DEED

Pursuant to that certain Joint Formation Agreement dated January 1, 1981 by and between Dallas Explorations, Ltd., a body corporate under the laws of British Columbia ("Dallas") and Combined Metals Reduction Company, a Utah corporation ("CMR"), CMR does hereby grant, bargain and sell to Dallas Mines, Inc., a Delaware corporation, all of its right, title and interest in and to those lands and patented and unpatented mining claims, together with apy agreements relating to such mining claims or other properties situated in Lincoln County, State of Nevada, and more particularly described in Exhibits "B", "C" and "D" attached hereto.

Together with all of the improvements, fixtures, equipment and real and personal property, known as the Caselton Shaft and Mill", including:

- (a) Crushing plant, including crushers, screens, conveyors, samples, weightometer and ventilation systems;
- (b) Flotation plant, including storage bins, ball mills, flotation circuits and sink and float plant;
- (c) Thickener and Filtration Plant, including thickeners, filters and accessories;
- (d) Compressors, blowers, offices, warehouses, oil, brick, sulphur and acid storages; assay office, geological and metallurgical laboratories; scale house; machine, carpenter, truck repair and timber framing shops, reagent plant; transformers, power lines, pipe lines, buildings and equipment;
- (e) Dormitory, commissary, guest house and residences;
- (f) Supplies and reagents;
- (g) Millsites situated in Sections 19, 29, 30 and 32, T l N, R 67 E, and Sections 13 and 24, T l N, R 66 E, M.D.B. AND M., together with Caselton millsites 1 through 52 situated in Section 32, T l N, R 67 E, and in Section 4, T l S, R 67 E, M.D.B. 5 M.

Subject to that certain Trustee's Deed wherein the undersigned appears as grantor and Kerr-McGee Corporation appears as grantee, dated September 16, 1976.

TO HAVE AND TO HOLD by the said Dallas Mines, Inc. and assigns forever, as fully and complete as CMR shall have title therein. $\frac{1}{2} \frac{1}{2} \frac{1}{$

IN WITNESS WHEREOF, this DEED is executed January $\mathcal{Z}\mathcal{Z}$, 1981.

COMBINED METALS REDUCTION COMPANY

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LAWRENCE T. ATKINSON, President

STATE OF NEW YORK

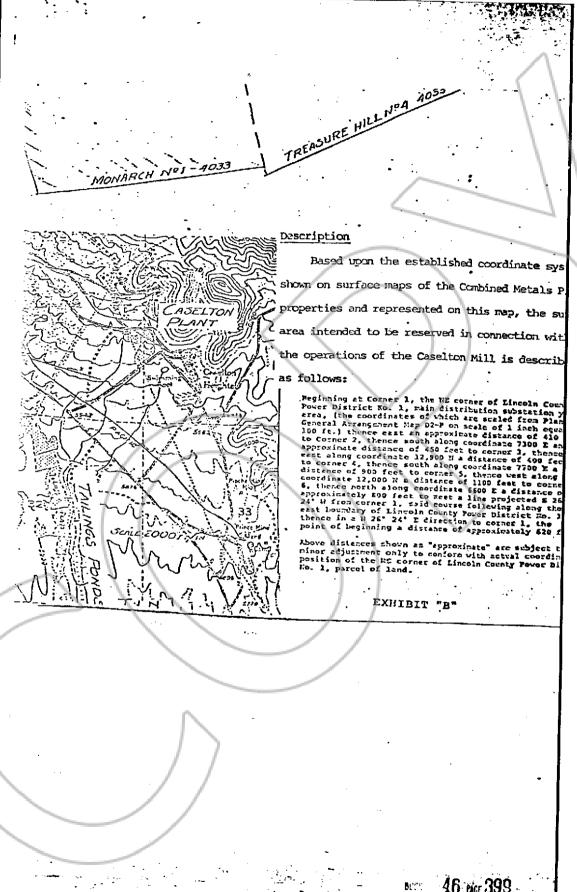
COUNTY OF NEW YORK)

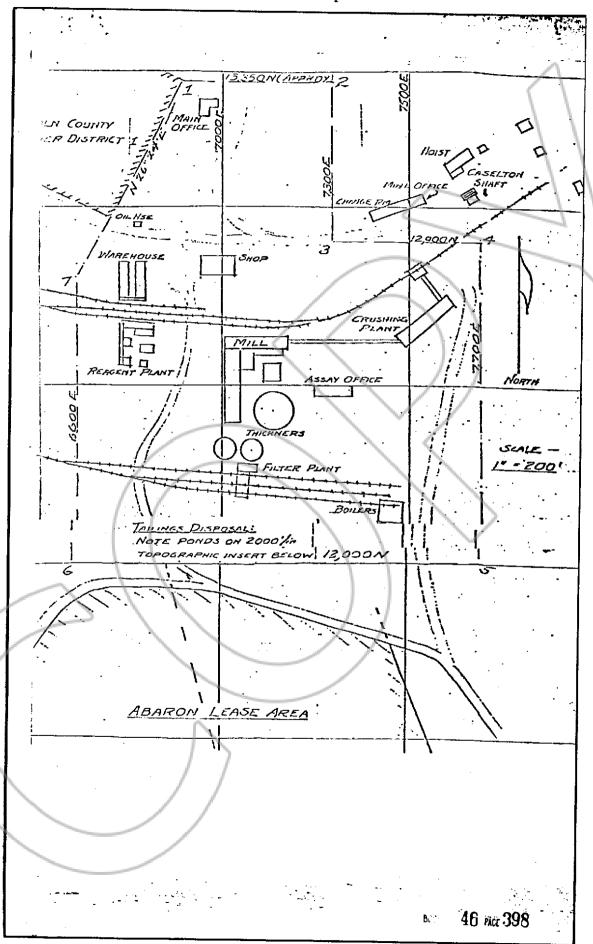
On this Day of January 1981, personally appeared before me LAWRENCE T. ATKINSON as President of Combined Metals Reduction Company, who duly acknowledged to me that he executed the above instrument for E.S. SHIFF

Notary Public, Shale of New York No. 31-4675828. Qualified in New York County Currentsion Expires March 30, 1982

NOTARY PUBLIC

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CASELTON HEIGHTS AREA

The area containing the Caselton Heights Campsite is shown in Exhibit \underline{D} and specifically described as the:

E1/2 SW1/4 SW1/4, W1/2 W1/2 SE1/4 SW1/4, SE1/4 NW1/4 SW1/4, S1/2 NE1/4 NW1/4 SW1/4, W1/2 SW1/4 NE1/4 SW1/4, S1/2 W1/2 NW1/4 NE1/4 SW1/4, Section 28, Township 1 North, Range 67 East, Mount Diablo Base & Meridian.

PERLITE PLANT AREA

The area known as the Perlite Plant Area consists of approximately five (5) acres and its location is indicated in Exhibit D. This area is bounded on the North by the Caselton Mine Highway right-of-way, on the East by the Caselton Mill Area as described in Exhibit B, on the South by the railroad right-of-way, which leads from the Caselton Mill Northwest past the Perlite Plant, and on the West by the West boundary of the SE-1/4 NW1/4 NE1/4, Section 29, Township 1 North, Range 67 East.

All of the Perlite Plant Area lies within the NW1/4 SE1/4 NE1/4, NE1/4 SW1/4 NE1/4, and the SE1/4 NW1/4 NW1/4, Section 29, Township 1 North, Range 67 East, Mount Diablo Base & Meridian.

TAILINGS AREA

That portion of the surface occupied by mill tailings in Section 32 of Township 1 North, Range 67 East, and Section 4, Township 1 South, Range 67 East, Mount Diablo Base & Meridian.

FXHIBIT "C"

