

179392

CONVIANCE AND GRANT OF OVERRIDING ROYALTY

THIS CONVEANCE AND GRANT OF OVERRIDING ROYALTY is made effective as of the Eighth of Octer, 2002 by AngloGold (U.S.A.) Exploration Inc., a Delaware corporation, Grantor, tdaho Resources Corporation, a Nevada corporation, Grantee.

I

CONVEYANCE OF ROYALTY

1.1 For good avaluable consideration, the receipt and adequacy of which is acknowledged, Grantor hereby grants and conveys unto Grantee, its successors and assigns, a pætual overriding royalty (the "Royalty") on production from certain properties sate, lying and being in the County of Eureka, State of Nevada, more particularly scribed in Exhibit A, attached hereto and by this reference incorporated herein (the roperty").

II

ROYALTY RATE AND BASES

2.1 Peritage of Royalty. Under and by virtue of the Royalty hereby conveyed to Grantee, Gror, its successors and assigns shall pay to Grantee a Royalty with respect to all gl. silver, an other salable ores, metals, minerals, materials and other mine or mill pruct (referred to, collectively, as "Production") produced from the Property on or er October 8, 2002, in accordance with the provisions hereinafter set forth. The peritage rate of the Royalty shall be one percent (1.0%) and calculation of the Royalty sh be accomplished by multiplication of the aforementioned royalty

percentage by applicable royalty base (the "Royalty Base") all in the manner and in accordance with the provisions set forth below.

2.1(a) Gold and/or Silver. The Royalty Base applicable to gold or silver produced from the Property, other than gold or silver contained in ores or concentrate which are subject to section 2.1(b), below, shall be the "Gross Value", calculated as hereinbelow specified, whether produced by in situ or solution mining, by mining ores and the extraction of gold or silver by means of heap or vat leaching, by milling or other extraction method and by refining to produce "Bullion". The term Bullion, as used herein, means refined gold or silver meeting the generally accepted commercial standards for refined gold or refined silver, as the case may be, recovered from Production by mining by an independent third-party refinery or refineries. The number of ounces (where used herein "ounces" refers to Troy ounces) of gold or silver contained in Bullion recovered in each month from production shall be determined by the records pertaining thereto of the said refinery or refineries.

2.1(a) Calculation of "Gross Value". "Gross Value" as used in this section 2.1(a) shall be determined by multiplying the ounces of gold and of silver contained in Bullion recovered during any calendar month, by the respective average price for gold and silver Bullion for that month, as follows:

The average monthly price of gold for the month of production shall be calculated by dividing the sum of all prices for gold reported for the month by the London Bullion Market Association in its P.M. Gold Fixes divided by the number of days for which such prices were reported.

The average monthly price for silver for the month of production shall be determined by the average New York Silver Price as published daily by Handy and Harman, 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 either the London Bullion Market Association P.M. Gold Fix or the Handy and Harman silver quotations cease to be published, all such references shall be replaced with references to prices of gold or silver for immediate delivery in the most nearly comparable established market selected by Grantor as published in "Metals Week" or a similar publication.

2.1(a)(2) Gross Value Royalty Base. The product obtained by multiplying the number of ounces of gold contained in Bullion recovered during any month by the average monthly price for gold Bullion for such month (as such average monthly price is determined as above provided), shall be added to the product obtained by multiplying the number of ounces of silver contained in silver Bullion recovered during that month by the average monthly price for silver for such month, (as such average monthly price is determined as above provided), and the sum of those amounts shall constitute the "Gross Value Royalty Base" for calculation of gold/silver Royalty applicable to section 2.1(a) due for that month.

2.1(b) Ore or Concentrate Sold to Smelter. The Royalty Base for calculation of Royalty in respect to ore produced from the Property and/or concentrate derived from ores produced from the Property (other than ores principally valuable for the uranium and/or vanadium content thereof) which are sold in an arms-length sale to a third-party smelter by Grantor shall be the Net

Smelter Returns received therefrom. The term "Net Smelter Returns" means the amount actually received by Grantor from the Smelter less, (i) the costs of surface transportation, inclusive of insurance, of the ores in the Property (in the case of ores sold in the crude state) or of the concentrates from the mine (in the case of the sale of concentrate derived from such ores) to the smelter, to the extent that such costs are paid by Grantor, (ii) the costs of smelting such ores or concentrates if paid by Grantor and (iii) any metallurgical penalties, surcharges or other charges made or imposed by the smelter to the extent that same are paid by Grantor.

2.1(c) Uranium and/or Vanadium Ore. The Royalty Base for calculation of Royalty in respect to ore principally valuable for uranium and/or vanadium which is mined and sold from the Property, if such ores sold in the crude state in an arms-length sale, shall be the Net Sales Price received therefrom. "Net Sales Price" shall mean the proceeds received from the sale of such ore less the costs of surface transportation, including insurance, of the ore from the Property to the point of sale. If such ore is concentrated by Grantor, either in its own facilities or by means of tolling arrangements, if such ores are sold other than as a result of an arms-length transaction, then the term "Net Sales Price" shall mean the prevailing price paid at the time such ore is mined for ores of like grade and metallurgical characteristics f.o.b. the Property by other purchasers of uranium and/or vanadium ores.

2.1(d) Other Mineral Substances and Ores. If Grantor should produce and sell any minerals, substances or ores from the Property, other than those encompassed within the provisions of subsections (a) through (c), above, the Royalty Base for calculation of the Royalty applicable thereto shall be the net proceeds received for such substances after deducting the cost of the transportation thereof from the Property to the point of sale.

2.2 Effect of Imposition of Federal Royalty, Net Proceeds of Mines Taxes. If, in the future, a royalty is imposed on, and required to be paid upon production from, mining claims by the United States of America, the amount of such royalty actually paid to the United States by Grantor may be deducted by Grantor from the applicable Royalty Base before calculation of the Royalty payable in respect to Production from claims burdened by such United States royalty. Grantee shall be responsible for payment of any Net Proceeds of Mines taxes imposed by the State of Nevada in respect to Royalty paid under this Conveyance and Grant of Overriding Royalty.

2.3 Commingling of Ores. At no time shall ores, minerals or materials produced from the Property be commingled with production derived from other sources, except and unless all such commingling ores, minerals and materials comprising Production from each source have first been weighed or measured, sampled, assayed and metallurgically analyzed in accordance with sound mining and metallurgical practice in order that the Royalty due Grantee hereunder can be reasonably and accurately determined. Upon request to Grantor, Grantee shall have the right to have a representative present at the time all such samples and measurements are taken. Grantee shall have the right to retain sample splits for separate assaying in order to determine the accuracy of the assays of Grantor. Grantor shall make available to Grantee pertinent technical data and records within its possession reasonably required to determine the accuracy of calculation made by Grantor of Royalty payable upon commingled ores, minerals or materials.

2.4 Furnishing Market Information. Grantee shall have the right to be supplied monthly with duplicate settlement sheets from any refinery, mill, smelter or other purchaser or processor of Production derived from the Property, whether or not the mine products have been sold, and shall be supplied with Grantor's monthly reports of mining, milling and leaching activities and

sufficient information to the amounts of the gold and silver contained in dore and Bullion or other mineral products covered during the month so that Grantee will be able to determine the amount of Production which Royalty is due Grantee.

2.5 Payment of Royalty. Payments of Royalty shall be made by check or wire transfer, at the election of Grantor the time specific below.

2.5(a) Due Date for Gross Value Royalty. Royalty subject to Sections 2.1(a), 2.1(a) (1), and 2.1(a) (2) above, on Production subject to the Gross Value Royalty Base, shall be payable monthly by the last day of the month following the month in which Bullion was recovered.

Grantee acknowledges that Grantor shall have the right to market and sell or refrain from selling ores or minerals subject to the Gross Value Royalty Base in any manner it may elect.

Accordingly Gross Value Royalty shall be calculated in the manner and shall be payable at the times as provided hereabove irrespective of any actual selling arrangements for Bullion entered into by Grantor, specially including but not limited to, forward sales, futures trading or commodity options trading, and any other price hedging, price protection and arrangements concerning the Bullion.

2.5(b) Due Date for Other Royalty. Royalty calculated pursuant to sections 2.1(b), 2.1(c) and 2.1(d) shall be due and payable by the end of the month following the month in which payment was made for mine products subject to any of those sections.

2.5(c) Supply of Supporting Data. Grantor shall accompany each Royalty payment with copies of sufficiently detailed data showing quantities of Bullion refined from mine production, in respect gold or silver, or sold, in respect to other types of mine product, in order that Grantee may verify the accuracy of each Royalty calculation and payment.

2.5(d) Depository Agent. The Grand Valley National Bank, P.O. Box 4090, Grand Junction, CO 81502, ("Depository Agent") is hereby designated by Grantee as its agent to receive Royalty payments which become due Grantee. Payments of Royalty by Grantor to the Depository Agent shall constitute full payment to Grantee. The Depository Agent may be changed, from time to time, by written notice from Grantee to Grantor.

III.

MISCELLANEOUS

3.1 Duty to Inform. Grantor shall be under no obligation to provide Grantee with any ore reserve calculations (including, but not limited to, any information that would be required to be included in documents filed with the Securities and Exchange Commission regarding ore reserve calculations), mine plan forecasts or other information relating to its operations other than as expressly set forth here; provided, however, that upon request, Grantor will supply Grantee with information pertinent to the determination of the value of the Royalty for purposes of preparation of State and federal Gift Tax, Estate and Inheritance Tax returns, which information shall include but not be limited to ore reserve calculations, and, if Grantee should elect to make a public offering of its shares, upon request by Grantee, Grantor shall furnish the aforesaid information to Grantee in order for it to comply with the disclosure requirements of applicable state and/or federal securities laws, rules and regulations. Any information furnished pursuant to this section 3.1 shall be accurate to the best of Grantor's knowledge, but Grantor shall not be liable to Grantee for inadvertent inaccuracies, errors or incorrect information supplied.

4.1 Finality. Royalty payments hereunder shall be considered final and in full satisfaction of all obligations of Grantor with respect thereto, unless Grantee gives Grantor written notice describing and setting forth a specific objection to the calculation thereof within

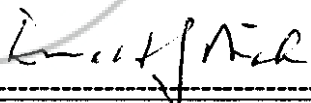
one year after receipt of the statement herein provided for, unless such objections result from an act or a of fraud or deliberate miscalculations of the Royalty granted to Grantee, in which case the one-year period shall not begin to run until Grantee receives actual knowledge of said act

5.1 No Duty to mine. Grantor shall have the sole and exclusive right to determine the timing and manner of mining or production from the Property and all related exploration, development and mining activities. Nothing herein shall require Grantor to explore, develop, mine or continue operations on the Property or to process ores, minerals or materials from the Property.

This Conveyance and Grant shall be binding upon and inure to the benefit of the parties hereto, their respective successors and assigns and shall be a covenant which runs with the Property.

IN WITNESS WHEREOF, Grantor has executed this instrument effective on the day and year first hereinabove mentioned.

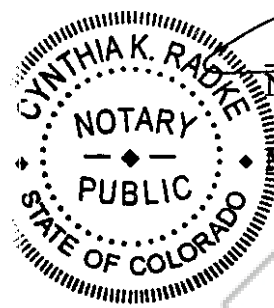
Grantor: ANGLGOLD (U.S.A.) EXPLORATION INC.

By: 
Donald J. Birak, Vice President

State of Colorado

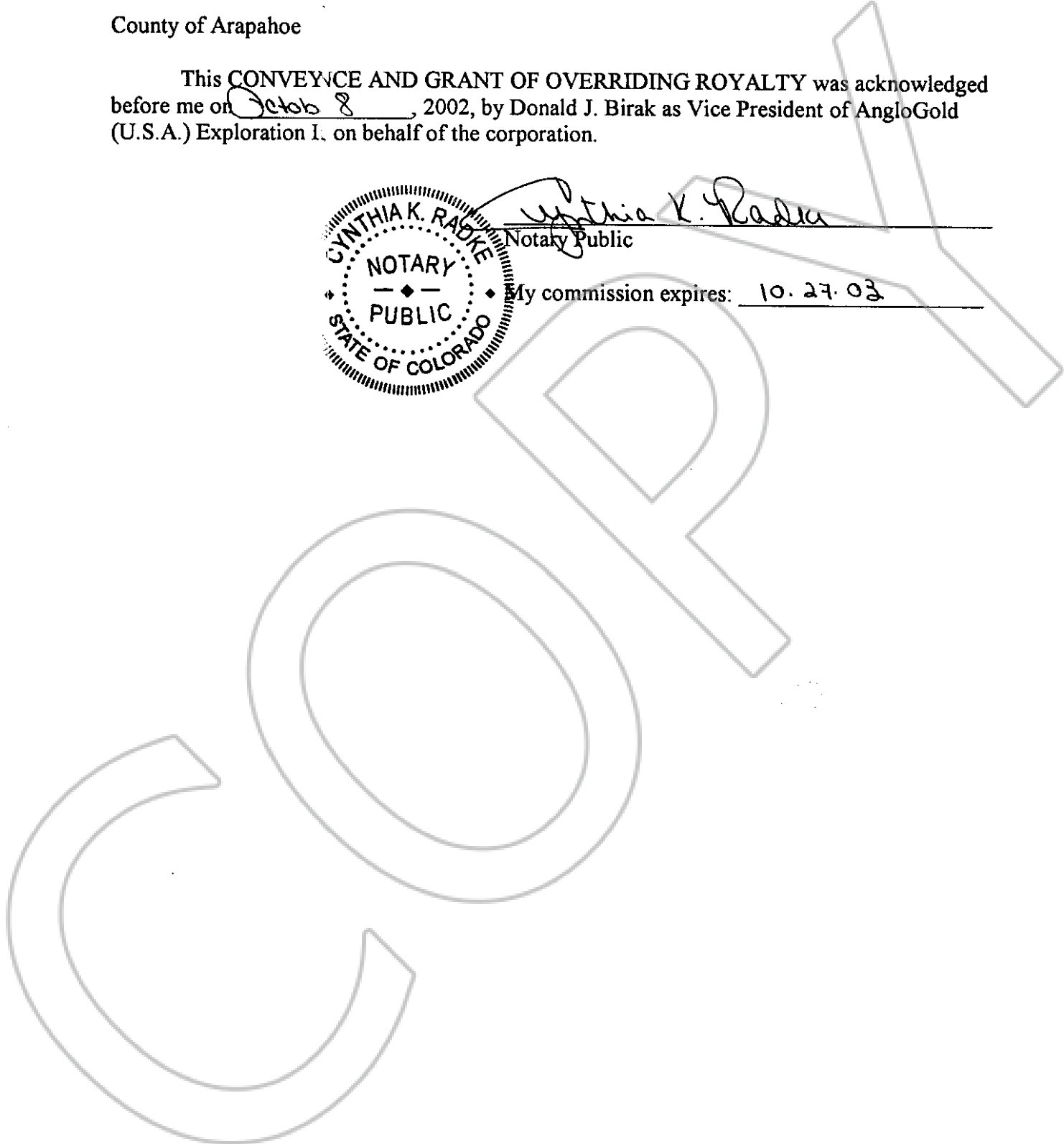
County of Arapahoe

This CONVEYANCE AND GRANT OF OVERRIDING ROYALTY was acknowledged before me on October 8, 2002, by Donald J. Birak as Vice President of AngloGold (U.S.A.) Exploration I, on behalf of the corporation.



Cynthia K. Radtke
Notary Public

My commission expires: 10.27.03



**EXHIBIT A
TO
CONVEYANCE AND GRANT OF OVERRIDING ROYALTY**

Name of Claim	BLM Serial No.	Book	Page
TYR- 1	NMC 825136	344	465
TYR- 2	NMC 825137	344	466
TYR- 3	NMC 825138	344	467
TYR- 4	NMC 825139	344	468
TYR- 5	NMC 825140	344	469
TYR- 6	NMC 825141	344	470
TYR- 7	NMC 825142	344	471
TYR- 8	NMC 825143	344	472
TYR- 9	NMC 825144	344	473
TYR-10	NMC 825145	344	474
TYR-11	NMC 825146	344	475
TYR-12	NMC 825147	344	476
TYR-13	NMC 825148	344	477
TYR-14	NMC 825149	344	478
TYR-15	NMC 825150	344	479
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TYR-26	NMC 825161	344	490
TYR-27	NMC 831772	350	214
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TYR-36	NMC 831781	350	223
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TYR-38	NMC 831783	350	225
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TYR-40	NMC 831785	350	227

TYR-41	NMC 831786	350	228
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TYR-61	NMC 831806	350	248
TYR-62	NMC 831807	350	249
TYR-63	NMC 831808	350	250
TYR-64	NMC 831809	350	251

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OFFICIAL RECORDS
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Placer Dome US
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ESNERA COUNTY, NEVADA
RECORDER
FILE NO. FEES 24⁰⁰

179392