the other that:

(a) It is a corporation duly organized, validly existing and in good standing in its state of incorporation, and that it is qualified to do business and is in good standing in the State of Nevada;

(b) It has the power and authority to enter into and perform this Agreement, and all corporate and other actions required to authorize it to enter into and perform this Agreement have been properly taken;

(c) It will not breach any other agreement or arrangement by entering into and performing this Agreement;

(d) This Agreement has been duly executed and delivered by it and is valid and binding upon it in accordance with its terms; and

(e) To the best of its knowledge and belief, it is the sole owner of its respective undivided interest in the Property (98 percent in the case of Newmont, two percent in the case of High Desert) free and clear of any encumbrance arising by, through or under it.

3. Proceeds Payment.

(a) In lieu of any Executive Rights in respect of or relating to the Carried Interest, High Desert shall be entitled to receive from Newmont a payment equal to two percent of

the Net Value of all Minerals produced and sold or deemed sold from the Property, on the terms and subject to the conditions set forth in Exhibit B to this Agreement (the "Proceeds Payment"). The Parties intend that the Carried Interest shall be treated as an economic interest in minerals in place and that the Proceeds Payments shall be paid solely from the proceeds of production of Minerals from the Property on the terms and subject to the conditions provided in this Agreement.

(b) "Minerals" shall mean, for purposes of this Agreement and Exhibit B, all ores, minerals and mineral resources and products (including without limitation gold and silver and all ores thereof and products produced therefrom) produced from the Property.

(c) "Executive Rights" shall mean, for purposes of this Agreement, all rights held under statute or common law by the owner of an undivided interest in the mineral estate in fee property or in a mining claim, including without limitation the right (i) to lease the Property; (ii) to explore for Minerals on the Property; (iii) to develop, mine, mill, beneficiate, or process Minerals; (iv) to receive or market Minerals, except for the right to take product in kind as provided in Exhibit B; (v) to receive any distribution, revenue, rental income or bonus, royalty, advance royalty, surface damage payment or other payment or income from the Property or any Minerals, except to the extent provided in this Agreement and Exhibit B; and (vi) the right to enter into any operating agreement, joint venture or mining partnership relating to the Property.

(d) Following the first production of Minerals from the Property, and thereafter no more frequently than twice per year, High Desert shall have the right, upon reasonable notice to Newmont, to inspect and copy all books, records, technical data, information and materials ("Data") pertaining to Newmont's activities on or with respect to the Property; provided that (i) such inspection shall be conducted solely for the purpose of determining the accuracy of Proceeds Payments, and for no other purpose, and (ii) such inspection shall not unreasonably interfere with Newmont's activities on the Property. Newmont makes no representation or warranty to High Desert concerning any of the Data, and High Desert agrees that if it elects to rely on any such Data, it does so at its sole risk. The Data shall not include, and Newmont shall not have any obligation to disclose, any confidential information or materials relating to any proprietary beneficiation or processing technology.

(e) High Desert shall have the right, upon reasonable notice, to inspect the Property and facilities associated therewith. Such inspection shall be at the sole risk of High Desert, and High Desert shall indemnify Newmont from any liability caused by or arising from High Desert's exercise of these inspection rights, except to the extent attributable to the gross negligence or willful misconduct of Newmont.

(f) Within seventy-five (75) days after the Effective Date, Newmont shall make available to High Desert for inspection and copying (at High Desert's cost) copies of all monthly and other periodic and special reports prepared by or for Newmont as Manager for the Venture during the period from November 1, 1995 through the date of the termination of the Venture. After such reports have been made available to High Desert as provided in this Section, Newmont shall, if requested by High Desert, make available to High Desert for inspection and copying (at High Desert's cost) all other information acquired by the Venture during the period from November 1, 1995 through the date of the termination of the Venture. All information

made available to High Desert pursuant to this Section 3(f) and all copies thereof made by High Desert shall be subject to the provisions of Section 12 of this Agreement.

(g) Newmont's obligations under this Agreement shall be covenants running with the Property and the lands subject thereto.

4. Operations on the Property.

(a) High Desert hereby grants to Newmont all Executive Rights in respect of or relating to the Carried Interest, and the Parties agree and acknowledge that, during the term of this Agreement, Newmont shall hold and possess exclusively all Executive Rights in respect of or relating to the Property. The exercise of these Executive Rights (including without limitation the timing, manner, method and amount of any exploration or development of, or production of Minerals from, the Property, if any) shall be in the sole discretion of Newmont. In no event shall Newmont be subject to any duty to diligently explore for, develop, produce or market Minerals from the Property.

(b) All exploration, development, permitting, mining, processing, reclamation and other activities of any type or character on or for the benefit of the Property, if any, shall be funded solely by Newmont and High Desert shall have no liability whatsoever to Newmont or to any third party arising out of or in respect of any such activities or any other activities undertaken by Newmont on or in respect of the Property. Subject to the provisions of Sections 5(b), 7 and 9 of this Agreement, Newmont shall pay all costs necessary or appropriate to maintain the Property, including without limitation all real and personal property taxes, general and special assessments, and fees payable to the United States, but excluding any income or other taxes measured by proceeds (including without limitation any net proceeds of mine tax) owing in respect of or relating to the Carried Interest.

(c) The Parties acknowledge that Newmont intends to declare its proven and probable reserves, as well as mineralized material not in reserves, on the Property on a 100 percent-owned basis; such declaration is not intended, nor shall it be construed, to affect High Desert's ownership of the Carried Interest or its right to receive Proceeds Payments in accordance with this Agreement.

(d) No later than January 31 of each calendar year, Newmont shall provide High Desert with mine planning information, production forecasts or other information relating to its operations on the Property sufficient to allow High Desert to estimate the Proceeds Payment, if any, which shall be payable during such year. By providing such information and projections to High Desert, Newmont is not making and shall not be deemed to make any representation as to the accuracy of such information and projections and shall not have any liability whatsoever if actual production deviates from such information or projections.

(e) High Desert hereby grants to Newmont the right, in its sole discretion, to make any use of lands within the Property for or in connection with any other exploration, operations or activities being conducted by or for the benefit of Newmont on other properties, including, without limitation, tunnel rights, and any use of the surface of the Property for disposal of wastes or storage of ores, minerals or mineral products, or to provide access to or pit side slope or



layback for mining on contiguous or adjacent lands, or for the construction or operation of milling, processing, treatment, refining or beneficiation facilities not dedicated to the Property; provided, however, that Newmont shall not make any such use of the Property without first making reasonable attempts to determine whether the area of the Property to be so used contains a deposit of Minerals that could be profitably produced using surface mining methods, and shall not use any portion of the Property for purposes permitted by this Section 4(e) in a manner that would preclude or unreasonably interfere with the exploration, development and mining of Minerals therefrom.

5. Liability.

(a) Newmont shall indemnify and hold harmless High Desert and its officers, directors, shareholders, Affiliates, successors and assigns from any and all liabilities, obligations, claims, demands, actions, causes of action, accounts, sums of money, contracts, agreements, debts, dues, costs and expenses whatsoever (including reasonable attorneys' fees and experts' fees and other expenses incurred in litigation, either pending or threatened), in law or in equity (collectively "Claims"), made by or owed to a third party and arising out of or in connection with or related to (i) Newmont's operations or activities on or in respect of the Property on or after the Effective Date, or (ii) High Desert's status as the owner of the Carried Interest, excepting only (x) the respective obligations of the Parties under this Agreement and the enforcement of such obligations, (y) any liability for income or other taxes measured by proceeds (including without limitation any net proceeds of mine tax) owing in respect of or relating to the Carried Interest, (z) any Claim by a third party claiming under High Desert of an ownership interest in or other right or title in respect of the Carried Interest, (xx) any lien or encumbrance in respect of the Carried Interest arising by, through or under High Desert, (yy) any Claim by a third party arising out of any fraud, misrepresentation, intentional misconduct, negligence, breach of contract or warranty, or failure to pay any taxes when due, on the part of High Desert, and (zz) any Claim caused by or arising from High Desert's exercise of its inspection rights granted by this Agreement, except to the extent attributable to Newmont's gross negligence or willful misconduct.

(b) High Desert shall indemnify and hold harmless Newmont and its officers, directors, shareholders, Affiliates, successors and assigns from any and all Claims made by or owed to a third party and arising out of or in connection with or related to (i) any liability for income or other taxes measured by proceeds (including without limitation any net proceeds of mine tax) owing in respect of or relating to the Carried Interest, (ii) any Claim by a third party claiming under High Desert of an ownership interest in or other right or title in respect of the Carried Interest, (iii) any lien or encumbrance in respect of the Carried Interest arising by, through or under High Desert, (iv) any Claim by a third party arising out of any fraud, misrepresentation, intentional misconduct, negligence, breach of contract or warranty, or failure to pay any taxes when due, on the part of High Desert, and (v) any Claim caused by or arising from High Desert's exercise of its inspection rights granted by this Agreement, except to the extent attributable to Newmont's gross negligence or willful misconduct.

(c) Except to the extent specified in this Agreement, Newmont shall not be liable to High Desert for any other claims or damages arising from or relating to its operations on the Property, except for a failure to make any Proceeds Payment as and when due pursuant to the terms of this Agreement and Exhibit B. Newmont shall not be liable to High Desert for any failure

or loss of title to any of the Property, except to the extent caused by or attributable to Newmont's willful misconduct or gross negligence.

(d) Notwithstanding anything in this Agreement to the contrary, neither Party shall be liable to the other for any punitive damages or for any special, incidental or consequential damages arising in connection with this Agreement, including, without limitation, for lost profits or business opportunities.

6. Waiver of Right to Partition; Extralateral Rights.

(a) During the term of this Agreement, the Parties hereby waive and release all rights of partition, or of sale in lieu thereof, or other division of the Property, including any such rights provided by statute.

(b) Notwithstanding the termination of the Venture and the Venture Agreement, the provisions of Section 13.6 of the Venture Agreement (as contained in Section 3(e) of the First Amendment to the Venture Agreement, but as amended below) shall continue in full force and effect during and after the term of this Agreement with respect to that portion of the Property described as the Area 1 Area of Interest in Exhibit A, are hereby ratified and confirmed by the Parties, and shall be binding upon and inure to the benefit of the Parties and their respective successors and assigns. Any provision in Section 13.6 of the Venture Agreement applicable to or binding upon "High Desert" or its "Affiliates, successors and assigns" shall be applicable to and binding upon, for the purposes of this Section 6(b), High Desert Mineral Resources, Inc., its Affiliates, successors and assigns. Any provision in Section 13.6 of the Venture Agreement applicable to or binding upon a "Participant" or to the "Participants" shall be applicable to and binding upon, for the purposes of this Section 6(b), to High Desert Mineral Resources, Inc. or Newmont, as the case may be. The boundary of that portion of the Property described as the "Area 1 Area of Interest" (as that term is used in Section 13.6 of the Venture Agreement) is that certain Area 1 Area of Interest that is more particularly described in that certain Memorandum of First Amendment to Venture Agreement recorded September 16, 1994 in Book 275, Page 210, Official Records of Eureka County, Nevada, and is based on the Record of Survey (the "Record of Survey") filed of record in Eureka County, Nevada on May 18, 1995 (Reception No. 157961), in connection with the First Amendment to the Venture Agreement. The Record of Survey shall be deemed to be the record of survey referenced in Section 13.6(a) of the Venture Agreement. Section 13.6(d) of the Venture Agreement shall be amended, for the purposes of this Section 6(b), to read as follows: "The provisions of this Section 13.6(a)-(c) shall survive the withdrawal of either Participant from this Agreement or the termination of this Agreement."

7. Title Issues.

(a) Newmont may investigate and cure as it sees fit any defects in title to the unpatented mining claims included in the Property, and, at its discretion, may, on behalf of itself and as authorized agent for High Desert: (i) locate, amend or relocate any unpatented mining claim, (ii) locate any fractions resulting from such amendment or relocation, (iii) apply for patents or mining leases or other forms of mineral tenure for any such unpatented claims, (iv) abandon any unpatented mining claims for the purpose of locating millsites or otherwise acquiring from the United States rights to the ground covered thereby, (v) abandon any unpatented millsites for the

purpose of locating mining claims or otherwise acquiring from the United States rights to the ground covered thereby, (vi) exchange with or convey to the United States any claim included in the Property for the purpose of acquiring rights to the ground covered thereby, and (vii) convert any unpatented claims or millsites into one or more leases or other forms of mineral or surface tenure pursuant to any federal law hereafter enacted.

(b) High Desert shall cooperate fully with Newmont in curing any title defect or in performing any activity described in the preceding subsection, and Newmont shall reimburse High Desert for its actual expenses resulting from its cooperation in such efforts. Where required for relocation, amendment or restaking, High Desert shall execute notices of abandonment of mining claims, and, in turn, any relocation or restaking shall be accomplished in the name of Newmont and High Desert according to their respective undivided interests in the Property.

(c) If the United States or any third party attacks the validity of any of the unpatented mining claims included in the Property, neither Newmont nor High Desert shall have any obligation to defend their validity; provided, however, that if Newmont elects to defend title to its interest in the Property, Newmont shall, at its cost, defend title to High Desert's interest in the Property and High Desert shall cooperate fully with Newmont in such defense.

(d) Newmont shall pay at its sole expense all fees and perform all acts required by law in order to hold all of the unpatented mining claims included in the Property in good standing (except for claims surrendered or abandoned).

8. Permitting. Newmont shall have the sole responsibility for obtaining any necessary permits, authorizations or consents from federal, state and local government agencies for the conduct of operations or activities on the Property, and, at its discretion, may, on behalf of itself and as authorized agent for High Desert, apply for any such permit, authorization or consent. High Desert shall cooperate fully with Newmont in obtaining any such permit, authorization or consent, and Newmont shall reimburse High Desert for its actual expenses resulting from its cooperation in such efforts. Newmont shall post or supply at its sole cost any bond, surety or financial guarantee required in connection with any such permit, authorization or consent.

9. Surrender or Abandonment of the Property; Area of Interest.

(a) Newmont shall have the right, at any time, to surrender or abandon part or all of the Property; provided, however, that before so doing, it shall give 30 days written notice to High Desert of such intended surrender or abandonment. Upon the written request of High Desert received within 15 days of following High Desert's receipt of Newmont's notice, Newmont shall assign to High Desert, by special warranty deed and without cost to Newmont, all of Newmont's interest in the property to be abandoned or surrendered, and upon any such assignment the abandoned or surrendered property shall cease to be part of the Property; provided, however, that High Desert shall not conduct or permit any exploration, development or mining on any such portion of the Property assigned to it so as to interfere with Newmont's operations on the Property. In the event High Desert does not request such assignment, Newmont shall have the right to abandon the properties described in its notice, with no further obligation to High Desert under this Agreement with respect to such abandoned properties. This Section 9(a) shall not apply to any

mining claims or millsites included within the Property that are abandoned for title curative purposes.

(b) If, during the term of this Agreement, either Party locates or otherwise acquires any interest in any mining claim or millsite, or fee property or other right or interest in property (other than water rights) within the external boundaries of the Property, including any such right or interest acquired by Newmont pursuant to Section 7, such right or interest shall become a part of the Property for purposes of this Agreement, and the acquiring Party promptly upon such acquisition shall convey to the non-acquiring Party its respective pro rata interest in such property (98 percent if conveyed to Newmont, two percent if conveyed to High Desert) at no cost to the acquiring Party.

(c) Newmont, Barrick and Gold Ventures Inc. ("Gold Ventures"), a wholly owned subsidiary of High Desert, are the parties to that certain High Desert and Barrick Gold Venture Agreement, effective as of May 1, 1994, as amended by letter agreement dated October 25, 1996 among Newmont, Barrick and Gold Ventures (collectively, the "1994 Venture Agreement"). Newmont, Gold Ventures and Barrick HD are the parties to that certain Option Agreement, dated July 15, 1994 (the "1994 Option Agreement"). The 1994 Venture Agreement and the 1994 Option Agreement pertain to certain unpatented lode mining claims situated in Section 18 and 20, Township 35 North, Range 51 East of the Mount Diablo Base and Meridian, Eureka County, Nevada (the "1994 Venture Claims"). Some of the 1994 Venture Claims lie wholly or partially within the Area 1 Area of Interest. In addition, some of the 1994 Venture Claims may conflict outside the Area 1 Area of Interest with claims comprising the Property. Pursuant to the 1994 Venture Agreement, High Desert, Barrick and Newmont acknowledged and agreed that interests held by High Desert and Newmont in the claims comprising the Property were not subject to the joint venture established by the 1994 Venture Agreement or to the area of interest provisions of the 1994 Venture Agreement. Pursuant to the 1994 Option Agreement, Newmont irrevocably waived all its rights to acquire any interest in some of the 1994 Venture Claims under the Venture Agreement, notwithstanding that such claims were within the area of interest established by the Venture Agreement. By entering this Agreement Newmont and High Desert do not intend to amend or modify their rights or obligations under the 1994 Venture Agreement or the 1994 Option Agreement. The provisions of Section 9(b) shall not apply to any interest in the 1994 Venture Claims or the lands subject thereto acquired by Barrick, Newmont or High Desert pursuant to the 1994 Venture Agreement after the Effective Date.

10. No Partnership. Nothing contained in this Agreement shall be deemed to constitute either Party the partner of the other, nor, except as otherwise herein expressly provided, to constitute either Party the agent or legal representative of the other, nor to create any fiduciary relationship between them. It is not the intention of the Parties to create, nor shall this Agreement be construed to create, any mining, commercial, or other partnership. Neither Party shall have any authority to act for or to assume any obligation or responsibility on behalf of the other Party, except as otherwise expressly provided herein. The rights, duties, obligations, and liabilities of the Parties shall be several and not joint or collective. Each Party shall indemnify, defend, and hold harmless the other Party, its directors, officers, employees, agents and attorneys from and against any and all losses, claims, damages, and liabilities arising out of any act or any assumption of liability by the indemnifying Party, or any of its directors, officers, employees, agents and attorneys done or



undertaken, or apparently done or undertaken, on behalf of the other Party, except pursuant to the authority expressly granted herein or as otherwise agreed in writing between the Parties.

11. Other Business Opportunities. Except as expressly provided in this Agreement, each Party shall have the right independently to engage in and receive full benefits from business activities, whether or not competitive with the other Party, without consulting the other. The doctrines of "corporate opportunity" or "business opportunity" shall not be applied to any other activity, venture, or operation of either Party.

12. Confidentiality.

(a) Except as required by law, applicable stock exchange rule, or in Section 12(b), all data, reports, records and other information of any kind whatsoever delivered to or acquired by High Desert (i) under or in connection with this Agreement, except for the amount of any Proceeds Payment and information furnished to High Desert by Newmont to support any such payment, or (ii) under or in connection with the Venture Agreement, prior to its termination, shall be deemed confidential ("Confidential Information") and High Desert shall not reveal or otherwise disclose such confidential information to third parties without the prior written consent of Newmont. The foregoing restrictions shall not apply to confidential information which subsequently comes into the public domain.

(b) High Desert may disclose Confidential Information: (i) to its officers, directors, partners, employees, Affiliates, agents, attorneys, accountants, consultants, contractors, subcontractors or advisors, for the sole purpose of the performance of its obligations or the exercise of its rights under this Agreement; (ii) to any party to whom High Desert contemplates a Transfer (as defined in Section 13 below) of all or any part of its Carried Interest, for the sole purpose of evaluating the proposed Transfer; (iii) to any actual or potential lender, underwriter or investor, for the sole purpose of evaluating whether to make a loan to or investment in High Desert; or (iv) to a third party with whom High Desert contemplates any merger, consolidation or business combination, or the sale of all or substantially all of the assets of High Desert, for the sole purpose of evaluating the proposed arrangement or transaction.

High Desert shall disclose Confidential Information to only those parties who have a bona fide need to have access to such Confidential Information, for the purpose for which disclosure to such parties is permitted under this Section 12(b) and who have agreed in writing supplied to, and enforceable by, Newmont to protect the Confidential Information from further disclosure, to use such Confidential Information solely for such purpose and to otherwise be bound by the provisions of this Section 12. High Desert shall be responsible and liable for any use or disclosure of the Confidential Information by such parties in violation of this Agreement and such other writing.

(c) High Desert shall not issue any press release pertaining to the Property except upon giving Newmont reasonable advance written notice of the contents thereof, and High Desert shall make reasonable changes to such proposed press releases requested by Newmont. High Desert shall not, without the express written consent of Newmont, issue any press release that implies or infers that Newmont endorses or joins in High Desert's statements or representations contained in such press release.

(d) Newmont, High Desert and Barrick HD Inc. are parties to that certain Venture Agreement and Liquidation Agreement, dated as of the Effective Date ("Termination Agreement"). The Termination Agreement provides that Article 17 - Confidentiality and Public Statements of the Newmont Gold and Barrick HD Joint Venture Agreement ("Article 17") shall survive termination of the Joint Venture, but shall continue to bind only Barrick HD Inc. Notwithstanding any provision of the Termination Agreement, Newmont and High Desert agree that, as between themselves, Article 17 shall be of no further force or effect and that this Section 12 shall govern the rights and obligations of the parties with regard to the confidentiality of information concerning the Property or past or future operations conducted thereon or with respect thereto.

13. Transfers of Interests in the Property. Either Party may transfer, sell, assign, convey, mortgage, charge or otherwise encumber ("Transfer") its interest in and to the Property, subject to the following terms and conditions:

(a) The transferring Party shall provide to the other Party notice of the Transfer, and the transferee, as of the effective date of the Transfer, shall commit in writing to be bound by this Agreement to the same extent as the transferring Party;

(b) Newmont shall be under no obligation to make any Proceeds Payment to any transferee of High Desert until Newmont has received notice concerning the Transfer (together with a copy of the instrument of transfer as recorded in the official records of Eureka County, Nevada), and in no event shall Newmont be obligated to deliver any Proceeds Payment or notice pursuant to this Agreement to more than one person or location.

This Agreement shall extend to and be binding upon and every benefit hereof shall inure to the respective successors and assigns of the Parties.

14. Disputes. Disputes resulting from, arising out of, or in connection with this Agreement or the construction or enforcement thereof may be resolved by a court of competent jurisdiction. In any litigation between the Parties or persons claiming under them resulting from, arising out of, or in connection with this Agreement or the construction or enforcement thereof, the substantially prevailing Party shall be entitled to recover all reasonable costs, expenses, attorneys' and expert witness fees and other costs of suit incurred by it in connection with such litigation, including such costs, expenses and fees incurred prior to the commencement of the litigation, in connection with any appeals, and in collecting or otherwise enforcing any final judgment entered therein. If a Party substantially prevails on some aspects of such action but not on others, the Court may apportion any award of costs and attorneys' fees in such manner as it deems equitable.

15. Default; Right to Cure. If a Party defaults in any of its obligations hereunder, the non-defaulting Party may give the defaulting Party notice thereof and specify the default or defaults relied on. If the defaulting Party has not cured or begun to cure such default within a reasonable time after receipt of such notice (which shall not, in any case, be less than 30 days, or in the case of a payment obligation, less than five days), the non-defaulting Party may exercise its legal and equitable remedies pursuant to Section 14; provided that if the defaulting Party shall dispute that any default has occurred, the matter shall be determined by litigation in a court of competent jurisdiction, and if the court shall find the defaulting Party in default hereunder, the defaulting Party shall have a reasonable time (which in any case shall not be less than 30 days from receipt by the

defaulting Party of notice of entry of final judgment adverse to the defaulting Party) to cure or begin to cure such default.

16. Governing Law. This Agreement shall be governed by the laws of the State of Nevada, without reference to its conflicts of laws principles.

17. Obligation of Good Faith and Fair Dealing; Implied Covenants. All obligations and covenants set forth in this Agreement shall be subject to an obligation of good faith and fair dealing by the Parties in the performance or enforcement thereof. There are no implied duties or covenants contained in this Agreement.

18. Notices. All notices and other required communications given under this Agreement shall be in writing, and shall be sent to the other Party at the addresses set forth below. A Party may change its address by sending notice to the other Party of the new address. Notices shall be given: (i) by personal delivery to a Party; (ii) by facsimile, with a confirmation sent by registered or certified mail, return receipt requested; (iii) by registered or certified mail, return receipt requested; or (iv) by express courier (e.g. Federal Express).

If to Newmont:

Newmont Gold Company  
555 Fifth Street  
Elko, Nevada 89801  
Attn: Land Department  
Telefax: (775) 778-2871

with a copy to:

Newmont Gold Company  
1700 Lincoln Street  
Denver, Colorado 80203  
Attn: Land Department  
Telefax: (303) 837-5851

If to High Desert:

High Desert Mineral Resources, Inc.  
1112 River Street  
P.O. Box 2008  
Elko, NV 89801  
Attn: Lee Halavais and Sean Halavais  
Telefax: (775) 753-4278

with a copy to:

Holland & Hart LLP  
Suite 400  
8390 East Crescent Parkway  
Greenwood Village, CO 80111  
Attn: Paul J. Schlauch  
Telefax: (303) 290-1606

All notices shall be effective and shall be deemed delivered upon receipt by the other Party if delivered on a business day during normal business hours (8:00 a.m. to 5:00 p.m.), and, if not so delivered, on the next business day following actual delivery.

19. Waiver. The failure of a Party to insist upon the strict performance of any provision of this Agreement or to exercise any right, power, or remedy upon a breach hereof shall not constitute a waiver of any provision of this Agreement or limit the Party's right thereafter to enforce any provision or exercise any right.

20. Modification. No modification of this Agreement shall be valid unless made in writing and duly executed by the Parties.

21. Entire Agreement. This Agreement contains the entire understanding of the Parties and supersedes all prior agreements and understandings between the Parties relating to the subject matter hereof and to the Property.

22. Further Assurances. Each of the Parties agrees to take from time to time such actions and execute such additional instruments as may be reasonably necessary or convenient to implement and carry out the intent and purpose of this Agreement.

23. Term. This Agreement shall expire 20 years after the date of the death of the last surviving child or grandchild now living of Elizabeth II, Queen of the United Kingdom of Great Britain and Northern Ireland, but the expiration of this Agreement shall not relieve a Party of any liability under this Agreement, whether arising before or after such expiration, out of acts or omissions occurring or conditions existing during the term of this Agreement.

24. Recordation. This Agreement may be recorded by either Party to give record notice of this Agreement.

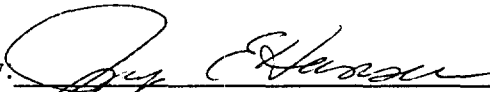
25. Severability. If any portion of this Agreement is declared by a court of competent jurisdiction to be invalid or unenforceable, such portion shall be deemed severed from this Agreement and the remaining part shall remain in full force and effect to the maximum extent practicable as if the invalid or unenforceable provisions had not been part of this Agreement, so long as the economic and legal substance of the transaction is not affected in a manner materially adverse to a Party. If such a material adverse effect results from such a declaration, the Parties shall negotiate in good faith to modify this Agreement so as to restore to the Parties the economic benefits and legal rights contemplated by this Agreement.

26. Counterparts. This Agreement may be executed by the Parties in separate counterparts with the same effect as if all Parties had signed the same document. All such counterparts shall be deemed an original.



IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the Effective Date.

NEWMONT GOLD COMPANY,  
a Delaware corporation

By:   
Joy E. Hansen  
Vice President and General Counsel

HIGH DESERT MINERAL RESOURCES, INC.,  
a Delaware corporation

By: \_\_\_\_\_  
P. Lee Halavais  
Executive Vice President

By: \_\_\_\_\_  
Ronald T. Halavais  
Executive Vice President

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the Effective Date.

NEWMONT GOLD COMPANY,  
a Delaware corporation

By: \_\_\_\_\_  
Bruce D. Hansen  
Vice President, Project Development

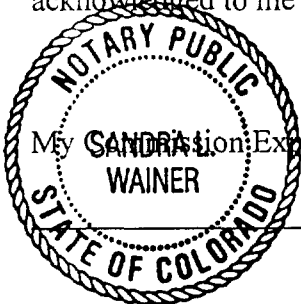
HIGH DESERT MINERAL RESOURCES, INC.,  
a Delaware corporation

By: P. Lee Halavais  
P. Lee Halavais  
Executive Vice President

By: Ronald T. Halavais  
Ronald T. Halavais  
Executive Vice President

STATE OF COLORADO )  
COUNTY OF DENVER )

On this 3rd day of May, 1999, personally appeared before me, a Notary Public, Joy E. Hansen, a Vice President of Newmont gold, personally known or proved to me to be the person whose name is subscribed to the above instrument who acknowledged to me that he executed the above instrument on behalf of Newmont Gold Company.



My Commission Expires:

Sandra L. Wainer  
Notary Public

My Comm. Expires 12/05/2002

STATE OF )  
COUNTY OF )

On this \_\_\_ day of \_\_\_\_\_, 1999, personally appeared before me, a Notary Public, \_\_\_\_\_, a \_\_\_\_\_ of \_\_\_\_\_, personally known or proved to me to be the person whose name is subscribed to the above instrument who acknowledged to me that he executed the above instrument on behalf of \_\_\_\_\_.

\_\_\_\_\_  
Notary Public

My Commission Expires:

\_\_\_\_\_

STATE OF )  
COUNTY OF )

On this \_\_\_ day of \_\_\_\_\_, 1999, personally appeared before me, a Notary Public, \_\_\_\_\_, a \_\_\_\_\_ of \_\_\_\_\_, personally known or proved to me to be the person whose name is subscribed to the above instrument who acknowledged to me that he executed the above instrument on behalf of \_\_\_\_\_.

\_\_\_\_\_  
Notary Public

My Commission Expires:

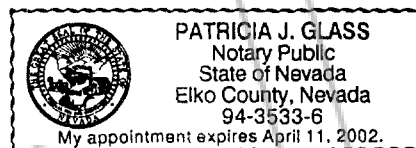
\_\_\_\_\_

STATE OF Nevada )  
COUNTY OF Elko )

On this 3 day of May, 1999, personally appeared before me, a Notary Public, P. Lee Halavais, a Exec. V.P. of High Desert Mineral Resources, Inc., personally known or proved to me to be the person whose name is subscribed to the above instrument who acknowledged to me that he executed the above instrument on behalf of High Desert Mineral Resources, Inc.  
Patricia J. Glass  
Notary Public

My Commission Expires:

April 11, 2002

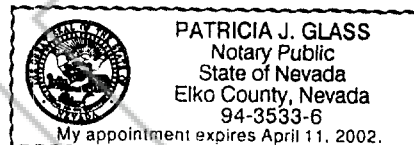


STATE OF Nevada )  
COUNTY OF Elko )

On this 3 day of May, 1999, personally appeared before me, a Notary Public, Ronald T. Halavais, Exec. V.P. of High Desert Mineral Resources, Inc., personally known or proved to me to be the person whose name is subscribed to the above instrument who acknowledged to me that he executed the above instrument on behalf of High Desert Mineral Resources, Inc.  
Patricia J. Glass  
Notary Public

My Commission Expires:

April 11, 2002



STATE OF )  
COUNTY OF )

On this \_\_\_\_ day of \_\_\_\_\_, 1999, personally appeared before me, a Notary Public, \_\_\_\_\_, a \_\_\_\_\_ of \_\_\_\_\_, personally known or proved to me to be the person whose name is subscribed to the above instrument who acknowledged to me that he executed the above instrument on behalf of \_\_\_\_\_.

\_\_\_\_\_  
Notary Public

My Commission Expires: \_\_\_\_\_



Exhibit A  
to  
Carried Interest and Operating Agreement  
dated May 3, 1999  
between  
Newmont Gold Company  
and  
High Desert Mineral Resources, Inc.

Property

1. Patented Claims. Those certain patented lode mining claims, situate in Township 35 North, Range 50 East of the M.D.B. & M., Eureka County, Nevada, further described as follows:

<u>Claim</u>	<u>United States Patent No.</u>	<u>United States Survey No.</u>
Big Six No. 3	783757	4332
Holt	881735	4422
July	935874	4528
Great Divide	945439	4393
Bald Eagle	946758	4527

Eureka County Assessor Information: Parcel No. 410-000-71;  
Roll No. 03178; District 4.0.

2. Unpatented Claims.

(a) The following described unpatented lode and unpatented placer claims, situate in Township 35 North, Ranges 50 and 51 East of the M.D.B. & M., Eureka County, Nevada:

<u>Claim</u>	<u>Location Certificate Recording Data</u>		<u>BLM Serial Number(s)</u>
	<u>Book</u>	<u>Page</u>	
Badger	G	422	N-MC-11243
Badger (Amended and Additional Location)	H	259	N-MC-11243
Badger No. 1	G	423	N-MC-11244
Badger No. 1 (Amended and Additional Location)	H	260	N-MC-11244

<u>Claim</u>	<u>Location Certificate Recording Data</u>		<u>BLM Serial Number(s)</u>
	<u>Book</u>	<u>Page</u>	
Unity No. 1	H	247	N-MC-11240
Unity No. 2	H	247	N-MC-11241
Junction	H	330	N-MC-11445
Compromise No. 4	C	260	N-MC-11245
Compromise No. 4 (Amended and Additional Location)	H	261	N-MC-11245
Compromise No. 5	C	218	N-MC-11442
Compromise No. 5 (Amended and Additional Location)	H	262	N-MC-11442
Compromise No. 6	C	219	N-MC-11443
Compromise No. 6 (Amended and Additional Location)	H	262	N-MC-11443
Compromise No. 7	C	220	N-MC-11444
Compromise No. 7 (Amended and Additional Location)	H	263	N-MC-11444
Lamira	D	393	N-MC-11242
Lamira (Amended and Additional Location)	H	259	N-MC-11242
Hill Top	C	232	
Hill Top (Amended)	10	104	N-MC-11231
Hill Top No. 1	C	233	
Hill Top No. 1 (Amended)	10	106	N-MC-11232
Hill Top No. 2	C	234	
Hill Top No. 2 (Amended)	10	108	N-MC-11233
Hill Top Fraction	C	428	
Hill Top Fraction (Amended)	10	110	N-MC-11234
Hill Top Fraction No. 1	C	429	
Hill Top Fraction No. 1 (Amended)	10	112	N-MC-11235
Hill Top Fraction No. 2	9	484	N-MC-11228
Hill Top Fraction No. 3	9	486	N-MC-11229
Hill Top Fraction No. 4	9	488	N-MC-11230
Joe	73	367	N-MC-92823
Don	73	368	N-MC-92824
Big Jim	O	45	N-MC-11196
Big Jim No. 1	O	46	N-MC-11197
Big Jim No. 2	O	47	N-MC-11198
Big Jim No. 3	O	48	N-MC-11199
Big Jim No. 4	O	49	N-MC-11200
Big Jim No. 5	O	50	N-MC-11201

<u>Claim</u>	<u>Location Certificate Recording Data</u>		<u>BLM Serial Number(s)</u>
	<u>Book</u>	<u>Page</u>	
Big Jim No. 6	O	51	N-MC-11202
Big Jim No. 7	O	52	N-MC-11203
Big Jim No. 8	O	53	N-MC-11204
Big Jim No. 9	O	54	N-MC-11205
Big Jim No. 10	O	55	N-MC-11206
Big Jim No. 11	O	56	N-MC-11207
Big Jim No. 12	O	57	N-MC-11208
Big Jim No. 13	O	58	N-MC-11209
Big Jim No. 14	O	59	N-MC-11210
Big Jim No. 15	O	60	N-MC-11211
Big Jim No. 16	O	61	N-MC-11212
Big Jim No. 17	O	62	N-MC-11213
Big Jim No. 18	O	63	N-MC-11214
Big Jim No. 19	O	64	N-MC-11215
Big Jim No. 20	O	65	N-MC-11216
Big Jim No. 21	O	66	N-MC-11217
Big Jim No. 22	O	67	N-MC-11218
Big Jim No. 23	O	68	N-MC-11219
Big Jim No. 24	O	69	N-MC-11220
Big Jim No. 25	O	70	N-MC-11221
Big Jim No. 26	O	71	N-MC-11222
Big Jim No. 27	O	72	N-MC-11223
Big Jim No. 28	O	73	N-MC-11224
Big Jim No. 29	O	74	N-MC-11225
Big Jim #30	71	111	N-MC-72757
Big Jim #31	71	112	N-MC-72758
Cracker Jack	O	23	N-MC-11174
Cracker Jack No. 1	O	24	N-MC-11175
Cracker Jack No. 2	O	25	N-MC-11176
Cracker Jack No. 3	O	26	N-MC-11177
Cracker Jack No. 4	O	27	N-MC-11178
Cracker Jack No. 5	O	28	N-MC-11179
Yellow Rose No. 8	O	31	N-MC-11182
Yellow Rose No. 9	O	32	N-MC-11183
Yellow Rose No. 10	O	33	N-MC-11184
Yellow Rose No. 11	O	34	N-MC-11185
Yellow Rose No. 12	O	35	N-MC-11186
Yellow Rose No. 13	O	36	N-MC-11187
Yellow Rose No. 14	O	37	N-MC-11188
Yellow Rose No. 15	O	38	N-MC-11189

<u>Claim</u>	<u>Location Certificate Recording Data</u>		<u>BLM Serial Number(s)</u>
	<u>Book</u>	<u>Page</u>	
Yellow Rose No. 16	O	39	N-MC-11190
Yellow Rose No. 17	O	40	N-MC-11191
Yellow Rose No. 18	O	41	N-MC-11192
Yellow Rose No. 19	O	42	N-MC-11193
Yellow Rose No. 20	O	43	N-MC-11194
Yellow Rose No. 21	O	44	N-MC-11195
Polar #1	54	385	N-MC-11154
Polar #2	54	386	N-MC-11155
Polar #3	54	387	N-MC-11156
Polar #4	54	388	N-MC-11157
Polar #5	54	389	N-MC-11158
Polar #6	54	390	N-MC-11159
Polar #7	54	391	N-MC-11160
Polar #8	54	392	N-MC-11161
Polar #9	54	393	N-MC-11162
Polar #10	54	394	N-MC-11163
Polar #11	54	395	N-MC-11164
Polar #12	54	396	N-MC-11165
Polar #13	54	397	N-MC-11166
Polar #14	54	398	N-MC-11167
Polar #15	54	399	N-MC-11168
Polar #16	54	400	N-MC-11169
Polar #17	54	401	N-MC-11170
Polar #18	54	402	N-MC-11171
Polar #19	54	403	N-MC-11172
Polar #20	54	404	N-MC-11173
RJV	62	318	N-MC-13741
Paragon No. 1	M	216	N-MC-11237
Paragon No. 2	M	217	N-MC-11238
Paragon No. 3	M	217	N-MC-11239
Paragon Fraction	M	215	N-MC-11236
BM #1	132	241	N-MC-333061
BM #2	132	242	N-MC-333062
BM #3	132	243	N-MC-333063
BM #4	132	244	N-MC-333064
BM #5	132	245	N-MC-333065
BM #6	147	79	N-MC-372458
BM #7	147	80	N-MC-372459
BM #8	147	81	N-MC-372460
BM 9	200	175	N-MC-565082



<u>Claim</u>	<u>Location Certificate Recording Data</u>		<u>BLM Serial Number(s)</u>
	<u>Book</u>	<u>Page</u>	
BM 10	200	176	N-MC-565083
BM 11	200	177	N-MC-565084
BM 12	200	178	N-MC-565085
BM 13	200	179	N-MC-565086
BM 14	200	180	N-MC-565087
BM 15	200	181	N-MC-565088
BM 16	200	182	N-MC-565089
BM 17	200	183	N-MC-565090
BM 18	200	184	N-MC-565091
BM 19	200	185	N-MC-565092
BM 20	205	456	N-MC-574082
Discovery #1	205	458	N-MC-574084
Discovery #1 (Amended)	208	491	N-MC-574084
Discovery #2	208	490	N-MC-588702
Ludwig Exploration #1 (also known as LE-1 Placer Claim, and as LUDWIG EXP. #1)	103	49	N-MC-244744
Ludwig Exploration #2 (also known as LE-2 Placer Claim, and as LUDWIG EXP. #2)	103	50	N-MC-244745
Ludwig Exploration #3 (also known as LE-3 Placer Claim, and as LUDWIG EXP. #3)	103	51	N-MC-244746
Ludwig Exploration #4 (also known as LE-4 Placer Claim, and as LUDWIG EXP. #4)	103	52	N-MC-244747
LDX #1	124	386	N-MC-312914
GDX 105	184	340	N-MC-520254
GDX 106	184	341	N-MC-520255
GDX 107	184	342	N-MC-520256
GDX 108	184	343	N-MC-520257
GDX 109	184	344	N-MC-520258
GDE 110	184	540	N-MC-529076
GDE 111	184	541	N-MC-529077
GDE 112	184	542	N-MC-529078
GDE 113	184	543	N-MC-529079
GDE 114	184	544	N-MC-529080
HD1	229	532	N-MC-638603
HD2	229	533	N-MC-638604
HD3	229	534	N-MC-638605

<u>Claim</u>	<u>Location Certificate Recording Data</u>		<u>BLM Serial Number(s)</u>
	<u>Book</u>	<u>Page</u>	
HD4	229	535	N-MC-638606
HD5	229	536	N-MC-638607
HD6	229	537	N-MC-638608
HD7	229	538	N-MC-638609
HD8	229	539	N-MC-638610
HD9	229	540	N-MC-638611
HD10	229	541	N-MC-638612
HD11	229	542	N-MC-638613
HD12	229	543	N-MC-638614
HD13	229	544	N-MC-638615
HD14	229	545	N-MC-638616
HD15	229	546	N-MC-638617
HD16	229	547	N-MC-638618
HD17	229	548	N-MC-638619
HD18	229	549	N-MC-638620
HD19	229	550	N-MC-638621
HD20	229	551	N-MC-638622
HD21	229	552	N-MC-638623
HD22	229	553	N-MC-638624
HD26	229	554	N-MC-638625
Pal	192	47	N-MC-532013
Vent 1	247	34	N-MC-677567
Vent 2	247	35	N-MC-677568
Vent 3	247	36	N-MC-677569
Vent 4	247	37	N-MC-677570
Vent 5	249	181	N-MC-679410
Vent 6	249	182	N-MC-679411
Vent 7	249	183	N-MC-679412
Vent 8	249	184	N-MC-679413
Vent 9	249	185	N-MC-679414
Vent 10	249	186	N-MC-679415
Vent 11	269	94	N-MC-699502
Vent 12	277	514	N-MC-705711
Vent 13	277	515	N-MC-705712
Vent 14	277	516	N-MC-705713
Vent 15	277	517	N-MC-705714
Vent 16	277	518	N-MC-705715
Vent 17	277	519	N-MC-705716
Vent 18	277	520	N-MC-705717
Vent 19	286	468	N-MC-720365

<u>Claim</u>	<u>Location Certificate Recording Data</u>		<u>BLM Serial Number(s)</u>
	<u>Book</u>	<u>Page</u>	
Vent 20	297	368	N-MC-741388
Vent 21	297	369	N-MC-741389
Vent 22	313	449	N-MC-778921
Mole 12	247	33	N-MC-677566
DDC #1	143	142	N-MC-364173
DDC #2	143	143	N-MC-364174
DDC #3	143	144	N-MC-364175
Chevas No. 1	72	497	N-MC-87172
Chevas No. 3	54	532	N-MC-87174

Insofar and only insofar as the above described claims are within the boundaries of the Area 1 Area of Interest described herein.

(b) The following described unpatented lode claims, situate in Township 33 North, Range 50 East of the M.D.B.&M., and Township 35 North, Range 51 East of the M.D.B.&M., Eureka County, Nevada:

<u>Claim</u>	<u>Location Certificate Recording Data</u>		<u>BLM Serial Number(s)</u>
	<u>Book</u>	<u>Page</u>	
GDX 201	191	166	N-MC-529717
GDX 202	191	167	N-MC-529718
GDX 203	191	168	N-MC-529719
GDX 204	191	169	N-MC-529720
GDX 205	191	170	N-MC-529721
GDX 206	191	171	N-MC-529722
GDX 207	191	172	N-MC-529723
GDX 208	191	173	N-MC-529724
GDX 209	191	174	N-MC-529725
GDX 210	191	175	N-MC-529726
GDX 211	191	176	N-MC-529727
GDX 212	191	177	N-MC-529728
GDX 213	191	178	N-MC-529729
GDX 214	191	179	N-MC-529730
GDX 215	191	180	N-MC-529731
GDX 216	191	181	N-MC-529732
GDX 217	191	182	N-MC-529733
GDX 218	191	183	N-MC-529734
GDX 261	191	226	N-MC-529777

<u>Claim</u>	<u>Location Certificate Recording Data</u>		<u>BLM Serial Number(s)</u>
	<u>Book</u>	<u>Page</u>	
GDX 262	191	227	N-MC-529778
GDX 263	191	228	N-MC-529779
GDX 264	191	229	N-MC-529780
GDX 265	191	230	N-MC-529781
GDX 266	191	231	N-MC-529782
GDX 267	191	232	N-MC-529783
GDX 268	191	233	N-MC-529784
GDX 269	191	234	N-MC-529785
GDX 270	191	235	N-MC-529786
GDX 271	191	236	N-MC-529787
GDX 272	191	237	N-MC-529788
GDX 273	191	238	N-MC-529789
GDX 274	191	239	N-MC-529790
GDX 275	191	240	N-MC-529791
GDX 276	191	241	N-MC-529792
GDX 277	191	242	N-MC-529793
GDX 278	191	243	N-MC-529794
GDX 279	191	244	N-MC-529795
GDX 280	191	245	N-MC-529796
GDX 281	191	246	N-MC-529797
GDX 282	191	247	N-MC-529798
GDX 283	191	248	N-MC-529799
GDX 284	191	249	N-MC-529800
GDX 285	191	250	N-MC-529801
GDX 286	191	251	N-MC-529802
GDX 287	191	252	N-MC-529803
GDX 288	191	253	N-MC-529804
GDX 289	191	254	N-MC-529805
GDX 251	191	216	N-MC-529767
GDX 252	191	217	N-MC-529768
GDX 253	191	218	N-MC-529769
GDX 254	191	219	N-MC-529770
GDX 255	191	220	N-MC-529771
GDX 256	191	221	N-MC-529772
GDX 257	191	222	N-MC-529773
GDX 258	191	223	N-MC-529774
GDX 259	191	224	N-MC-529775
GDX 260	191	225	N-MC-529776
GDX 219	191	184	N-MC-529735
GDX 220	191	185	N-MC-529736



<u>Claim</u>	<u>Location Certificate Recording Data</u>		<u>BLM Serial Number(s)</u>
	<u>Book</u>	<u>Page</u>	
GDX 221	191	186	N-MC-529737
GDX 222	191	187	N-MC-529738
GDX 223	191	188	N-MC-529739
GDX 224	191	189	N-MC-529740
GDX 225	191	190	N-MC-529741
GDX 226	191	191	N-MC-529742
GDX 227	191	192	N-MC-529743
GDX 228	191	193	N-MC-529744
GDX 229	191	194	N-MC-529745
GDX 230	191	195	N-MC-529746
GDX 231	191	196	N-MC-529747
GDX 232	191	197	N-MC-529748
GDX 233	191	198	N-MC-529749
GDX 234	191	199	N-MC-529750
GDX 235	191	200	N-MC-529751
GDX 236	191	201	N-MC-529752
GDX 237	191	202	N-MC-529753
GDX 238	191	203	N-MC-529754
GDX 239	191	204	N-MC-529755
GDX 240	191	205	N-MC-529756
GDX 241	191	206	N-MC-529757
GDX 242	191	207	N-MC-529758
GDX 243	191	208	N-MC-529759
GDX 244	191	209	N-MC-529760
GDX 245	191	210	N-MC-529761
GDX 246	191	211	N-MC-529762

(c) The following described unpatented lode and placer claims, situate in Township 35 North, Ranges 50 and 51 East of the M.D.B. & M., Eureka County, Nevada:

<u>Claim</u>	<u>Location Certificate Recording Data</u>		<u>BLM Serial Number(s)</u>
	<u>Book</u>	<u>Page</u>	
Jeep 19	244	19	674240
Jeep 20	244	20	674241
Jeep 21	244	21	674242
Jeep 22	244	22	674243
Jeep 23	244	23	674244

<u>Claim</u>	<u>Location Certificate Recording Data</u>		<u>BLM Serial Number(s)</u>
	<u>Book</u>	<u>Page</u>	
Jeep 28	244	28	674249
Jeep 29	244	29	674250
Jeep 30	244	30	674251
Jeep 31	244	31	674252
Jeep 32	244	32	674253
Ford 6	244	33	674254
Ford 7	244	34	674255
Ford 8	244	35	674256
Ford 9	244	36	674257
Ford 10	244	37	674258
Ford 38	244	65	674286
Ford 39	244	66	674287
Ford 40	244	67	674288
Ford 41	244	68	674289
Trap 1	247	38	677571
Jim No. 2	6	322	86759
Sheep Creek Placer No. 1	J	466	86750
a/k/a/ Sheep Creek No. 1			
(Sheep Creek Placer	42	596	
No. 1 Amended)	P	67	
Sheep Creek No. 2	J	466	86751
(Sheep Creek No. 2	42	597	
Amended)			
Mole 1	247	22	677555
Mole 3	247	24	677557
Mole 4	247	25	677558
Mole 5	247	26	677559
Mole 6	247	27	677560
Mole 7	247	28	677561
Mole 8	247	29	677562
Mole 9	247	30	677563
Mole 10	247	31	677564
Mole 11	247	32	677565
Mole 13	269	93	699501
Pond 7	247	11	677544
Pond 10	247	14	677547
Pond 12	247	16	677549
Pond 13	247	17	677550
Pond 15	247	19	677552
Pond 17	247	21	677554

<u>Claim</u>	<u>Location Certificate Recording Data</u>		<u>BLM Serial Number(s)</u>
	<u>Book</u>	<u>Page</u>	
Alan No. 27	N	261	86762
Alan No. 28	N	262	86763
Alan No. 29	N	263	86764
Alan No. 30	N	264	86765
Alan No. 31	N	265	86766
Alan No. 32	N	266	86767
Alan No. 33	N	267	86768
Alan No. 34	N	268	86769
(Alan No. 34 Amended)	P	51	
Beast 12	222	95	622116
Roger 36	223	78	626003
RK 1	277	503	705700
RK 3	277	505	705702
RK 4	277	506	705703
RK 5	277	507	705704
RK 6	277	508	705705
RK 7	277	509	705706
RK 8	277	510	705707
RK 9	277	511	705708
RK 10	277	512	705709
RK 11	277	513	705710
Chevas No. 2	72	498	87173
Chevas No. 4	54	533	87175
Chevas No. 5	54	534	87176

Insofar and only insofar as the above described claims are within the boundaries of the Area 1 Area of Interest described herein.

3. The Lease. That certain Mining Lease, dated September 10, 1990, from Drury J. Thiercof and Frances Mae Thiercof, as lessors, to High Desert Mineral Resources, Inc., a British Columbia, Canada corporation, and relating to the following unpatented claims, situate in Township 35 North, Ranges 50 and 51 East of the M.D.B. & M., Eureka County, Nevada:

<u>Claim</u>	<u>Location Certificate Recording Data</u>		<u>BLM Serial Number(s)</u>
	<u>Book</u>	<u>Page</u>	
Back Pay (also known as "Back Pay Lode Claim")	29	187	N-MC-27472
Back Pay No. 1 (also known as "Back Pay Lode Claim No. 1")	29	188	N-MC-27473
Dixie Lea (also known as "Dixie Lea Lode Claim")	29	200	N-MC-27470
Dixie Lea No. 1 (also known as "Dixie Lea Lode Claim No. 1")	29	201	N-MC-27471

Exhibit B  
to  
Carried Interest and Operating Agreement  
Between  
Newmont Gold Company  
and  
High Desert Mineral Resources, Inc.

As used in the Agreement to which this Exhibit is attached, "Proceeds Payment" shall have the meaning and shall be calculated and paid as set forth in this Exhibit.

1. Net Proceeds Defined. The Proceeds Payment shall be equal to two percent (2%) of the Net Value (as hereinafter defined) of all Minerals mined and removed from the Property, payable as provided in Section 7.

2. Net Value Defined. As used herein, "Net Value" shall mean, (a) with respect to gold and silver ("Precious Metals"), the Gross Value of such Precious Metals, less Allowable Deductions, and (b) with respect to all other Minerals, the actual proceeds received from the sale of such Minerals, less Allowable Deductions.

3. Allowable Deductions Defined.

(a) As used herein, "Allowable Deductions" means, with respect to Precious Metals, only the following costs, charges and expenses paid or incurred by or for Newmont after production of doré, whether at the Property or elsewhere:

(i) charges for treatment by an independent, third party, commercial refinery in the refining process (including handling, processing, interest and provisional settlement fees, sampling, assaying and representation costs, penalties and other processor deductions) or equivalent charges, if Precious Metals are refined at a refinery that is not an independent third party;

(ii) actual costs of transportation (including freight, insurance, security, transaction taxes, handling, port, demurrage, delay, and forwarding expenses incurred by reason of or in the course of such transportation) of doré from the Property or other facility producing doré to the place of additional treatment and to the place of sale; and

(iii) sales, use, severance, net proceeds of mine, ad valorem taxes applicable under state, federal or local law relating to production of Precious Metals from the Property (but excluding income taxes) and any royalty paid to the United States.

No costs for the mining, treatment or beneficiation at or near the Property or for the transportation of ores or mineral products from the Property to any facility located in Elko or Eureka Counties, Nevada for treatment, processing, upgrading, beneficiation, or refining to produce doré or any less refined product shall qualify as Allowable Deductions.



(b) As used herein, "Allowable Deduction" means, with respect to the Minerals other than Precious Metals, only the following costs, charges, and expenses paid or incurred by Newmont:

(i) charges for treatment by an independent, third party, commercial smelter or refinery in the smelting and refining processes (including handling, processing, interest and provisional settlement fees, sampling, assaying and representation costs, penalties and other processor deductions);

(ii) actual costs of transportation (including freight, insurance, security, transaction taxes, handling, port, demurrage, delay, and forwarding expenses incurred by reason of or in the course of such transportation), (A) in the case of ores, from the Property to the place of sale, or if the ores are further treated by an unrelated third party prior to sale, from the Property to such place of treatment and then to the place of sale, or (B) in the case of concentrates or other beneficiated products derived after the treatment of ores at facilities owned by Newmont or its Affiliates, from such place of treatment to the place of sale, or if further treated prior to sale, from such place of treatment by Newmont or its Affiliates to the place of additional treatment and then to the place of sale.

(iii) sales, use, severance, net proceeds of mine, ad valorem taxes and other taxes applicable under state, federal or local law, relating to production or sale of such minerals from the Property (but excluding income taxes), and any royalty paid to the United States.

4. Gross Value Defined. "Gross Value" shall have the following meanings:

(a) If Newmont or an Affiliate of Newmont causes refined gold meeting or exceeding generally accepted commercial standards for the sale of refined gold ("Refined Gold") to be produced from ores mined from the Property, for purposes of determining the Proceeds Payment, the Refined Gold shall be deemed to have been sold at the Monthly Average Gold Price for the month in which it was refined, and the Gross Value shall be determined by multiplying Gold Production during the calendar month by the Monthly Average Gold Price. As used in this Agreement, "Gold Production" means, for each calendar month, the quantity of Refined Gold outturned to Newmont's pool account (or to a third-party account for the benefit of Newmont) by a refinery from ore mined from the Property on either a provisional or final settlement basis. As used herein, "Monthly Average Gold Price" means 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.

If the London Bullion Market Association P.M. Gold Fix ceases to be made or published, all such references shall be replaced with references to prices of gold for immediate delivery in the most nearly comparable established market reasonably selected by Newmont as such prices are published in "Metals Week" or a similar publication.

As used in this Exhibit, "Affiliate of Newmont" means a party that controls, is under common control with, or is controlled by Newmont.

(b) If Newmont or an Affiliate of Newmont causes refined silver meeting or exceeding generally accepted commercial standards for the sale of refined silver ("Refined Silver") to be produced from ore mined from the Property, for purposes of determining the Proceeds Payment, the Refined Silver shall be deemed to have been sold at the Monthly Average Silver Price for the month in which it was refined, and the Gross Value shall be determined by multiplying Silver Production during the calendar month by the Monthly Average Silver Price. As used herein, "Silver Production" means, for each calendar month, the quantity of Refined Silver outturned to Newmont's pool account (or to a third-party account for the benefit of Newmont) by a refinery from ore mined from the Property on either a provisional or final settlement basis. As used herein, "Monthly Average Silver Price" means 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.

If the Handy & Harman quotation ceases to be made or published, all such references shall be replaced with references to prices of silver for immediate delivery in the most nearly comparable established market selected by Newmont as published in "Metals Week" or a similar publication.

(c) If Newmont sells raw ores of Precious Metals or concentrates or doré produced from such ores mined from the Property, then the Gross Value shall be calculated as set forth in Section 4(a) and (b), except that the Gold Production or Silver Production shall, in each case, be equal to the gold or silver contained in such raw ores, concentrates or doré sold in the specified month multiplied by (i) the recovery rate contractually determined between Newmont 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 Newmont for the latest calendar quarter ended prior to such month in which ores of such metal from the Property were beneficiated by or for Newmont. If such ores have not been so beneficiated by or for Newmont during any such calendar quarter, the recover rate shall be the actual recovery rate experienced by the purchaser of such ores, concentrates or doré determined in good faith by Newmont.

(d) If outturn of Precious Metals is made by an independent third-party refinery on a provisional basis, the Gross Value shall be based upon the amount of such provisional settlement, but shall be adjusted in subsequent statements to account for the amount of refined Precious Metals established by final settlement by such refinery.

Gross Value for Precious Metals shall be determined as provided above in Section 4 of this Exhibit regardless of any actual selling or price protection arrangements entered into by Newmont with respect to production of Precious Metals from the Property, including, but not limited to, forward sales, futures trading or commodity options trading, and any other price hedging, price protection, and speculative arrangements which may involve the possible delivery of Precious Metals produced from ores mined from the Property.

5. Payment in Kind. At any time and from time to time, High Desert may elect, for any calendar quarter, to receive its Proceeds Payment "in kind" by delivery of Refined Gold as hereinafter provided, by notifying Newmont of such election on or before thirty (30) days prior

to the commencement of the quarter. An election by High Desert to receive the Proceeds Payment in kind shall be irrevocable for the calendar quarter for which it is made.

The quantity of Refined Gold to be delivered to High Desert as the Proceeds Payment shall be determined as follows: (a) The amount of the Proceeds Payment payable in cash shall be determined as provided in Sections 1-4 above, and (b) the quantity of Refined Gold to be paid in kind as Proceeds Payment for a calendar quarter shall be determined by dividing the cash amount of the Proceeds Payment for each month in the quarter by the Monthly Average Gold Price for the corresponding month. Newmont shall instruct the refiner to credit to the account of High Desert the quantity of Refined Gold determined as above provided, or shall otherwise arrange for the delivery of Refined Gold to High Desert with such credit or delivery to be subject to Section 7 below. High Desert shall be solely responsible for all costs of maintaining its account at the refinery and for all costs and expenses incurred in connection with Refined Gold credited to its account, and, with respect to Refined Gold delivered to High Desert, for costs incurred for delivering Refined Gold to High Desert from the refinery as Proceeds Payment hereunder after the making of such credit by the refiner.

6. Commingling of Production. Newmont shall have the right to mix or commingle ores and other mineral products with respect to which a Proceeds Payment is payable hereunder with ores and or other mineral products produced from other properties. Before undertaking any such mixing or commingling, Newmont shall use its best efforts to assure that any ores or other mineral products with respect to which a Proceeds Payment is payable hereunder are sufficiently weighed or measured, sampled and analyzed in accordance with sound mining and metallurgical practices, to allow for the accurate determination of the Proceeds Payment.

7. Payment of Proceeds Payment. The obligation to pay the Proceeds Payment shall accrue upon the outturn of refined Precious Metals meeting the requirements of the specified published price to Newmont's account (or to a third-party account for the benefit of Newmont) as contemplated by Section 4(a) or 4(b) or the sooner sale of unrefined metals, doré, concentrates or ores, as contemplated by Section 4(c). The procedures for the making of Proceeds Payments shall be as follows:

(a) Net Value shall be determined on a calendar month basis. Proceeds Payments, whether paid in cash or in kind, shall be paid on the fifteenth business day following the last day of the calendar quarter in which the same accrued. At the time of the payment of Proceeds Payment, Newmont shall deliver to High Desert a statement showing in reasonable detail the quantities and grades of the refined Precious Metals, doré, concentrates or ores produced and sold or deemed sold by Newmont in the preceding quarter; the Average Monthly Price determined as herein provided for refined Precious Metals on which Proceeds Payment is due; Allowable Deductions; the computation of the quantity of any Refined Gold delivered in kind pursuant to Section 5; and other pertinent information in reasonable detail to explain the calculation of the Proceeds Payment with respect to each month in such quarter. Payment to High Desert shall be made in cash or by check, or upon 48 hours prior written notice from High Desert, by wire transfer to the account specified by High Desert in such notice, unless High Desert has elected to receive payment in kind pursuant to Section 5.

(b) Such quarterly statement shall also list the quantity and quality of any Precious Metals doré held in inventory by Newmont for more than ninety (90) days. High Desert shall have ten (10) business days after receipt of the statement to either: (i) elect that the doré be deemed sold as provided in Sections 4(a) and (b) above as of such tenth day utilizing a reasonable recovery rate for refined metal and reasonable deemed charges for all deductions specified in Section 3 above or (ii) elect to wait until the time that royalties would otherwise become payable pursuant to this Section 7. The failure of High Desert to respond within such time shall be deemed to be an election to use the method set forth in (ii) above. No Proceeds Payment shall be due with respect to stockpiles of ores or concentrates unless and until such ores or concentrates are actually sold.

(c) All Proceeds Payment payments shall be considered final and in full satisfaction of all obligations of Newmont with respect thereto, unless High Desert gives Newmont written notice describing and setting forth a specific objection to the calculation thereof within ninety (90) days after receipt by High Desert of the quarterly statement herein provided for in Section 7(a). If High Desert objects to a particular quarterly statement as herein provided, High Desert, for a period of thirty (30) days after Newmont's receipt of notice of such objection, shall have the right, upon reasonable notice of such objection, shall have the right, upon reasonable notice and at reasonable times, to have Newmont's accounts and records relating to the calculation of the Proceeds Payment with respect to the quarter in question audited by an independent certified public accountant acceptable to Newmont. If such audit determines that there has been a deficiency or an excess in the payment made to High Desert such deficiency or excess shall be resolved by adjusting the next quarterly Proceeds Payment due hereunder. High Desert shall pay all costs of such audit unless a deficiency in the payment made to High Desert of two percent (2%) is determined to exist, in which event Newmont shall pay such costs. All books and records used by Newmont to calculate Proceeds Payments due hereunder shall be kept in accordance with accounting principles generally applied in the mining industry and shall be available for inspection by High Desert on reasonable notice.

BOOK 327 PAGE 217  
OFFICIAL RECORDS  
RECORDED AT THE REQUEST OF  
*Newmont Gold Co*  
99 MAY 11 PM 4:03

EUREKA COUNTY NEVADA  
M.H. REBALEATI, RECORDER  
FILE NO. FEES \$ 39.00

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