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EUREKA COUNTY, NEVADA
M.H. REBALEATI, RECORDER
FILE NO. FEES 18⁰⁰

188166

QUITCLAIM DEED WITH RESERVED ROYALTY

THIS QUITCLAIM DEED WITH RESERVED ROYALTY is made this 24th
day of June, 2004 between DAVID C. MATHEWSON, a single man ("Grantor");
and TONÉ RESOURCES (U.S.) INC., a Nevada corporation, whose address is 2244 -
32nd Ave. W., Vancouver, British Columbia, Canada V6L 2B2 ("Grantee").

RECITALS

1. Transfer of Unpatented Mining Claims. Grantor, in consideration of the
sum of TEN DOLLARS (\$10.00) and other valuable consideration paid to him by
Grantee, does hereby remise, release, and forever quitclaim unto Grantee all of Grantor's
right, title, and interest in and to the "SK" group of unpatented lode mining claims (the
"Claims") situated in Eureka County, Nevada, which are more particularly described as
follows:

<u>Claim Names</u>	<u>BLM Numbers</u>
SK 1-28	NMC 865573-865600

The foregoing Claims are situated in Section 2, T. 23 N., R. 48 E., MDM.

TOGETHER with all and singular the tenements, hereditaments and appurtenances thereunto belonging, or in anywise appertaining, and the reversion and reversions, remainder and remainders, rents, issues and profits thereof.

TOGETHER with all minerals and all veins and lodes of mineral-bearing rock therein and all dips, spurs and angles thereof.

TO HAVE AND TO HOLD all of the right, title and interest of Grantor in and to said Claims, together with the appurtenances, unto Grantee, its successors and assigns for-ever.

2. Reserved Royalty Interest. Grantor reserves to himself a royalty on production equal to one percent (1%) of net smelter returns. The term "net smelter returns" as used herein shall mean the net proceeds received by Grantee from the sale of minerals from the Claims after deductions for all of the following:

a. Custom smelting costs, treatment charges and penalties including, but without being limited to, metal losses, penalties for impurities and charges or deductions for refining, selling, and transportation from smelter to refinery and from refinery to market; provided, however, in the case of leaching operations, all processing and recovery costs incurred by the producer beyond the point at which the metal being treated is in solution shall be considered as treatment charges (it being agreed and understood, however, that such processing and recovery costs shall not include the cost of mining, crushing, dump preparation, distribution of leach solutions or other mining and

preparation costs up to the point at which the metal goes into solution);

b. Cost of transporting mineral product from the concentrator to a smelter or other place of treatment; and

c. Production taxes, severance taxes and sales, privilege and other taxes measured by production or the value of production.

In the event smelting or refining are carried out in facilities owned or controlled, in whole or in part, by Grantee, charges, costs and penalties for such operations shall mean the amount Grantee would have incurred if such operations were carried out at facilities not owned or controlled by Grantee then offering comparable services for comparable products on prevailing terms.

Payment of production royalties shall be made not later than thirty (30) days after the end of each calendar quarter. All payments shall be accompanied by a statement explaining the manner in which the payment was calculated.

3. Rights of Inspection. Grantee agrees to keep accurate books of account reflecting the mining and processing operations with respect to the Claims and the computation of Grantor's royalty interest. Grantor shall have the right, either personally or through a qualified accountant of his choice, and at his cost, to examine and inspect the books and records of Grantee pertaining to the mining, milling and shipping operations of Grantee as they relate to the Claims.

4. Area of Interest. The parties hereby establish an Area of Interest consisting

ACCEPTANCE OF TERMS

TONÉ RESOURCES (U.S.) INC., a Nevada corporation, hereby accepts and agrees to perform the conditions set forth in Paragraphs 2, 3, and 4 of the foregoing "Quitclaim Deed with Reserved Royalty."

DATED this 23rd day of June, 2004.

TONÉ RESOURCES (U.S.) INC., a Nevada corporation

By SCOTT BAXTER, President

PROVINCE OF BRITISH COLUMBIA)
)ss
CITY OF VANCOUVER)

On the 23rd day of June, 2004, before me, a Notary Public within and for said City and Province, personally appeared SCOTT BAXTER, President of TONÉ RESOURCES (U.S.) INC., a Nevada corporation, personally known (or proved) to me to be the person who executed the above instrument, and acknowledged to me that he executed the foregoing QUITCLAIM DEED WITH RESERVED ROYALTY for purposes stated therein.

NOTARY PUBLIC

tone resources/7482
quitclaim deed w-reserved royalty
(mathewson-tone) (6-04)

KENNETH L.H. EMBREE
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