

SETTLEMENT AGREEMENT

This Settlement Agreement ("Agreement") is made and entered into among Rodeo Creek Gold, Inc., a Nevada corporation ("RCG"), and the United States of America through the Bureau of Land Management ("BLM"). RCG and BLM are sometimes referred to collectively as the "Parties" and individually as a "Party."

RECITALS

1. RCG owns or controls certain mining claims on Bureau of Land Management ("BLM") managed public lands in and adjacent to the Tosawihi Quarries Archeological District (the "District") in Elko County, Nevada.
2. RCG conducts exploration drilling operations under the Ivanhoe Exploration Project, the Hollister Development Block Project, and the Hatter Notice Operations (collectively, the "Authorizations").
3. In July of 2008, BLM notified RCG that it had discovered damage to archeological resources within the areas of RCG's exploratory drilling operations and of a potential Archeological Resources Protection Act ("ARPA") violation.
4. Following an investigation, in August of 2009, BLM provided to RCG its Archeological Resource Damage Description Report ("Damage Description Report") asserting violations of ARPA allegedly arising from mineral exploration activities undertaken by RCG as described in the report. BLM also provided a preliminary damage assessment which estimated the archeological value and cost of restoration and repair for the archeological resources allegedly damaged by RCG. In January of 2010, BLM provided to RCG a revised assessment of the costs of restoration and repair.
5. RCG disputes and denies that its exploration activities resulted in violations of ARPA or any other law.
6. The parties agree, however, that if BLM were to assess a civil penalty under ARPA, Section 7.16(b)(1) of the ARPA regulations provide authority for BLM to assess RCG a civil penalty amount less than the regulatory maximum based on the following relevant factors: (a) no archaeological resources were removed from public lands; (b) RCG has agreed to assist BLM in activities to preserve, restore, or otherwise contribute to the protection and study of archaeological resources on public lands or Indian lands; (c) BLM's Assessment concluded that RCG did not willfully, knowingly or intentionally impact any cultural or archaeological resource; (d) BLM's estimate of the regulatory maximum civil penalty based on archeological value and the costs of repair and restoration would constitute excessive punishment under the circumstances; (e) RCG has taken meaningful action to ensure future compliance with permits and notice stipulations and protection for cultural and archeological resources in areas potentially affected by its activities.
7. RCG and BLM share a commitment to protect and preserve historic properties and cultural resources, and desire to work together to better protect and preserve the District.

8. BLM has consulted with interested Native American Groups regarding the archeological damage described in its Damage Description Report, including discussions related to what resolution of the allegations will best benefit the District.

9. RCG and BLM understand and agree that the cost of resolving the above issues through administrative appeals and litigation would be costly, time-consuming and would not reasonably result in greater protection for archeological resources within the District. The parties have therefore agreed to fully resolve the alleged ARPA violation described in BLM's Damage Description Report and any penalties that could have been assessed as a result of this alleged ARPA violations as set forth below.

AGREEMENT

Following negotiations between the parties, and in consideration of the mutual covenants and agreements contained herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties hereby agree to fully resolve and settle the alleged ARPA violations described in the Damage Description Report as follows:

1. BLM Tosawihi Account. BLM shall establish a BLM-controlled, but segregated, account (the "BLM Tosawihi Account") to be used exclusively for the benefit of the District. See Exhibit A. RCG shall pay a total of \$1.5 million which will be distributed as follows:

- a) On the later of (1) 14 calendar days after the BLM has established the BLM Tosawihi Account and provided RCG wiring instructions or (2) 14 calendar days after the effective date of this Agreement, RCG shall deposit into the BLM Tosawihi Account the sum of \$500,000.
- b) Upon the first through tenth anniversaries of the date of execution of this Agreement, RCG shall deposit \$100,000 into the BLM Tosawihi Account to be used in accordance with Exhibit A, unless a separate "Tribal Tosawihi Fund" has been established under Paragraph 2.
- c) If and when a "Tribal Tosawihi fund" has been established, then RCG shall annually deposit its \$100,000 payment as \$50,000 into the BLM Tosawihi Account and \$50,000 into the Tribal Tosawihi Fund, until the total deposits into the BLM Tosasihi Account reach \$1.0 million, at which time the full \$100,000 will be deposited into the Tribal Tosawihi Fund.
- d) If the BLM Tosawihi account deposits reach \$1.0 million and no Tribal Tosawihi Fund has been established, RCG shall continue to deposit the full \$100,000 into the BLM account through the tenth anniversary of the execution of this Agreement.

2. Tribal Tosawihi Fund. The parties shall investigate the options for the establishment of a Tribal Tosawihi Fund to finance activities that are directly responsive to the expressed interests and priorities of tribal members to enhance the role of the Native American Groups in protecting important cultural and archeological resources within the District. See Exhibit B. RCG shall

pay a total of up to \$500,000 into this fund (which total amount depends upon when this fund is established) through annual payments as provided under Paragraph 1.

3. RCG's combined contributions to the BLM Tosawihi Account and Tribal Tosawihi Fund will be \$1.5 million.

4. No Further Proceedings. Each Party agrees that it shall not hereafter institute any legal or other proceedings to challenge, litigate, arbitrate, appeal, or assert in any fashion any claim or issue which relates to the activities and archeological damage described in the Damage Description Report.

5. Releases.

a) BLM hereby releases and forever discharges with prejudice RCG, its affiliated companies, officers, directors, employees, and agents, and the successors and assigns of each of the foregoing, from any and all claims deriving from the Damage Description Report and from any and all ARPA claims that could have been brought by the BLM as of March 1, 2010.

b) RCG hereby releases and forever discharges with prejudice the BLM, and its employees, and agents, and the successors and assigns of each of the foregoing, from any and all claims relating to the Damage Description Report and the activities which led to the described damage.

6. No Admission of Liability. The Parties agree that by executing this Agreement, RCG does not admit any liability.

7. Construction. This Agreement shall be construed without regard to the Party or Parties responsible for its preparation, and it shall be deemed to have been jointly prepared by all Parties. Any ambiguity or uncertainty existing herein shall not be interpreted or construed against any Party by virtue of drafting the Agreement. Each Party acknowledges that it was represented by counsel in connection with the negotiation and execution of this Agreement, is fully competent to execute this Agreement, has full authority to enter into this Agreement, and understands the terms and provisions of this Agreement. This Agreement shall be liberally construed as effecting a full and final settlement of the matters and controversies described herein.

8. Entirety of Contract. This Agreement represents the entire and integrated agreement between the parties regarding the matters and controversies described herein and supersedes all prior negotiations, representations and agreements, whether written or oral, in such regard.

9. Costs and Attorneys' Fees. Neither party shall have any claim against the other for attorneys' fees or other costs incurred in connection with the claims resolved hereby, including costs incurred in the preparation of this Agreement.

10. Counterparts. The parties agree that this Settlement Agreement may be signed in counterparts, which together shall constitute one and the same agreement. The parties further

agree that facsimile signature and a scanned pdf of a signature will be sufficient for valid execution of the agreement.

11. Authority. The Parties represent that the person executing the Agreement on each Party's behalf has been duly authorized by all necessary and appropriate action to enter into this Agreement. The Parties represent and warrant that no other action is required than that they have taken to give full force and effect to this Agreement.

12. Amendments. Any changes, modifications, revisions or amendments to this Agreement which are mutually agreed upon by the parties to this Agreement shall be incorporated by written instrument, executed and signed by all parties to this Agreement.

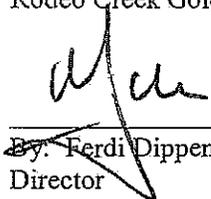
13. Effective Date. This agreement shall become effective on the date of the last signature by the party representative listed below.

U.S. Bureau of Land Management
Elko District Office

Rodeo Creek Gold, Inc.

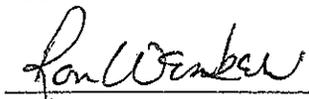
Acting for : 
By: Kenneth Miller
District Manager

10/18/10
Date


By: Ferdi Dippenaar
Director

2010/10/13
Date

Approved by:


Ronald Wenker
Director BLM,
Nevada State Office

OCTOBER 13, 2010
Date

Exhibit A

The BLM Tosawihí Account will be an account administered by the BLM, but kept separately from general funds and used exclusively to benefit the Tosawihí Quarry Archeological District (“District”). [The parties will enter into a Memorandum of Understanding for the establishment of this fund.]

The following types of priority items will be funded through the BLM Tosawihí Account:

- Repair and restoration work of the areas discussed in the Damage Description Report.
- Complete Class III cultural resource inventory and loci evaluation within the Tosawihí Quarries Archeological District of the acres within the District that still remain to be inventoried that are outside of the Area of Potential Effects surveyed as part of the Section 106 process for the Hollister Underground Mine EIS (“APE”).
- Additional documentation of known loci that are outside of the APE: GPS mapping of loci perimeters, artifact concentrations and cultural features, important artifacts, and existing disturbance; and digital photographs to further document concentrations, features, important artifacts, and loci condition. Write new loci (site) forms incorporating this and other information; and update GIS layers for Tosawihí Quarries Archeological District.
- Archaeological Management Plan development for areas outside of the APE, or for any area within the District, for activities other than gold mining.
- Native American consultation and input in Archaeological Management Plan development and implementation for areas outside of the APE, or for any area within the District, for activities other than gold mining.

Exhibit B

The parties, in conjunction with the Native American Groups, will explore the options for establishing a Tribal Tosawihí fund, including how such fund could be managed and administered, such as through an Advisory Group consisting of representatives of the Western Shoshone tribes, RCG and BLM, to achieve the following types of exemplar projects:

- Ethnographic training of Western Shoshone and others so that they can collect, archive and share additional information obtained from elders, while ensuring that sensitive materials are also protected and separated from that which can be made public. Ethnographic training and participation in field schools is included under Education & Outreach. Completing the ethnographic field work, reports, and records curation is estimated to require half a dozen people working for several years.
- Oral history of mercury miners to learn more about what the Tosawihí area looked like in the early 20th century.
- Documentation of the trail used by Western Shoshones moving between Rock Creek and Tosawihí, including ethnographic research, remote sensing, ground truthing, and tours with elders. Accomplishing this task requires a team composed of an archaeologist, Shoshone elders and possibly an ethnographer working together for about 3 months, and associated travel and supply costs.
- Assist tribal governments to become Tribal Historical Preservation Offices. The goal would be to enable a small, core-group of Shoshone to obtain the formal education (such as a graduate degree in anthropology or related fields) that would enable them to assume responsibilities for project review from the State Historic Preservation Office (“SHPO”), obtain permits to and complete cultural resource studies (i.e., develop a tribal CRM program), and perhaps develop a permitted curatorial facility/tribal museum where artifacts and records would be stored, and local findings exhibited. Some training would be accomplished through short-term programs (e.g., workshops, conferences, meetings, certification). The long-term success of this effort would likely involve funding the college educations of at least two Shoshone students through undergraduate (B.A./B.S.) and graduate (M.A./M.S.) degrees, requiring about 10 years to accomplish. Annual funding per student (based on in-state attendance/waiver) would include tuition and fees, supply/book stipend, room and board. In addition to staff, there would also likely be costs associated with the development of physical infrastructure (i.e., library, copying files, computers, copiers, maps, vehicles, etc.). Additional costs would occur during the actual certification process to become a SHPO.
- Youth, educational, cultural and archaeological workshops fostering connections to and participation in other programs/tasks.

- Nevada Site Stewardship Program (administered by the SHPO). The training of two teams composed of a pair of site stewards (4 people) who visit at-risk loci at Tosawihi at least 3 times/year for at least 10 years. Funds would be used to reimburse vehicle gas, camping per diem, training costs, and purchase of necessary supplies and equipment.