

173842

SPECIAL WARRANTY DEED AND ASSIGNMENT OF INTEREST

THIS SPECIAL WARRANTY DEED AND ASSIGNMENT OF INTEREST is made this 21st day of December, 1999, by and between **QUEST U.S.A. RESOURCES, INC.**, a Nevada corporation, hereafter "Quest," and **THOMAS KUHL**, hereafter "Kuhl."

RECITALS

1. Quest is the owner of an undivided sixty-one and two tenths percent (61.2%) interest in a one percent (1%) net smelter returns royalty granted by and under the Deed of Non-Participating Net Smelter Return Royalty dated effective August 7, 1990 (the "Royalty Deed"), recorded in the Office of the Eureka County Recorder on August 7, 1990, Document 133056, Book 212, Official Records, Pages 315 to 326, as corrected by the: (a) Correction Deed of Non-Participating Net Smelter Return Royalty dated effect August 7, 1990, granted by High Desert Mineral Resources of Nevada Inc., a Nevada corporation, to Westmont Gold Inc., a Delaware corporation, in respect of thirty percent (30%) of one percent (1%) of the net smelter returns (alternatively 0.3%) recorded in the Office of the Eureka County Recorder on December 18, 1991, Book 229, Official Records, Pages 185-197; and (b) Correction Deed of Non-Participating Net Smelter Return Royalty dated effective August 7, 1990, granted by High Desert Mineral Resources of Nevada Inc., a Nevada corporation, to The Petrol Oil & Gas Corporation, a Delaware corporation, in respect of thirty-one and two tenths percent (31.2%) of one percent (1%) of the net smelter returns (alternatively 0.312%), recorded in the Office of the Eureka County Recorder on December 18, 1991, Book 229, Official Records, Pages 231-243 (hereafter called the "Bullion Monarch Royalty").

2. Quest desires to transfer one-half (1/2) of its interest in the Bullion Monarch Royalty to Kuhl pursuant to the terms of a settlement between Kuhl and Quest of even date herewith (the "Settlement Agreement").

3. Kuhl desires to accept such transfer pursuant and subject to the terms of the Settlement Agreement.

Therefore the parties have agreed as follows:

1. Conveyance and Assignment of Royalty Interest. In consideration of the sum of Ten and No/100 Dollars (\$10.00) and other valuable consideration, Quest does hereby conveys and assigns to Kuhl 30.6% of one percent (1%) of the Bullion Monarch Royalty (alternatively 0.306%), which constitutes a one-half (1/2) interest in the Bullion Monarch Royalty owned by Quest.

2. Warranties and Representations of Quest. In making this conveyance to Kuhl, Quest makes the following warranties and representations to Kuhl:

a. Except as disclosed in the Settlement Agreement, Quest has not granted any liens, encumbrances, or first rights of refusal in the Bullion Monarch Royalty.

b. Quest has the right to enter into this Deed and Assignment, and its actions have been duly authorized by corporate resolution.

c. Quest is not aware of any claims, demands, liabilities, or litigation affecting the Bullion Monarch Royalty.

3. After-Acquired Title. In the event that Quest acquires any interest in the Bullion-Monarch property or royalty interests, as more particularly described in the Deed, one-half (1/2) such property and royalty interests shall automatically be conveyed to and become the property of Kuhl.

4. Termination of Assignment. This deed and assignment of one-half (1/2) of the Bullion Monarch Royalty shall terminate if Kuhl has received \$195,000.00 paid pursuant to the Settlement Agreement by May 2001.

IN WITNESS WHEREOF, Quest has set its hand to this instrument upon the day and year first above written.

QUEST USA RESOURCES, INC.,
a Nevada corporation

By: *[Signature]*
Its: PRESIDENT

Province of
~~STATE OF NEVADA~~)
British Columbia) ss:
~~COUNTY OF WASHOE~~)

On this 21 day of December, 1999, *Paul Sartan* personally appeared before me, a notary public, and acknowledged that as *President* of the corporation he executed the foregoing instrument on behalf of the Quest USA Resources, Inc., a Nevada corporation.

[Signature]
NOTARY PUBLIC
My Commission Expires: *Does Not Expire*

J. DOUGLAS SEPPALA
Barrister & Solicitor
10th Floor, 595 Howe Street
VANCOUVER, B.C. V6C 2T5

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OFFICIAL RECORDS
RECORDED AT THE REQUEST OF
Shel Kape, Clerk, atty
00 FEB 10 PM 1:00

EUREKA COUNTY NEVADA
M.N. REBALEATI, RECORDER
FILE NO. FEES 10⁰⁰

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