

## QUITCLAIM DEED

For and in consideration of Ten or more dollars, the receipt of which is hereby acknowledged:

JOHN N. EDDY hereby remises, releases and quitclaims all of his right, title and interest in the mining claims shown below to the SANTA FE EXPLORATION COMPANY, a New Mexico corporation, its heirs and assigns:

Claims located in Emery County, State of Utah.

#### NAME OF CLAIM

#### RECORDED

KUINTA #31 through #74	Book	J-132	Pages	98	through	141
KUINTA #75 through #80					through	
WHITE OWL #1 through #10	Book	J-129	Pages	586	through	595
WHITE OWL #11 through #80	Book	J-131	Pages	332	through	402
ROSE #1 through #14	Book	J-218	Pages	471	through	484
OPERA BOX #1 through #6	Book	J-128	Pages	485	through	490
SIG BEN #1 through #21	Book	J-128	Pages	318	through	338
EL RAY #1 through #12	Book	J-128	Pages	306	through	317
DEEP GOLD #1 through #27	Book	J-128	Pages	149	through	175
DEEP GOLD #28 through #30					through	
DEEP GOLD #31 through #34	Book	J-128	Pages	597	through	600
DEEP GOLD #35	Book	129 Pa	ige 142	2	- 17711	
DEEP GOLD #36	Book	129 Pa	age 143	3	Fertual Co.	
ROSA #1 through #20	Book	J-134	Pages	469	through	488
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This instrument is subject to the following royalty reservations as set out below:

- 1. Kuinta claims #31 to #80 and White Owl Claims #1 through #80 are subject to a royalty of 2 1/2 % to Lloyd Mecham et al., as shown by the instruments recorded in Book 56, Page 126 through 128. The grantor, JOHN N. EDDY hereby excepts and reserves unto himself an additional royalty of 2 % of the gross proceeds of all ores extracted from these claims.
- 2. Deep Gold #1 through #36 are subject to a prior royalty of 2 % to Lloyd Mecham et al., as shown by the

instruments recorded in Book 56 Page 130 through 132. The grantor, JOHN N. EDDY hereby excepts and reserves unto himself an additional royalty of 2 % of the gross proceeds of all ores extracted from these claims.

- 3. Opera Box #1 through #6, Big Ben #1 through #21, El Ray #1 through #12. The grantor, JOHN N. EDDY excepts and reserves unto himself a royalty of 4 % of the gross proceeds of all ores extracted from these claims.
- 4. Rosa Claims #1 through #20. The grantor, JOHN N. EDDY excepts and reserves unto himself a royalty of 2 % of the gross proceeds of all ores extracted from these claims.

The royalties as reserved by the grantor herein are to be paid to JOHN N. EDDY'S credit at The First National Bank of Santa Fe, New Mexico. Said royalty payments will be subject to costs incurred transporting ore to the purchaser.

Together with all the lodes and veins within the lines of said claims and the dips, spurs, mines, minerals, dumps, fixtures, improvements, rights, privileges and appurtenances thereunto in any wise belonging.

To have and to hold the land, tenements and hereditaments hereby conveyed unto SANTA FE EXPLORATION COMPANY, its heirs and assigns forever.

JOHN N. EDDY

STATE OF NEW MEXICO )
: SS.
COUNTY OF SANTA FE )

On the day of \_\_\_\_\_\_, 196% personally nappeared before me JOHN N. EDDY the signer of the above instrument who duly acknowledged to me that he executed the

NOTARY PUBLIC

Commission Expires:

#### QUITCLAIM DEED

Claims located in Emery County, State of Utah:

# Name of Claim

# Recorded

	<b>*</b>
DEEP GOLD #1 through #27	Book J28.28 dages 149 mhrough 175
DEEp? GOLD #28 through #30	Book J 128 Pages 262 through 263
DEEP GOLD #31	Book J 134 Page 597
DEEP GOLD #32	Book J 134 Page 598
DEEP GOLD #33	Book J 134 Page 599
DEEP GOLD#34	Book J 134 Page 600
DEEP GOLD #35	Book 129 Page 142
DEEP GOLD #36	Book 129 Page 143

(This instrument is subject to a reservation to the above grantors of 2 %/2% of the gross proceeds of all transits ores extracted from the above claims, said ore to be delivered to said parties at the mineemouth.)

Together with all the lodes and veins within the lines of said claim and the dips, spurs, mines, minerals, dumps, fixtures, improvements, rights, privileges and appurtenances thereunto in any wise belonging.

receipt and sufficiency of which is hereby acknowledged by Optionor, the above parties agree to the following:

# SECTION 1. GRANT

A. Optionor hereby gives and grants to Optionee, its successors and assigns, the exclusive right to explore, develop and mine the Claims, and the exclusive option, called the "Option" or "Purchase Option," to purchase the Claims, upon the terms and conditions contained in this Agreement.

#### SECTION 2. TERM

A. The term of this Agreement shall begin on the day and year first above written and continue thereafter for a period of four (4) years unless sooner terminated or the Purchase Option is exercised.

## SECTION 3. CONSIDERATION

Optionee in consideration of the rights and option granted herein agrees as follows:

- A. Subject to Optionee's rights of termination and/or purchase as hereinafter set forth Optionee shall pay to Optionor an annual prepaid minimum royalty payable during the term hereof as follows:
  - 1. \$20,000.00 upon execution of this Agreement;
  - 2. \$20,000.00 annually thereafter on or before each anniversary.

The annual prepaid minimum royalty payments made prior to exercise of the Purchase Option shall apply to and be credited against any royalties due on production hereunder within one (1) year following any such minimum payment. Any and all annual prepaid minimum royalty payments made subsequent to exercise of the Purchase Option shall apply to and be credited against any royalties due on production made thereafter.

Prepaid royalty payments made subsequent to exercise of

the Purchase Option shall be credited as follows unless otherwise mutually agreed to by the parties:

- 1. If Optionor is taking its royalty in kind
  then the amount of production Optionor is
  entitled to shall be reduced by one-half
  until such time as the value of the one-half
  of Optionor's in kind production so reduced
  is equal to the accrued prepaid minimum
  royalty payments as such value is determined
  of the reduced portion in accordance with the
  attached Exhibit "B"; or
- 2. If Optionor is taking its royalty as a production royalty, then the production royalty payments shall be reduced by one-half until such time as the amount of the payment reductions equal the amount of the accrued prepaid minimum royalty payments.
- B. In the event Optionee produces uranium and/or other ore from the Claims, Optionee shall grant Optionor a royalty of ore in kind or pay a production royalty as hereinafter set forth. Royalty Owner

commercial production of uranium and/or other ore from the Claims and optioner shall have ninety (90) days after such notice to elect to take its royalty either in kind or payments of the production royalty. Such election of royalty shall be firm for the remainder of that calendar year and each calendar year thereafter unless changed as provided for herein. Optioner from time to time may change its election of royalty from in kind to production or vice versa for succeeding calendar year period or periods upon giving optione notice of such change ninety (90) or more days prior to the beginning of any calendar year.

1. In the event Optioner elects to take the royalty

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as a production royalty, Optioner shall pay Optioner such

production royalty on ores, materials and minerals it

produces and sells from the Claims determined as set forth in Exhibit "B" attached hereto and incorporated herein by reference.

In the event Optionor elects to take its royalty in kind, Optionee shall grant ten (10%) percent of its production of ores and/or minerals from the Claims to Optionor and shall stockpile Optionor's share of production at or near the minesite at such times as Optionee ships for processing or sells ore and/or minerals from the Claims. Optionee shall use reasonable and good miner-like practices to provide Optionor with ore and/or minerals of a grade and quality equal to the grade and quality Optionee ships for processing or sells to third parties. Optionor shall dispose of its proportionate share of the ores and/or minerals it receives hereunder. Any expenditure incurred by reason of the taking in kind shall be borne by Optionor; and Optionee shall construct, operate and maintain, all at the expense of Optionor, any and all facilities which may be necessary to receive, store and dispose of Optionor's share of production, provided that any placement of Optionor's share of ore into any such facilities or dumps at the minesite shall be at no additional charge to Optionor. Optionee agrees that in the event Optionor arranges to have its proportionate share of ores and/or minerals timely shipped to be processed by a mill or plant at which a portion or all of Optionee's proportionate share of ores and/or minerals are then being processed, so as to not require separation of the ore and/or minerals prior to processing, no additional facilities will be required for Optionor to take in kind. Optionee and Optionor shall have their proportionate shares of ores and/or minerals assayed in accordance with practices and standards acceptable to the industry at their own cost and shall exchange such assays on mutually agreed to regular basis. In the event Optionor's ores are processed in a mill or mills co-mingled with Optionee's ores hereunder, the foregoing requirement of Optionor to have its ores assayed shall be eliminated. After assay

results have been exchanged, future taking of the royalty in kind shall be adjusted so as to provide each party with the proportionate share of uranium and/or other minerals contained in the ore. Upon cessation of mining operations or cessation of Optionor's taking in kind, the parties shall exchange final assays of their proportionate shares and in the event one party has received more than its proportionate share it shall pay to the other party the value of such excess as determined in the attached Exhibit "B" for the "value of uranium ore" and/or the "fair mine value" of other ore or minerals, whichever is applicable. Either party may, at its own expense and risk, sample and/or witness the assaying of the other party's proportionate share.

In the event Optionee mines ore from the Claims and decides to build a mill to process such ore, Optionee shall give Optionor notice of such intent and within sixty (60) days thereafter Optionor may give Optionee notice that it desires to have its ore processed at such mill in which event Optionee shall guarantee that it will not charge Optionor higher prices for processing than would be charged to third parties. Optionee shall have the right to require Optionor to commit the processing of its ore for a mutually agreed period. At Optionor's request, Optionee shall attempt to dispose of Optionors share of any product processed from ore subject to such terms and conditions as are agreeable to both parties. In the event the parties are unable to agree as to acceptable terms and conditions for the milling of ore or disposition of processed product, neither party shall have any further obligation to the other party under this paragraph.

In the event uranium and/or other minerals are produced by an in-situ mining or underground leach process and the uranium and/or other minerals are further processed by Optionee as part of the mining or leaching process, Optionee may provide Optionor's in kind proportionate share with the processed product subject to the processing costs and all other costs directly related to such processing. Processing costs are used under this paragraph shall not include any

mining costs.

In the event uranium and/or other minerals are produced by an above-ground heap, dump or vat leach process and the uranium and/or other minerals are further processed by Optionee as part of the leaching process, Optionee may provide Optionor's in-kind proportionate share with the processed product subject to processing costs and all other costs directly related to such processing. Processing costs as used in this paragraph shall not include any mining or construction of dump costs.

Any costs allowed against Optionor's in-kind royalty hereunder shall be paid by Optionor to Optionee within thirty (30) days after receipt of invoice from Optionee. Should Optionor fail to make payment of any such cost hereunder, Optionee may withhold amounts of Optionor's share of production equal in value to such costs as such value is determined in Exhibit "B".

In the event Optionor fails to make arrangements necessary to take in kind or dispose of its proportionate share of ores and/or minerals, Optionee shall have the right but not the obligation to purchase for its own account or sell to others such share and shall pay to Optionor the value of such share as determined in the attached Exhibit "B" in the case of uranium ore the "value of uranium ore" and for all other ore or minerals the "fair mine value" as complete satisfaction of its royalty obligations to Optionor as to both Optionor's and Optionee's then proportionate share of production.

- 3. Optionor agrees to be liable for and pay any and all royalties or payments of any nature due and/or owed to third parties arising out of agreements made by Optionor with third parties. Optionor represents that copies of all instruments creating any royalty or other interests in the Claims have been furnished to Optionee.
- C. Subject to Optionee's rights of termination and relinquishment as hereinafter set forth, Optionee shall

## QUITCLAIM DEED

For and in consideration of ten (10) and more dollars, the receipt whereof is hereby acknowledged, WE, LLOYD MECHAM and JOY F. MECHAM, husband and wife; RANDY JOE MECHAM and DEANNE CURTIS MECHAM, husband and wife; ROBERT DUGDALE and ARTIMES, husband and wife; hereby remise, release and quitclaim all of our right, title and interest in the mining claims shown below to JOHN N. EDDY, his heirs and assigns:

Claims located in Emery County, State of Utah:

## Name of Claim

# Recorded

KUINTA 31 through #80

BookJ-732 Pages 98 through 214

WHITE OWL #1 through #10 Book J 129, Pages 586 through 595

WHITE OWL #11 through #80 BookJ-731 Pages 332 through 402

(This instrument is subject to a reservation to the above grantors of 2 1/2% of the gross proceeds of all ores extracted from the above claims, said ore to be delivered to said parties at the mine mouth.)

Together with all the lodes and veins within the lines of said claim and the dips, spurs, mines, minerals, dumps, fixtures, improvements, rights, privileges and appurtenances thereunto in any wise belonging.

To have and to hold the lands, tenements and herediatments hereby conveyed unto JOHN N. EDDY, his heirs and assigns forever.

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RAY REYNOLDS

RAY RECHAM

RANDY JOE MECHAM

DEANNE CURTIS MECHAM

NOTAN ACCURATE

MARKE CORPES

# ACKNOWLEDGMENTS

COUNTY OF Color) SS.

My Commission Expires March 6, 1966
Residence, Price, Utah

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NOTARY PUBLIC

My Commission Expires:

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My I Mechan
Randy on Meckam
Ranne Curtis Mechan  Ralia D Mugdale  DEERT DUCDALE
Some Secondary
ANN A. DUGDALE
AY BETTLES
ILLY J. BETTLES
V
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MENTS  1967 personally  AM and JOY F. MECHAM, husband above instrument who duly executed the same.
MENTS  1967 personally  AM and JOY F. MECHAM, husband  above instrument who duly

