

February 5, 2010

WRD
North Mall Office Building
725 Summer Street, NE, Suite A
Salem, OR 97301-1266

Re: Mineral Valley, LLC, Application for a Groundwater Water Right

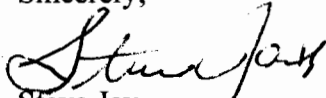
Dear Sir:

Enclosed please find an application with original signature, attachments to the application, a map, a copy of the deed showing ownership of the lands where water will be used, Supplemental Form "R", complete with DOGAMI maps, the well log and a LUC form signed by Malheur County Planning officials.

Also enclosed is a check in the amount of \$1,650.00 (One Thousand Six Hundred Fifty Dollars) to cover the \$1,000.00 base fee, the \$250.00 fee for one CFS, and the \$400.00 recording fee.

Jan Alexander is my permit writer, and I would appreciate it if you would contact her with any questions. Her address is P.O. Box 153, Unity, OR 97884 and her phone number is 541-446-3413.

Sincerely,



Steve Jay
Registered Agent for Mineral Valley, LLC
P.O. Box 5075
Bridgeport, OR 97819
541-446-3436

Enclosures

Cc: Jan Alexander

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WATER RESOURCES DEPT
SALEM, OREGON



Oregon Water Resources Department 725
 Summer Street NE, Suite A
 Salem Oregon 97301-1271
 (503) 986-0900
 www.wrd.state.or.us

Application for a Permit to Use Ground Water

Please type or print in dark ink. If your application is found to be incomplete or inaccurate, we will return it to you. If any requested information does not apply to your application, insert "n/a." Please read and refer to the instructions when completing your application. A summary of review criteria and procedures that are generally applicable to these applications is available at www.wrd.state.or.us/OWRD/PUBS/forms.shtml.

1. APPLICANT INFORMATION

A. Individuals

Applicant: _____
First Last

Mailing Address: _____

City State Zip

Phone: _____
Home Work Other

*Fax: _____ *Email Address: _____

B. Organizations

(Corporations, associations, firms, partnerships, joint stock companies, cooperatives, public and municipal corporations)

Name of Organization: Mineral Valley, LLC

Name and Title of Person Applying: Steve Jay, Registered Agent

Mailing Address or Organization: P.O. Box 5075
Bridgeport Oregon 97819
City State Zip

Phone : 541-446-3436
Day Evening

*Fax: 541 446 3318 *Email Address: _____

*Optional

For Department Use		
App. No. <u>G-17310</u>	Permit No. _____	Date _____

Last Updated: 3/31/2009

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2. PROPERTY OWNERSHIP

C Yes (Please check appropriate box below then skip to section 3 'Ground Water Development')

- There are no encumbrances
This land is encumbered by easements, rights of way, roads or other encumbrances (please provide a copy of the recorded deed(s))

C No (Please check the appropriate box below)

- I have a recorded easement or written authorization permitting access.
I do not currently have written authorization or easement permitting access.
Written authorization or an easement is not necessary, because the only affected lands I do not own are state-owned submersible lands, and this application is for irrigated and/or domestic use only (ORS 274.040).

You must provide the legal description of: (1) the property from which the water is to be diverted, (2) any property crossed by the proposed ditch, canal or other work, and (3) any property on which the water is to be used as depicted on the map.

List the names and mailing addresses of all affected landowners.

Mineral Valley, LLC
Steve Jay, Registered Agent
P.O. Box 5075
Bridgeport, OR 97819

3. GROUND WATER DEVELOPMENT

A. Well Information

Number of well(s): One

Name of nearest surface water body: French Gulch

Distance from well(s) to nearest stream or lake:

- 1) 200' 2) 3) 4)

If distance from surface water is less than one mile, indicate elevation difference between nearest surface water and well head:

- 1) well 4960, gulch 4955 2) 5' 3) 4)

B. Well Characteristics

Wells must be constructed according to standards set by the Department for the construction and maintenance of water wells. If the well is already constructed, please enclose a copy of the well constructor's log and the well ID number, if available, for each well with this application. Identify each well with a number corresponding to the wells designated on the map and proceed to section 4 of the form. If the well has not been constructed, or if you do not have a well log, please complete the following:

Well(s) will be constructed by:

Well is Existing MALH 007

Mailing Address: N/A

City State Zip

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Completion Date: See Log

Please provide a description of your well development. (Attach additional sheets if needed.)

Well No.	Diameter	Type and size of casing	No. of feet of casing	Intervals casing is perforated (in feet)	Seal depth	Est. depth to water	Est. depth to water bearing stratum	Type of access port or measuring device	Total well depth
				See Log					

Note: Well numbers in this listing must correspond to well locations(s) shown on accompanying map.

If well log is not available, or well is not yet constructed, you must provide: proposed total depth, depth of casing and seal, and the anticipated perforation and open intervals.

C. Artesian Flows

If your water well is flowing artesian, describe your water control and conservation works:

N/A

4. WATER USE

Please read the instruction booklet for more details on "type of use" definitions, how to express how much water you need and how to identify the water source you propose to use. You must fill out a supplemental form for some uses as they require specific information for that type of use.

A. Type(s) of Use(s)

See list of beneficial uses provided in the instructions.

- If your proposed use is **domestic**, indicate the number of households to be supplied with water: _____
- If your proposed use is **irrigation**, please attach **Form I**
- If your proposed use is **mining**, attach **Form R**
- If your proposed use is **municipal or quasi-municipal**, attach **Form M**
- If your proposed use is **commercial/industrial**, attach **Form Q**

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B. Amount of Water

Provide the production rate in gallons per minute (gpm) and the total annual amount of water you need from each well, from each source or aquifer, for each use. You do not need to provide source information if you are submitting a well log with your application.

Well No.	Source or aquifer	Type of use	Total rate of water requested (in gpm)	Total annual quantity (in gallons)	Production rate of well (in gpm)
#1	See Well Log	Mining	448.8	25,440,000	448.8

C. Maximum Rate of Use Requested

What is the maximum, instantaneous rate of water that will be used? 448.8 gpm

(The fees for your application will be based on this amount.)

D. Period of Use

Indicate the time of year you propose to use the water: March 1-December 31

(For seasonal uses like irrigation give dates when water use would begin and end, e.g. March 1-October 31.)

E. Acreage

If you will be applying water to land, indicate the total number of acres where water will be applied or used: 157

(This number should be consistent with your application map.)

5. WATER MANAGEMENT

A. Diversion

What method will you use to divert water from the source?

Pump (give horsepower and pump type): 100 hp submersible pump in the well

other means (describe): 10,000 gallon tank at well, 5 hp booster pump at the tank

B. Transport

How will you transport water to your place of use?

Ditch or canal (give average width and depth):

Width _____ Depth _____

Is the ditch or canal to be lined? Yes No

Pipe (give diameter and total length):

Diameter 6" flexible hose Length 500' to French Gulch wash plant

other, describe: 5,780' of hose to the California Gulch was plant

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Remarks

2. Property Ownership

The Mineral Valley property is "encumbered" by the Mormon Basin/Rye Valley County road.

The well is existing and is located approximately 2800 feet west and 227 feet south of the SW corner of Section 16. The place of beneficial use is described as being situated in Malheur County on tax lot 400 in the following Sections in Township 13 South, Range 42 East, Willamette Meridian:

Section 17

SE 1/4 of SW 1/4
SW 1/4 of SE 1/4

Section 20

NW 1/4 of NW 1/4
NE 1/4 of NW 1/4
SE 1/4 of NW 1/4
NE 1/4 of NE 1/4
NW 1/4 of NE 1/4
SW 1/4 of NE 1/4
SE 1/4 of NE 1/4
NE 1/4 of SE 1/4
SE 1/4 of SE 1/4

Section 21

NW 1/4 of NW 1/4
SW 1/4 of NW 1/4
SE 1/4 of NW 1/4
NW 1/4 of SW 1/4
NE 1/4 of SW 1/4

4. Water Use

B. Amount of Water:

Initial filling of primary plant ponds will be 1,000,000 gallons pre each site, for a total of 2,000,000 gallons.

Primary plant ponds will be drained and refilled at least twice during the season; resulting in the need for an additional 4,000,000 gallons for the two plants.

Final recovery process will use 90 gpm per plant, which then is used as make-up water in the primary process ponds in the amount of 9,720,000 gallons per year (54,000 gallons per day X 180 days), or 19,440,000 gallons for the two plants.

Total water use will be approximately 25,440,000 gallons (78.07 AF)

C. Maximum Rate of Use Requested

The 10,000 gallon tank will be quickly filled each day with 448.8 gpm of well water, which will take about 22 minutes.

D. Period of Use

During three months of the year, weather conditions prevent mining and operation of the primary processing unit. Typically this will be during the months of December through March.

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5. Water Management

B. Transport

The well elevation is 4960ft, the pond elevation is 4905ft at the French Gulch Site and 4773ft at the California Gulch Site. A 5 hp booster pump at the 10,000 gallon tank, combined with gravity flow will transfer approximately 90 gpm of water from the tank into a 6" flexible hose approximately 500 feet in length to the French Gulch Site and 5780 ft to the California Gulch Site.

Portable wash plants can be moved, and all areas on the property can have water put to beneficial use using this same method of water transfer.

C. Application/Distribution Method

Each set of ponds has a capacity of approximately 1,000,000 gallons of water (0.35 acre in ponds, approximately 8 feet deep).

Filling these ponds will take 12000 minutes, 200 hours, or close to 8.3 days per site, if the pumps run 24 hours/day.

After the ponds are full, approximately 90 gpm (5,400 gal/hr, 54,000 gallons per 10 hour day) will be pumped continually to each of the processing site for use in the final recovery process, then discharged into the recycling ponds where it is used as make-up water. This replaces loses due to evaporation and seepage.

C. Application/Distribution Method

What equipment will you use to apply water to your place of use?

Two or more wash plants capable of separating gold from pay gravel at the rate of 50 cubic yards/hour will be used. Each plant uses and reuses approximately 600 gpm of wash water. Approximately 90 gpm of additional water will be needed for make-up water and processing of concentrates.

Irrigation or land application method (check all that apply):

- Flood High pressure sprinkler Low pressure sprinkler
 Drip Water Cannons Center pivot system
 Hand Lines Wheel Lines
 Siphon tubes or gated pipe with furrows
 other, describe: Trommel and sluice systems with settling/recycling ponds

Distribution method

- Direct pipe from source In-line storage (tank or pond) Open Canal

E. Conservation

What methods will you use to conserve water? Why did you choose this distribution or application method? Have you considered other methods to transport, apply, distribute or use water? For example, if you are using sprinkler irrigation rather than drip irrigation, explain. If you need additional space, attach a separate sheet.

The 6" hose will help conserve water which would be lost to seepage and evaporation in an open ditch. Settling/recycling ponds are lined to minimize seepage and process water has sediment settled out in a series of ponds, then the water is recycled back to the wash plant.

6. PROJECT SCHEDULE

Indicate the anticipated dates that the following construction tasks should begin. If construction has already begun, or is completed, please indicate that date.

Proposed date construction will begin: Existing well, construction began 7-25-80

Proposed date construction will be completed: Well was completed 8-13-80

Proposed date beneficial water use will begin: 2010 or when the permit is issued

Is this project fully or partially funded by the American Recovery and Reinvestment Act? (Federal stimulus dollars) Yes No

7. REMARKS

If you would like to clarify any information you have provided in the application, please do so here and reference the specific application question you are addressing.

See clarification of Section 4, Water Use, B,C,D; and clarification of Section 5, Water Management, B,C

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8. MAP REQUIREMENTS

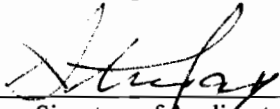
The Department cannot process your application without accurate information showing the source of water and location of water use. You must include a map with this application form that clearly indicates the township, range, section, and quarter/quarter section of the proposed well location and place of use. The map must provide tax lot numbers. See the map guidelines sheet for detailed map specifications.

9. SIGNATURE

By my signature below I confirm that I understand:

- I am asking to use water specifically as described in this application.
- Evaluation of this application will be based on information provided in the application packet.
- I cannot legally use water until the Water Resources Department issues a permit to me.
- If I get a permit, I must not waste water.
- If development of the water use is not according to the terms of the permit, the permit can be canceled.
- The water use must be compatible with local comprehensive land use plans.
- Even if the Department issues a permit, I may have to stop using water to allow senior water right holders to get water to which they are entitled.

I swear that all information provided in this application is true and correct to the best of my knowledge:



Signature of Applicant (If more than one applicant, all must sign.)

2-5-2010
Date

Before you submit your application be sure you have:

- Answered each question completely.
- Attached a legible map which includes township, range, section, quarter/quarter and tax lot number.
- Included a Land Use Information Form or receipt stub signed by a local official.
- Included the legal description of all the property involved with this application. You may supply a copy of the deed, land sales contract, or title insurance policy, to meet this requirement.
- Included a check payable to the Oregon Water Resources Department for the appropriate amount. The Department's fee schedule can be found at www.wrd.state.or.us or call (503) 986-0900.

WRD on the web:
www.wrd.state.or.us

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WATER RESOURCES DEPT
SALEM, OREGON

2007-07-006 (Sumpter Gold Dredge, now Mineral Valley, LLC)



Oregon Water Resources Department
Land Use Information Form

THIS FORM IS NOT REQUIRED IF: 1) water is to be diverted, conveyed, and/or used only on federal lands; or 2) the application is for a water-right transfer, allocation of conserved water, exchange, permit amendment, or ground water registration modification, and all of the following apply: a) only the place of use is proposed for change, b) there are no structural changes, c) the use of water is for irrigation, and d) the use is located in an irrigation district or exclusive farm-use zone.

Applicant Name: Thomas Hammond (Mineral Valley, LLC)
First Last

Mailing Address: P.O. Box 5075

Bridgeport, OR 97819 Daytime Phone: 541-446-3436
City State Zip

A. Land and Location

Please include the following information for all tax lots where water will be diverted (taken from its source), conveyed (transported), or used. Applicants for municipal use, or irrigation uses within irrigation districts may substitute existing and proposed service-area boundaries for the tax-lot information requested below.

Table with 8 columns: Township, Range, Section, 1/4 1/4, Tax Lot #, Plan Designation (e.g. Rural Residential/RR-5), Water to be: (Diverted, Conveyed, Used), Proposed Land Use: (mining). Row 1: 13S, 42E, 20, NW-NE, 400, Rangeland, [X] Diverted, [X] Conveyed, [X] Used, mining.

List all counties and cities where water is proposed to be diverted, conveyed, or used:

Malheur

B. Description of Proposed Use

Type of application to be filed with the Water Resources Department:

- [X] Permit to Use or Store Water [] Water-Right Transfer [] Exchange of Water
[] Allocation of Conserved Water [] Limited Water Use License
[] Permit Amendment of Ground Water Registration Modification

Source of water: [] Reservoir/Pond [X] Ground Water [] Surface Water (name)

Estimated quantity of water needed: 500 [] cubic feet per second [X] gallons per minute [] acre-feet

Intended use of water: [] Irrigation [] Commercial [] Industrial [] Domestic for household(s)
[] Municipal [] Quasi-municipal [] Instream [X] Other Mining

Briefly describe:

Malh07 is an existing well drilled in 1980 by Larry Burd Well Drilling, however no water right was ever filed on this well. The plan is to obtain a permit from OWRD, then put the water to beneficial use on Three Valleys land in Sections 17, 20 and 21 in Mormon Basin. In future years, the water will be used on other adjacent areas. A Conditional Use Permit was originally issued by Malheur County to Sumpter Gold Dredge for mining. This permit was transferred to BP Gold in 2008, and was transferred to Mineral Valley, LLC this week. Use of the water from this well will mean less mining water will be needed from the Mormon Basin streams and from Basin Creek.

Note to applicant: If the Land Use Information Form cannot be completed while you wait, please have a local government representative sign the receipt below and include it with the application filed with the Water Resources Department.

Receipt for Request for Land Use Information

State of Oregon Water Resources Department
725 Summer Street NE, Suite A
Salem, OR 97301-1266

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For Local Government Use Only

The following section must be completed by a planning official from each county and city listed unless the project will be located entirely within the city limits. In that case, only the city planning agency must complete this form.

This deals only with the local land-use plan. Do not include approval for activities such as building or grading permits.

Please check the appropriate box below and provide the requested information

- Land uses to be served by proposed water uses (including proposed construction) are allowed outright or are not regulated by your comprehensive plan. Cite applicable ordinance section(s): MCC Art 6
- Land uses to be served by proposed water uses (including proposed construction) involve discretionary land-use approvals as listed in the table below. (Please attach documentation of applicable land-use approvals which have already been obtained. Record of Action/land-use decision and accompanying findings are sufficient.)

If approvals have been obtained but all appeal periods have not ended, check "Being pursued".

Type of Land-Use Approval Needed (e.g. plan amendments, rezones, conditional-use permits, etc.)	Cite Most Significant, Applicable Plan Policies & Ordinance Section References	Land-Use Approval:	
		<input type="checkbox"/> Obtained <input type="checkbox"/> Denied	<input type="checkbox"/> Being pursued <input type="checkbox"/> Not being pursued
		<input type="checkbox"/> Obtained <input type="checkbox"/> Denied	<input type="checkbox"/> Being pursued <input type="checkbox"/> Not being pursued
		<input type="checkbox"/> Obtained <input type="checkbox"/> Denied	<input type="checkbox"/> Being pursued <input type="checkbox"/> Not being pursued
		<input type="checkbox"/> Obtained <input type="checkbox"/> Denied	<input type="checkbox"/> Being pursued <input type="checkbox"/> Not being pursued
		<input type="checkbox"/> Obtained <input type="checkbox"/> Denied	<input type="checkbox"/> Being pursued <input type="checkbox"/> Not being pursued

Local governments are invited to express special land-use concerns or make recommendations to the Water Resources Department regarding this proposed use of water below, or on a separate sheet.

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Name: Jon D Beal Title: Planning Div
 Signature: Jon D Beal Phone: 541-473-5185 Date: 11-23-09
 Government Entity: Malheur County

Note to local government representative: Please complete this form or sign the receipt below and return it to the applicant. If you sign the receipt, you will have 30 days from the Water Resources Department's notice date to return the completed Land Use Information Form or WRD may presume the land use associated with the proposed use of water is compatible with local comprehensive plans.

Receipt for Request for Land Use Information

Applicant Name: _____
 City or County: _____ Staff Contact: _____
 Signature: _____ Phone: _____ Date: _____



Oregon Water Resources Department

FORM R
FOR WATER USED FOR MINING PURPOSES

1. What type of mining operation is planned?

- Aggregate
- Industrial Minerals
- Placer
- Metal (flotation processing)
- Metal (chemical processing - heap leach)
- Other (Specify) _____

2. What are the proposed uses of water?

- Gravel washing
- Dewatering
- Make-up for *placer mining and processing* milling operation
- Heap leach
- Dust control
- Domestic
- Other (Specify) _____

3. Does the mine operation require dewatering?

- No (Skip to question no. 4)
- Yes

At what rate will the water be produced? _____ gpm cfs

How will the water be discharged? Recirculated Off-site

4. Will ponds or dams be constructed?

- No (Skip to question no. 5)
- Yes

Approximate pond depth: _____ Depth to ground water: _____ Amount stored: _____

5. Will a pond (or ponds) be left after reclamation has been completed?

- No (Skip to question no. 6)
- Yes List information for each pond.

Source: _____ Use: _____ Size: _____ Depth: _____

Use the reverse side of this form for additional ponds.

6. Will monitoring or observation wells be constructed on site?

- No (Skip to question no. 7)
- Yes How many? _____

Label these well locations on your permit application map.

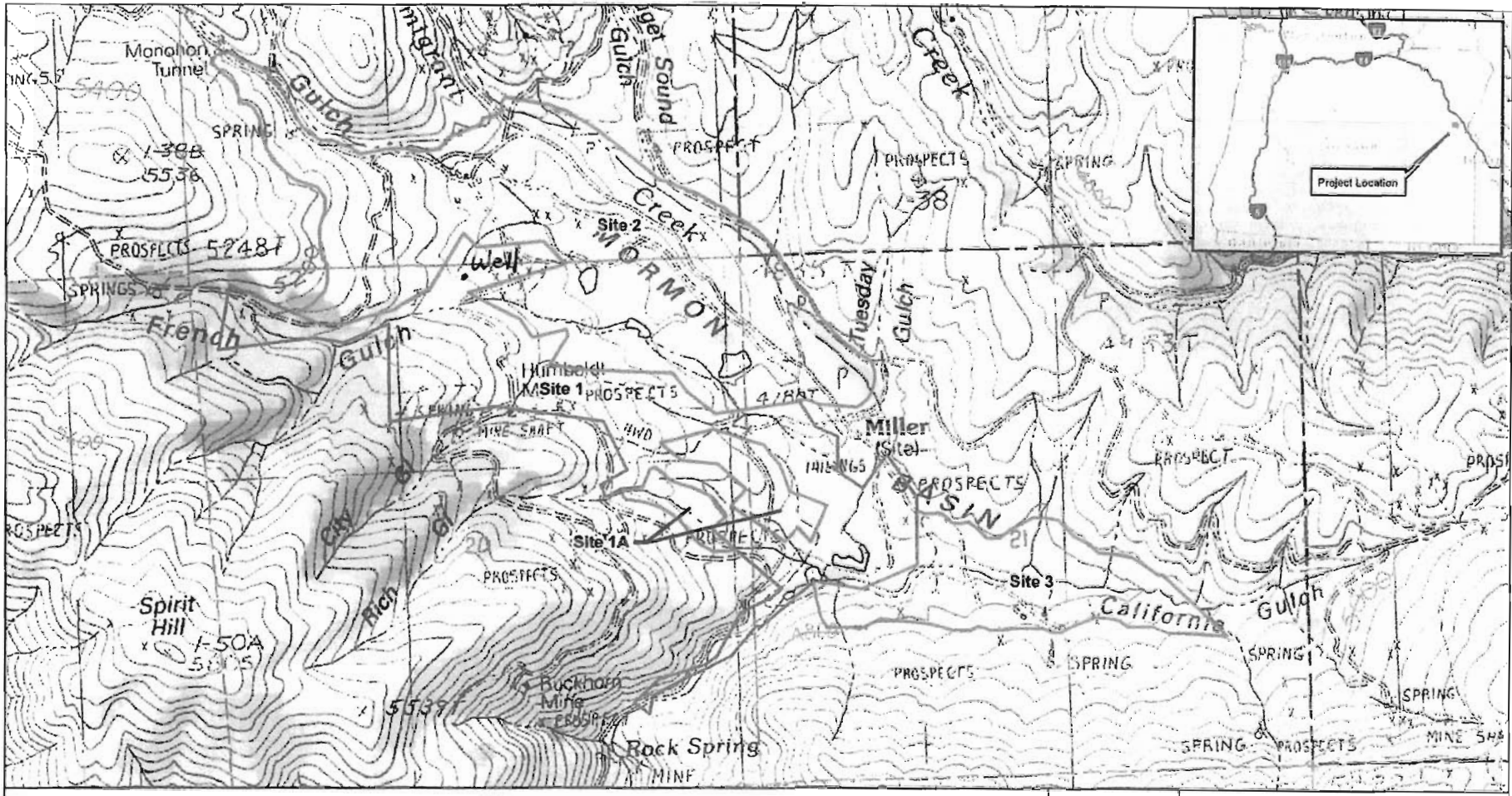
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7. Attach a copy of the map submitted to the Department of Geology and Mineral Industries (DOGAMI) showing locations of all intermittent water courses, perennial streams, springs, wetlands, and wells.

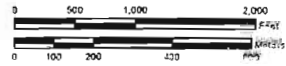
047310



Legend

- Approximate Project Area BLM-Administered Boundaries
- Approximate Project Area Private Land Boundaries

Source:
USGS 7.5 Minute Topographic Quadrangle; Mormon
Basin, OR, 1989.



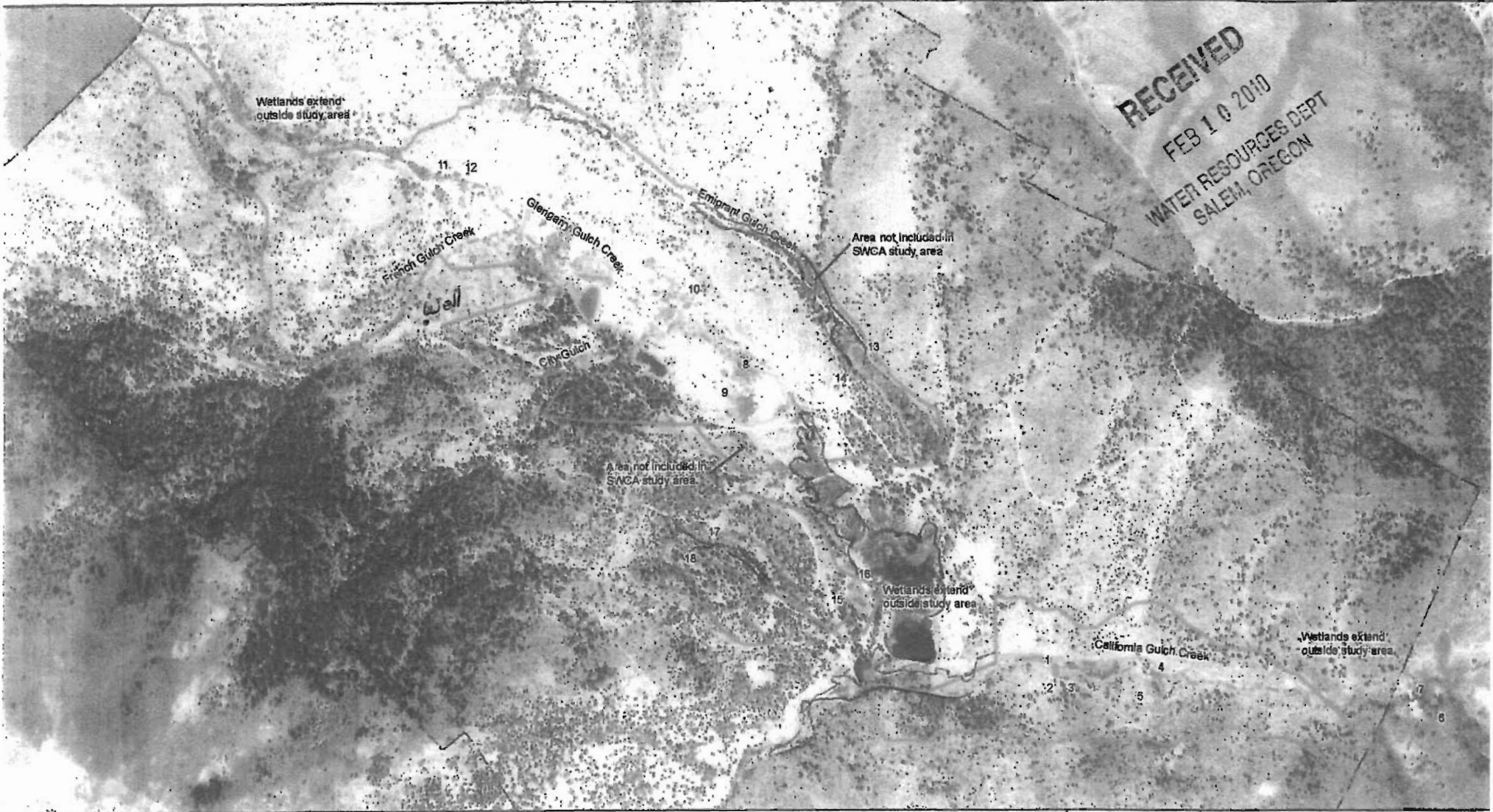
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511

WETLANDS

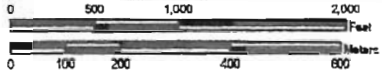
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Legend

- Upland Sample Plot
- Wetland Sample Plot
- Stream
- Wetland Boundary SWCA
- Wetland Boundary Bios
- Project Site

Source:
 Aerial Imagery DOGAMI 06/08/2007.
 National Agricultural Inventory Project. USDA, Aerial Photography
 Field Office, Salt Lake City, Utah. 2007. Accessed Online.
 [http://www.apfo.usda.gov].
 Sample plot locations mapped to sub-meter accuracy with Trimble
 GeoXT GPS unit. Wetland and water boundary map accuracy
 +/- 10 feet.



SWCA
 ENVIRONMENTAL CONSULTANTS
 SWCA Environmental Consultants
 434 SW Sixth Ave., Suite 304
 Portland, OR 97208
 www.swca.com
 503-224-6223

Mormon Basin Placer Mine
 Wetland & Water Determination
 Figure 4. Detail Overview Map

September 2008

G-17310

20

Picked Up by Thomas J. Hammond
RETURN TO & Send Taxes:
MINERAL VALLEY
5365 BREWSTER ROAD
OAKLAND TWP, MICH 48306

Inst. No. 2009-8149
I certify that the within instrument of
writing was received for record on
the 19 day of Nov., 2009
at 2:21 O'clock P.M. FEE 67.00
STATE OF OREGON, County of Malheur
DEBORAH R. DeLONG
County Clerk

INSTRUMENT NO. 2009 - 8149
Page 3 of 10 Pages

SPECIAL WARRANTY DEED

By: *Sheryl Chubb* Deputy

STATE OF OREGON §
 §
COUNTY OF MALHEUR §

KNOW ALL MEN BY THESE PRESENTS:

THAT, B.P. Gold Resources, Inc., a Nevada Corporation ("Grantor"), for and in consideration of the sum of Ten and No/1 00 Dollars (\$10.00) and other good and valuable consideration, the receipt and sufficiency of which consideration are hereby acknowledged, has GRANTED, SOLD AND CONVEYED and by these presents does GRANT, SELL AND CONVEY unto Mineral Valley, LLC, an Oregon Limited Liability Company ("Grantee"), that certain real property located in Malheur County, Oregon, being more particularly described on Exhibit "A" attached hereto and fully made a part hereof (the "Land"), together with all of Grantor's improvements located thereon and all rights and appurtenances thereto in anywise belonging to Grantor, including but not limited to, all rights, titles and interests, if any, of Grantor in (a) any land lying in or under the bed of any highway, avenue, street, road, alley, open or proposed, in, on, across, abutting or adjacent to the Land, but only from the Land to the center line of such highway, avenue, street, road, or alley; and (b) all rights, titles and interests of Grantor, if any, in and to any awards made, or to be made in lieu thereof, for damage by reason of change in grade of any such highway, avenue, street, road or alley with respect to the Land only (all of said Land, property and interest being collectively referred to herein as the "Property"), subject, however, only to those matters described on Exhibit "A" attached hereto and fully made a part hereof (the "Permitted Exceptions").

TO HAVE AND TO HOLD the above described Property, subject to the Permitted Exceptions, together with any and all the rights and appurtenances thereto in anywise belonging to Grantor, unto the said Grantee, its legal representatives, successors and assigns FOREVER, and Grantor does hereby bind itself and its legal representatives, successors and assigns to WARRANT AND FOREVER DEFEND all and singular the Property unto the said Grantee, its successors, legal representatives and assigns, against every person whomsoever lawfully claiming or to claim the same or any part thereof by, through or under Grantor, but not otherwise.

THIS CONVEYANCE IS MADE WITHOUT RECOURSE (EVEN AS TO THE RETURN OF THE PURCHASE PRICE), REPRESENTATION OR WARRANTY (EXCEPT AS TO THE SPECIAL WARRANTY OF TITLE CONTAINED HEREIN) OF ANY KIND, EXPRESS, IMPLIED OR STATUTORY AND GRANTOR IS TRANSFERRING THE PROPERTY COVERED HEREBY AS IS, WHERE IS, AND WITH ALL FAULTS, AND WITHOUT REPRESENTATIONS OR WARRANTY (ALL OF WHICH GRANTOR HEREBY DISCLAIMS) (EXCEPT AS TO THE WARRANTIES, COVENANTS AND REPRESENTATIONS EXPRESSLY MADE HEREIN) AS TO FITNESS FOR ANY PARTICULAR PURPOSE, MERCHANTABILITY, DESIGN, QUALITY, LAYOUT, FOOTAGE, PHYSICAL CONDITION, OPERATION, COMPLIANCE WITH SPECIFICATIONS, ABSENCE OF LATENT DEFECTS, OR COMPLIANCE WITH LAWS AND REGULATIONS (INCLUDING, WITHOUT LIMITATION, THOSE RELATING TO HEALTH, SAFETY AND THE ENVIRONMENT) OR ANY OTHER MATTER AFFECTING

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OR RELATED TO THE PROPERTY. GRANTEE ACKNOWLEDGES THAT, BY ACCEPTING THIS DEED, GRANTOR HAS NOT, (EXCEPT AS TO THE WARRANTIES, COVENANTS AND REPRESENTATIONS EXPRESSLY MADE HEREIN, MADE, DOES NOT MAKE AND SPECIFICALLY DISCLAIMS ALL REPRESENTATION AND WARRANTIES AS TO WATER, SOIL OR GEOLOGY OF THE PROPERTY AND AS TO INCOME TO BE DERIVED FROM THE PROPERTY, WITHOUT LIMITING THE FOREGOING (EXCEPT AS TO THE WARRANTIES, COVENANTS AND REPRESENTATIONS EXPRESSLY MADE HEREIN, INCLUDING, WITHOUT LIMITATION THOSE SET FORTH IN THIS CONTRACT), GRANTOR DOES NOT AND HAS NOT MADE ANY REPRESENTATION OR WARRANTY REGARDING THE PRESENCE OR ABSENCE OF ANY HAZARDOUS SUBSTANCES (AS HERENAFTER DEFINED) ON, UNDER OR ABOUT THE PROPERTY OR THE COMPLIANCE OR NONCOMPLIANCE OF THE PROPERTY WITH THE COMPREHENSIVE ENVIRONMENTAL RESPONSE, COMPENSATION AND LIABILITY ACT, THE SUPERFUND AMENDMENT AND REAUTHORIZATION ACT, THE RESOURCE CONSERVATION RECOVERY ACT, THE FEDERAL WATER POLLUTION CONTROL ACT, THE FEDERAL INSECTICIDE, FUNGICIDE AND RODENTICIDE ACT, THE CLEAN WATER ACT, THE CLEAN AIR ACT, ANY SO CALLED FEDERAL, STATE OR LOCAL "SUPERFUND" OR "SUPERLIEN" STATUTE, OR ANY OTHER STATUTE, LAW, ORDINANCE, CODE, RULE, REGULATION, ORDER OR DECREE REGULATING, RELATING TO OR IMPOSING LIABILITY (INCLUDING STRICT LIABILITY) OR STANDARDS OF CONDUCT CONCERNING ANY HAZARDOUS SUBSTANCES (COLLECTIVELY, THE "HAZARDOUS SUBSTANCE LAWS"). FOR PURPOSES OF THIS AGREEMENT, THE TERM "HAZARDOUS SUBSTANCES" SHALL MEAN AND INCLUDE THOSE ELEMENTS OR COMPOUNDS WHICH ARE CONTAINED ON THE LIST OF HAZARDOUS SUBSTANCES ADOPTED BY THE UNITED STATES ENVIRONMENTAL PROTECTION AGENCY AND THE LIST OF TOXIC POLLUTANTS DESIGNATED BY CONGRESS OR THE ENVIRONMENTAL PROTECTION AGENCY OR UNDER ANY HAZARDOUS SUBSTANCE LAWS. GRANTEE HEREBY FURTHER ACKNOWLEDGES AND AGREES THAT, BY ACCEPTING THIS DEED, IT IS, EXCEPT AS TO THE WARRANTIES, COVENANTS AND REPRESENTATIONS EXPRESSLY MADE HEREIN, RELYING SOLELY UPON THE INSPECTION, EXAMINATION, AND EVALUATION OF THE PROPERTY BY GRANTEE. THE PURCHASE PRICE IS A NEGOTIATED PURCHASE PRICE REPRESENTING THE FACT THAT THE PROPERTY IS BEING PURCHASED BY GRANTEE ON AN "AS IS," "WHERE IS" AND "WITH ALL FAULTS" BASIS. THE EXPRESS INTENTION OF GRANTEE AND GRANTOR IS THAT GRANTEE SHALL PURCHASE THE PROPERTY FROM GRANTOR WITHOUT ANY REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, FROM OR OF GRANTOR (OTHER THAN THE EXPRESS WARRANTIES, COVENANTS AND REPRESENTATIONS OF GRANTOR SET FORTH IN THE CONTRACT AND OTHER THAN THE SPECIAL WARRANTIES HEREIN). GRANTEE HEREBY WAIVES AND RELINQUISHES ALL RIGHTS AND PRIVILEGES ARISING OUT OF, OR WITH RESPECT, OR IN RELATION TO, ANY REPRESENTATION OR WARRANTY, WHETHER EXPRESS OR IMPLIED, WHICH MAY HAVE BEEN MADE OR GIVEN, OR WHICH MAY BE DEEMED TO HAVE BEEN MADE OR GIVEN, BY GRANTOR OTHER THAN THE SPECIAL WARRANTIES IN THIS SPECIAL WARRANTY DEED). WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, GRANTEE HEREBY ASSUMES ALL RISK AND LIABILITY (AND AGREES THAT GRANTOR SHALL NOT BE LIABLE FOR ANY SPECIAL, DIRECT, INDIRECT, CONSEQUENTIAL, OR OTHER DAMAGES) RESULTING OR ARISING FROM OR RELATING TO THE OWNERSHIP, USE, CONDITION, LOCATION, MAINTENANCE, REPAIR, OR OPERATION OF THE PROPERTY, EXCEPT AS

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OTHERWISE PROVIDED HEREIN. GRANTEE ACKNOWLEDGES THAT GRANTEE HAS INSPECTED THE PROPERTY AND HAS ACCEPTED THE PROPERTY "AS IS", "WHERE IS" AND "WITH ALL FAULTS." GRANTOR IS NOT LIABLE OR BOUND IN ANY MANNER BY ANY VERBAL OR WRITTEN STATEMENTS, REPRESENTATIONS, OR INFORMATION PERTAINING TO THE PROPERTY FURNISHED BY ANY REAL ESTATE BROKER, AGENT, EMPLOYEE, SERVANT OR OTHER PERSON, UNLESS THE SAME ARE SPECIFICALLY SET FORTH OR REFERRED TO HEREIN, AND GRANTOR SHALL NOT BE LIABLE OR BOUND IN ANY MANNER BY ANY STATEMENT OR INFORMATION CONTAINED IN ANY REPORT PROVIDED PURSUANT TO THIS DEED AND PRIOR AGREEMENTS, OR ANY OMISSION WITH RESPECT TO ANY SUCH REPORT. IT IS UNDERSTOOD AND AGREED THAT THE PURCHASE PRICE HAS BEEN ADJUSTED BY PRIOR NEGOTIATION TO REFLECT THAT ALL PROPERTY IS SOLD BY GRANTOR SUBJECT TO THE FOREGOING.

By accepting this deed, GRANTEE has agreed that and understands that Grantor shall not be responsible or liable to GRANTEE for any defects, errors, omissions, or on account of any other conditions affecting the Property, and because GRANTEE is purchasing the Property AS IS, WHERE IS, and WITH ALL FAULTS, GRANTEE hereby fully, irrevocably and unconditionally releases and discharges the Grantor and, as applicable, its respective officers, directors, partners, trustees, agents, attorneys, employees and representatives (collectively, the "Grantor Parties") from, and GRANTEE hereby waives and relinquishes any claims that GRANTEE may ever have against the Grantor and Grantor Parties for, any cost, loss, liability, damage, and expense arising out of or related to any alleged representations (other than those expressly made herein, including, without limitation those set forth in this Agreement), or warranties, whether express or implied, which may have been made or given, or which may be deemed to have been given by Grantor Parties (Grantor having specifically disclaimed having made any such representations or warranties), or any defects or other conditions affecting the Property, including, without limitation, claims arising out of the presence of Hazardous Substances on the Property or any other past, present or future physical or environmental condition of the Property. THE RELEASE AND WAIVER CONTAINED IN THIS SECTION SHALL APPLY AND BE ENFORCEABLE AS A DEFENSE AGAINST ANY CLAIMS MADE BY GRANTEE (OR GRANTEE'S SUCCESSORS AND ASSIGNS) EXCEPT AS PROVIDED IN THE CONTRACT AND THIS DEED, and such release and waiver shall be given full force and effect according to each of its express terms and provisions, whether the causes of action are in the nature of fraud, tort or breach of Contract, choate or inchoate, or relating to unknown and suspected claims, damages or losses.

Ad valorem taxes applicable to the Property have been paid up to and including the year 2009, and ad valorem taxes applicable to the Property for the year 2009 have been prorated by Grantor and Grantee as of the date of this Special Warranty Deed. Subject to any rights regarding reallocation of said pro-rations contained in any document executed between Grantor and Grantee, Grantee hereby assumes payment of ad valorem taxes for the year 2010 and each year thereafter.

BEFORE SIGNING OR ACCEPTING THIS INSTRUMENT, THE PERSON TRANSFERRING FEE TITLE SHOULD INQUIRE ABOUT THE PERSON'S RIGHTS, IF ANY, UNDER SECTIONS 2, 3 AND 5 TO 22 OF CHAPTER 424, OREGON LAWS 2007 (MEASURE 49 (2007)). THIS INSTRUMENT DOES NOT ALLOW USE OF THE PROPERTY DESCRIBED IN THIS INSTRUMENT IN VIOLATION OF APPLICABLE LAND USE LAWS AND REGULATIONS. BEFORE SIGNING OR ACCEPTING THIS INSTRUMENT, THE PERSON ACQUIRING FEE

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TITLE TO THE PROPERTY SHOULD CHECK WITH THE APPROPRIATE CITY OR COUNTY PLANNING DEPARTMENT TO VERIFY THAT THE UNIT OF LAND BEING TRANSFERRED IS A LAWFULLY ESTABLISHED LOT OR PARCEL, AS DEFINED IN ORS 92.010 OR 215.010, TO VERIFY THE APPROVED USES OF THE LOT OR PARCEL, TO DETERMINE ANY LIMITS ON LAWSUITS AGAINST FARMING OR FOREST PRACTICES AS DEFINED IN ORS 30.930 AND TO INQUIRE ABOUT THE RIGHTS OF NEIGHBORING PROPERTY OWNERS, IF ANY, UNDER SECTIONS 2, 3 AND 5 TO 22 OF CHAPTER 424, OREGON LAWS 2007 (MEASURE 49 (2007)).

EXECUTED AND EFFECTIVE as of the 16th day of November, 2009.

B.P. Gold Resources,
Inc., a Nevada
Corporation

By: Ed Baldwin
Ed Baldwin, President and
Member of the Board of Directors

By: Sid Greechey
Sid Greechey
Member of the Board of Directors

By: John P. Zaccaria
John P. Zaccaria
Member of the Board of Directors

By: Brenda Land
Brenda Land
Member of the Board of Directors

By: Myron Palermo
Myron Palermo
Member of the Board of Directors

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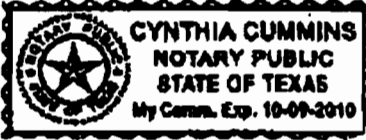
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STATE OF TEXAS §
COUNTY OF BEXAR §

This instrument was acknowledged before me on November 16, 2009, by Ed Baldwin, Sid Grechey, John P. Zaccaria, Benda Land and Myron Palermo each in their in their capacity as officers and/or directors of BP Gold Resources, Inc., a Nevada Corporation.

Cynthia Cummins
Notary Public for the State of Texas



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EXHIBIT "A"

Land in Malheur County, Oregon, as follows:

In Twp. 13 S., R. 42 E., W.M.:

Sections 17, 20 and 21: The Colt Brothers patented placer mining property situated in Mormon Basin Malheur County, Oregon, and consisting of Mineral Entry No. 40, Lots 125A and 125B as contained in US Patent recorded October 25, 1883, Book A, Page 605-613, Deed records.

This conveyance is subject to existing road rights of way.

This conveyance is also EXCEPTING THEREFROM any veins or loades of quartz, or other rock in place bearing gold, silver, cinnabar, lead, tin, cooper, or other valuable deposits within the land above described which may have been discovered or know to exist on or prior to last named date as contained in recorded October 25, 1883, Book A, Page 605-613, Deed records.

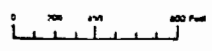
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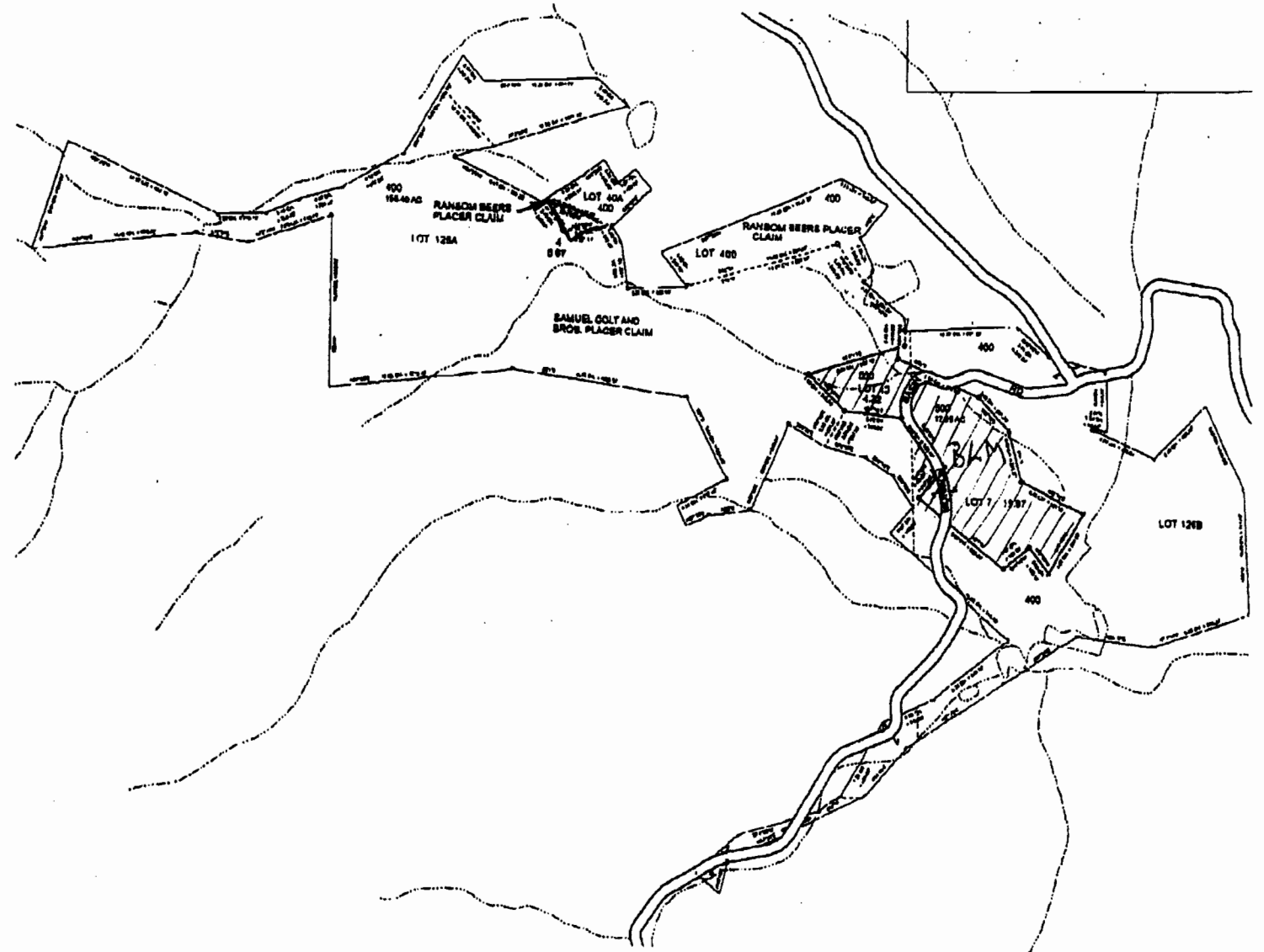
PRIVATE LAND

THIS MAP WAS PREPARED FOR
ASSESSMENT PURPOSE ONLY



T.13S. R.42E. DETAIL MAP NO. 1
SEC. 20 & 21
MALHEUR COUNTY
1" = 400'

133 42E
DETAIL MAP NO. 1



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13

G-17310

Revised MA
08/2008
139 42E
DETAIL MAP NO. 1

4

7110000112

Notice: The information provided here is for convenience ONLY. The records located at Malheur County Assessor/Tax Collector's office are the one and only legal instruments for assessment purposes. Although reasonable attempts are made to maintain this information as accurate as possible, these documents are being provided as an informational convenience ONLY. Malheur County is not, in any way, liable for any inaccuracies, inconsistencies, errors, omissions, or other deviations in these documents from the original copies maintained and filed at the Malheur County Assessor Office, Vale, Oregon.

Date Web Site was last updated 1/29/2010

Value and tax information for year indicated below

Tax Year:2009 Ref#:5575 Type of Property : REAL PROPERTY

MAP#	TAX LOT#	A NUM	CODE	PROPERTY CLASS/DESC	ZONE
13S42	400	0	7	500 FARM/MKT VALUE/VAC	C-A2

OWNER:	MINERAL VALLEY LLC
CONTRACT:	
ETAL(s):	
MAILING ADDRESS:	
	5365 BREWSTER RD
CITY/ST:	OAKLAND TWP, MI ,48306

PROPERTY ADDRESS: 0

NOTES:
PHOTO# NONE

	REAL MKT VALUE	ASSESSED(TAXABLE) VALUE
LAND	\$45,360	
STRUCTURES	\$0	
SUBTOT	\$45,360	\$17,480
TOTAL	\$45,360	\$17,480

PROPERTY TAX INFORMATION

TAX	\$217.03
TOTAL TAX & SPECIAL ASSESSMENTS	\$217.03

(Original tax lien, does not show tax owed or paid)

LAND DESCRIPTIONS

LINE #	ACRES	LAND CODE	DESCRIPTION	DIMENSIONS	MARKET VALUE
1	153.40	07G	CLASS 7G	-	\$45,360
TOTAL	153.40				

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