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DEED OF TRUST, SECURITY AGREEMENT AND  
FINANCING STATEMENT

FROM

NICOR MINERAL VENTURES INC.

as nominee for

THE PETROL OIL AND GAS CORPORATION, FORMERLY  
UNIVERSAL GAS (MONTANA), INC.

TO

FIRST AMERICAN TITLE COMPANY OF NEVADA, TRUSTEE

AND

THE ROYAL BANK OF CANADA

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DEED OF TRUST, SECURITY AGREEMENT AND  
FINANCING STATEMENT

This Deed of Trust, Security Agreement and Financing Statement is entered into by and among the undersigned NICOR Mineral Ventures Inc. ("Grantor"), whose address is 4949 South Syracuse Street, Suite 4200, Denver, Colorado 80237, which holds record title to certain interests in the property which is subject to this Deed of Trust as nominee for The Petrol Oil and Gas Corporation, formerly Universal Gas (Montana), Inc. ("Petrol"), whose address is 706 - 7th Avenue, S.W., Calgary, Alberta, Canada T2P 0Z1, First American Title Company of Nevada (herein called "Trustee," ) whose address is 201 West Liberty Street, Reno, Nevada 89504 and The Royal Bank of Canada (herein called "Beneficiary"), a Canadian chartered bank having an address at 335 8th Ave., S.W., 10th Floor, Calgary, Alberta T2P 2N5.

The parties hereto agree as follows:

ARTICLE 1 - DEFINITIONS

Section 1.1 Defined Terms. For the purposes of this instrument:

(a) "Collateral" includes Fixture Collateral, Personalty Collateral and Realty Collateral as hereinafter defined.

(b) "Fixture Collateral" means the undivided interests held by Grantor as nominee for Petrol pursuant to the Venture Agreement, as such interests may change from time to time, in and to all Operating Equipment which is or becomes so related to the Mining Property or any part thereof that an interest in the Operating Equipment arises under the real property law of Nevada.

(c) "Mill" shall mean the mill facilities located on the Mining Properties for the purposes of the milling, producing, treating and processing of the Metals, Minerals and Ores, together with all properties and equipment relating thereto and located on or utilized in connection with such mill facilities.

(d) "Mine" shall mean the mine located on the Mining Claims, presently known as the LITTLE DON MINE in Eureka County, Nevada and future facilities or related groups of facilities relating thereto, constructed and equipped for the prospecting and mining for and extraction and production of the Metals, Minerals and Ores, and any other mines now or hereafter located on the Mining Claims.

(e) "Metals, Minerals and Ores" means, collectively, all of the metals, minerals and ores of every kind and character whatsoever, precious and base, metallic and nonmetallic, which are now found or which hereafter may be found in or on, mined, extracted and produced from, milled, treated, processed, handled, transported, stored or marketed on or in, or otherwise attributable to or associated with, the Mining Properties, and which shall include all protore, waste, tailings and bullion associated therewith in any manner whatsoever.

(f) "Mining Claims" means, collectively, those patented and unpatented lode mining claims and mill site claims described and referred to in Exhibit A hereto and shall include any other form of mineral tenure hereafter acquired by Grantor in substitution therefor or in addition thereto.

(g) "Mining Properties" means, collectively, the undivided interests held by Grantor as nominee for Petrol, as such interests may change from time to time as provided in the Venture Agreement, in and to the Mining Claims, the Mill and the Mine, together with all of Grantor's other real property interests of any nature whatsoever therein or incident or appurtenant thereto, held as nominee for Petrol, including, but not limited to, any and all intraliminal and extralateral mining rights of Grantor pertaining thereto, the Metals, Minerals and Ores to the extent the same constitute real property, leases, subleases, royalties, overriding royalties, net profits interests, production payments and similar interests, and all rights, rights-of-way and easements, affecting the foregoing interests of Grantor or useful or appropriate in prospecting and exploring for, mining, extracting or milling, producing, processing, treating, handling, storing, transporting, manufacturing or marketing the Metals, Minerals and Ores therefrom, together with (i) any and all right, title and interest hereafter acquired by Grantor the benefit of or as nominee for Petrol in and to the Mining Claims, the Mine, the Mill or the lands upon which the same are situated, whether under and by the notices of location pertaining thereto or any other notice of location or amended location or under and by any patent or otherwise, and (ii) the undivided interests held by Grantor as nominee for Petrol, as such interests shall change from time to time, in and to all water and water rights, wells and well rights, ditches and ditch rights, reservoirs and reservoir rights, springs and rights to springs, headgates, flumes and pumping and irrigating equipment and facilities of Grantor with respect to the Mining Claims, the Mill and the Mine. Expressly excluded from the Mining Properties are interests in the Mining Claims, the Mill and the Mine and other real property interests appurtenant thereto held by Grantor for its own account and

for the account of parties to the Venture Agreement other than Petrol, as such interests may appear from time to time in varying amounts in accordance with the Venture Agreement.

(h) "Obligations" means the aggregate of:

(i) All amounts payable pursuant to that certain Guarantee and Postponement of Claim (the "Guarantee") executed by Petrol and pursuant to which Petrol has guaranteed the obligations of Universal Explorations [83], Ltd. in favor of Beneficiary in the maximum amount of up to ten million Canadian Dollars (\$10,000,000), together with interest at a rate per annum equal at all times to the rate per annum determined in accordance with the terms of the Guarantee;

(ii) Any and all other or additional indebtedness or liabilities for which Petrol is now or may become liable to Beneficiary in any manner, whether under this instrument, the Guarantee or otherwise, either primarily or secondarily, absolutely or contingently, directly or indirectly, jointly, severally, or jointly and severally, and whether matured or unmatured, regardless of how the indebtedness or liability may have been or may be acquired by Beneficiary and whether or not created after payment in full of the Obligations if this instrument shall not have been released of record by Beneficiary;

(iii) All sums advanced and costs and expenses incurred by the Trustee or the Beneficiary, including without limitation all legal, accounting, engineering, management, consulting or like fees, made and incurred in connection with the Obligations described in paragraphs (i) and (ii) above or any part thereof, any renewal, extension or modification of, or substitution for, the foregoing Obligations or any part thereof, or the acquisition, perfection or maintenance and preservation of the security therefor, whether such advances, costs or expenses shall have been made and incurred at the request of Petrol, Beneficiary or Trustee; and

(iv) Any and all extensions and renewals of, substitutions for, or modifications or amendments of any of the foregoing Obligations or any part thereof.

(i) "Operating Equipment" shall mean all surface or subsurface machinery, equipment, facilities or other property of any kind or nature whatsoever now or hereafter located at or on the Mining Properties, or any part of any of them, and which is useful for the exploration for,

production, mining, milling, treatment, processing, handling, storage or transportation of the Metals, Minerals and Ores including, by way of illustration but not by way of limitation, all hoisting shafts, air shafts, engines, boilers, dynamos, generators, other electrical and hydraulic apparatus, machinery and tipples, transport facilities, including rail and vehicular equipment, laboratory facilities, storehouses and other buildings of every name and kind, owned or used by Grantor in connection with the Mining Properties, or any part of them, the Mill, and all tools, supplies, chemicals, solvents, processes, equipment and personal property of every name, kind, sort or character, whether now owned or hereafter to be purchased, leased or acquired by Grantor for use in connection with the Mining Properties, or any part of any of them.

(j) "Personalty Collateral" means, collectively, the undivided interests held by Grantor pursuant to the Venture Agreement as nominee for Petrol, as such interests may change from time to time pursuant to the Venture Agreement, in and to (i) the Operating Equipment, the Metals, Minerals and Ores to the extent the same constitute personal property, the Production Sales Contracts and accounts, contract rights and general intangibles now existing or hereafter arising in connection with the exploration for, production, processing, treatment, storage, transportation, manufacture or sale of the Metals, Minerals and Ores; (ii) all awards or payments, including interest thereon, and the right to receive the same, which may be made with respect to the Collateral, whether from the exercise of the right of eminent domain (including any transfer made in lieu of the exercise of said right), or for any other injury to or decrease in the value of the Collateral; (iii) all proceeds of and any unearned premiums on any insurance policies covering the Collateral, including, without limitation, the right to receive and apply the proceeds of any insurance, judgments or settlements made in lieu thereof, for damage to the Collateral; (iv) the right, in the name and on behalf of Grantor to appear in and defend any action or proceeding brought with respect to the Collateral, and to commence any action or proceeding to protect the interest of Trustee and Beneficiary in the Collateral; (v) all permits, licenses, contracts, agreements and warranties relating to the Mine, the Mill and the other properties constituting part of the Collateral; (vi) Grantor's inventories of raw materials, work-in-progress, supplies, spare parts and finished goods and products, wherever located, whether now owned or hereafter acquired; and (vii) personal property, moveable and immovable, tangible or intangible, of whatsoever nature and kind, wherever located, including, without limitation, all accounts, contract rights, general intangibles, Operating Equipment,

inventory, goods and chattel paper, now owned or existing or hereafter acquired or arising in connection with the conduct by Grantor of any activities other than the exploration for, production, extraction, mining, milling, processing, treatment, handling, storage, transportation, manufacture or sale of the Metals, Minerals and Ores.

(k) "Proceeds" includes whatever is received upon the sale, exchange, collection or other disposition of the Collateral and insurance payable or damages or other payments by reason of loss or damage to the Collateral, and all additions thereto, substitutions and replacements thereof or accessions thereto.

(l) "Production Sales Contract" means each contract now in effect or hereafter entered into by Grantor pursuant to the Venture Agreement for the sale, purchase, exchange, processing, production, handling or transportation of the Metals, Minerals and Ores.

(m) "Realty Collateral" means, collectively, the undivided interests held by Grantor as nominee for Petrol, pursuant to the Venture Agreement as such interests may change from time to time pursuant to the Venture Agreement, in and to (i) the Mining Properties, including, but not limited to, the interests described or specified in Exhibit A hereto, (ii) all easements, rights-of-way, water rights and powers, and all estates, rights, titles, interests, privileges, liberties, tenements, hereditaments, and appurtenances of any nature whatsoever, in any way belonging, relating or pertaining to the Collateral, (iii) all leases, subleases and other agreements affecting the use or occupancy of the Collateral now or hereafter entered into and the right to receive and apply the rents, royalties, issues and profits of the Collateral to the payment of the Obligations, and (iv) all other real property interests of Grantor whether now owned or hereafter acquired, relating to the real properties constituting the Collateral.

(n) "Venture Agreement" means the Venture Agreement of June 1, 1984 among Petrol, Grantor, Camsell River Investments, Ltd., Lambert Management Ltd. and Eltel Holdings Ltd., as such Venture Agreement may be amended from time to time.

#### ARTICLE 2 - CREATION OF SECURITY

Section 2.1 Grant. In consideration of the Beneficiary's advancing or extending the funds or credit constituting the Obligations, and in consideration of the mutual covenants contained herein, and for the purpose of securing

payment of the Obligations, Grantor hereby grants, bargains, sells, warrants, mortgages, assigns, transfers and conveys the Realty Collateral to the Trustee subject to the Venture Agreement, with power of sale, for the benefit of Beneficiary; to have and to hold the Realty Collateral together with all and singular the rights, privileges, contracts, and appurtenances now or hereafter at any time before the foreclosure or release hereof, in any way appertaining or belonging thereto, unto the Trustee and to its substitutes or successors, forever, in trust, for the use and benefit of the Beneficiary upon the terms and conditions herein set forth.

Section 2.2 Creation of Security Interest. In addition to the grant contained in Section 2.1, and for the same consideration and purpose, Grantor hereby grants to the Beneficiary, subject to the Venture Agreement, a first and prior security interest in all Personalty Collateral and Fixture Collateral, now owned or hereafter acquired by the Grantor and in all Proceeds. Without limiting the foregoing provisions of this Section 2.2, Grantor stipulates that the grant made by this Section 2.2 includes a grant, subject to the Venture Agreement, of a security interest in the undivided interests held by Grantor as nominee for Petrol subject to the Venture Agreement, as such interests shall change from time to time subject to the Venture Agreement, in and to the Metals, Minerals and Ores mined, extracted and produced from, milled, stored, treated, processed, handled, transported, manufactured or marketed or otherwise attributable to the Realty Collateral and in the Proceeds resulting from sale of such interests in the Metals, Minerals and Ores, such security interest to attach to such interests in the Metals, Minerals and Ores, as extracted and to the accounts resulting from such sales.

### ARTICLE 3 - WARRANTIES AND COVENANTS

Section 3.1 Operation of Mortgaged Property. So long as Grantor is the manager and operator of all or any part of the Mining Properties, Petrol shall cause Grantor to operate the Mining Properties, and maintain and protect the Collateral, in accordance with the Venture Agreement.

Section 3.2 Recording and Filing. Petrol shall pay all costs of filing, registering and recording this and every other instrument in addition or supplemental hereto and all financing statements Beneficiary may require, in such offices and places and at such times and as often as may be, in the judgment of Beneficiary, necessary to preserve, protect and renew the lien and security interest herein created as a first lien and prior security interest on and in the Collateral and otherwise do and perform all matters or things necessary or expedient to be done or observed by reason of any law or

regulation of any State or of the United States or of any other competent authority for the purpose of effectively creating, maintaining and preserving the lien and security interest created herein and on the Collateral and the priority thereof. Petrol shall also pay the costs of obtaining reports from appropriate filing officers concerning financing statement filings in respect of any of the Collateral in which a security interest is granted herein.

#### ARTICLE 4 - DEFAULT

Section 4.1 Events of Default. The term "Event of Default" means the occurrence of any of the following events or the existence of any of the following conditions:

(a) Failure to make any payment when due under the terms of the Guarantee or other Obligations;

(b) Failure by Petrol to make any payment when due of any of the Obligations or other failure to keep, punctually perform or observe any of the covenants, obligations or prohibitions contained herein, in any other written instrument evidencing any of the Obligations or in any other agreement with Beneficiary (whether now existing or entered into hereafter) or the occurrence of any other event which is, or is deemed to be, an Event of Default under and as that term is defined in any such other written instrument or agreement;

(c) Any warranty, information, representation or statement by Petrol made or furnished to Beneficiary by or on behalf of Petrol in connection with the Obligations is determined by Beneficiary to be untrue or misleading in any material respect;

(d) The assertion (except by the owner of an encumbrance expressly excepted from Petrol's warranty of title herein) of any claim of priority over this instrument, by title, lien or otherwise, unless Petrol within 30 days after such assertion either causes the assertion to be withdrawn or provides Beneficiary with such security as Beneficiary may require to protect Beneficiary against all loss, damage, or expense, including attorneys' fees, which Beneficiary may incur in the event such assertion is upheld;

(e) The dissolution, termination, or liquidation of Petrol, or of any other person or entity directly or indirectly liable for the Obligations, or the making by any such person of any assignment for the benefit of creditors, or the appointment of a receiver, liquidator, or trustee of the property of any such person, or the filing of any petition for the bankruptcy, reorganization, or arrange-



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ment of any such person pursuant to the Federal Bankruptcy Code or any similar state or federal statute, or the adjudication of any such person as bankrupt or insolvent; or

(f) If the Beneficiary, in the reasonable exercise of its judgment, determines that Petrol will be unable to repay the Obligations in the manner and at the times contemplated by the Guarantee or by this instrument, or determines that the adequacy of the Collateral is insufficient to assure the repayment of the Obligations in any material respect, and based thereon makes demand upon Petrol for any additional security, which security Petrol fails to deliver to Beneficiary in a form satisfactory to Beneficiary within 30 days following such demand.

(g) If Petrol shall fail to faithfully and punctually perform and observe its Covenants and obligations hereunder.

Section 4.2 Acceleration Upon Default. Upon the occurrence of any Event of Default, or at any time thereafter, Beneficiary may, at its option, declare the entire unpaid principal of and the interest accrued on the Obligations to be due and payable forthwith without any further notice, presentment or demand of any kind, all of which are hereby expressly waived.

#### ARTICLE 5 - BENEFICIARY'S RIGHTS AS TO REALTY COLLATERAL UPON DEFAULT

Section 5.1 Judicial Foreclosure. Upon the occurrence of an Event of Default, or at any time thereafter, in lieu of the exercise of the non-judicial power of sale hereafter given, Beneficiary may, subject to any mandatory requirement of applicable law, proceed by suit to foreclose its lien hereunder and to sell or have sold the Realty Collateral or any part thereof at one or more sales, as an entirety or in parcels, at such place or places and otherwise, in such manner and upon such notice as may be required by law, or, in the absence of any such requirement, as Beneficiary may deem appropriate, and Beneficiary shall thereafter make or cause to be made a conveyance to the purchaser or purchasers thereof. Beneficiary may postpone the sale of the real property included in the Collateral or any part thereof by public announcement at the time and place of such sale, and from time to time thereafter may further postpone such sale by public announcement made at the time of sale fixed by the preceding postponement. Sale of a part of the real property included in the Collateral will not exhaust the power of sale, and sales may be made from time to time until all such property is sold or the Obligations are paid in full.

Section 5.2 Power of Sale. The following covenants, numbers 6, 7, 8 and 9, of N.R.S. 107.030 are hereby adopted and made a part of this Deed of Trust.

(a) Trustee shall have all of the powers therein set forth and, in addition, those powers set forth in N.R.S. 107.080, providing that where any transfer in trust of any estate of real property is made after March 29, 1927 to secure the performance of an obligation of the payment of a deed, a power of sale is thereby conferred upon Trustee to be exercised after a breach of the obligation for which such transfer is security. Such power of sale must not be exercised, however, until Petrol has, for a period of thirty-five (35) days, computed as hereinafter set forth, failed to make good its deficiency in performance of payment.

(b) Beneficiary, the successor in interest of Beneficiary or Trustee shall first execute and cause to be recorded in the office of the County Recorder of the county wherein the Collateral, or some part thereof, is situated, a notice of such breach and of his election to sell or cause to be sold such property to satisfy the obligation, and not less than three (3) months have elapsed after the recording of such notice.

(c) The thirty-five (35) days period referred to above commences on the first day following the day upon which the notice of default and election to sell is recorded in the office of the County Recorder of the county in which the property is located and a copy of the notice of default and election to sell is mailed, by certified mail postage prepaid, to Grantor and Petrol or their successors in interest at the address of Grantor and Petrol or their successors in interest, if known, otherwise, to the address of the Collateral. Such notice of default and election to sell must describe the deficiency in performance or payment and may contain a notice of intent to declare the entire unpaid balance due and payable if acceleration is permitted by the Obligations secured by the Deed of Trust, but acceleration must not occur if the deficiency in performance or payment is made good and any costs, fees and expenses incident to the preparation or recordation of such notice and incident to the making good of the deficiency in performance or payment are paid within the said thirty-five (35) days.

(d) Trustee, or other person authorized to make the sale under the terms of the Deed of Trust or transfer in trust, shall, after expiration of the three (3) month period following the recording of notice of breach and election to sell, and prior to the making of such sale, give notice of the time and place thereof in the manner and for a

time not less than that required by law for the sale or sales of real property upon execution. The sale itself may be made at the office of Trustee, if the notice so provided, whether the property so conveyed in trust is located within the same county as the office of Trustee or not.

Section 5.3 Relationship to Venture Agreement.

Upon the occurrence of any Event of Default, or at any time thereafter, and in addition to all other rights herein conferred on the Trustee or the Beneficiary, and in accordance with the provisions of the Venture Agreement, the Trustee, the Beneficiary or any person, firm or corporation designated by Beneficiary, will have the right and power, but will not be obligated, to assume Petrol's obligations and receive Petrol's benefits under the Venture Agreement. Trustee and Beneficiary agree that any interests or rights that Trustee or Beneficiary acquire in or relating to the Mining Properties pursuant to any foreclosure action or otherwise shall be subject to the Venture Agreement. The transfer of Petrol's interests in the Venture Agreement shall also be made in compliance with the applicable provisions of the Venture Agreement and the purchaser at any foreclosure sale shall take subject to the Venture Agreement. Any foreclosure action or sale of the Mining Properties shall be conducted so as not to interfere with mining operations on the Mining Properties.

ARTICLE 6 - BENEFICIARY'S RIGHTS AS TO PERSONALTY AND FIXTURE COLLATERAL UPON DEFAULT

Section 6.1 Personalty Collateral.

Upon the occurrence of an Event of Default, or at any time thereafter, Beneficiary may, without notice to Petrol or Grantor, exercise its rights to declare all of the Obligations to be immediately due and payable, in which case Beneficiary will have all rights and remedies granted by law, and particularly by the Uniform Commercial Code, including, but not limited to, the right to take possession of the Personalty Collateral, and for this purpose Beneficiary may enter upon any premises on which any or all of the Personalty Collateral is situated and take possession of and operate the Personalty Collateral or remove it therefrom. Beneficiary may require Grantor or Petrol to assemble the Personalty Collateral and make it available to Beneficiary or the Trustee at a place to be designated by Beneficiary which is reasonably convenient to all parties. Unless the Personalty Collateral is perishable or threatens to decline speedily in value or is of a type customarily sold on a recognized market, Beneficiary will give Grantor and Petrol reasonable notice of the time and place of any public sale or of the time after which any private sale or other disposition of the Personalty Collateral is to be made. This requirement of sending reasonable notice will be met if the notice is

mailed, postage prepaid, to Grantor and Petrol at the address designated above at least five days before the time of the sale or disposition. The exercise of Beneficiary's rights and remedies, including the sale of the Personalty Collateral, shall not interfere with mining operations on the Mining Properties and shall, in all respects, be conducted in accordance with all applicable provisions in the Venture Agreement.

Section 6.2 Sale with Realty Collateral. In the event of foreclosure, whether judicial or non-judicial, at Beneficiary's option it may proceed under the Uniform Commercial Code as to the Personalty Collateral or it may proceed as to both Realty Collateral and Personalty Collateral in accordance with its rights and remedies in respect of the Realty Collateral.

Section 6.3 Fixture Collateral. Upon the occurrence of an Event of Default, or at any time thereafter, Beneficiary may elect to treat the Fixture Collateral as either Realty Collateral or as Personalty Collateral and proceed to exercise such rights as apply to the type of Collateral selected.

Section 6.4 Private Sale. If Beneficiary in good faith believes that the Securities Act of 1933 or any other State or Federal law prohibits or restricts the customary manner of sale or distribution of any of the Personalty Collateral, or if Beneficiary determines that there is any other restraint or restriction limiting the timely sale or distribution of any such property in accordance with the customary manner of sale or distribution, Beneficiary may sell or may cause the Trustee to sell such property privately or in any other manner it deems advisable at such price or prices as it determines in its sole discretion and without any liability whatsoever to Petrol or Grantor in connection therewith. Grantor and Petrol recognize and agree that such prohibition or restriction may cause such property to have less value than it otherwise would have and that, consequently, such sale or disposition by Beneficiary may result in a lower sales price than if the sale were otherwise held.

#### ARTICLE 7 - OTHER PROVISIONS CONCERNING FORECLOSURE

Section 7.1 Beneficiary as Purchaser. Beneficiary will have the right to become the purchaser at any foreclosure sale, and it will have the right to credit upon the amount of the bid the amount payable to it out of the net proceeds of sale.

Section 7.2 Recitals Conclusive; Warranty Deed; Ratification. Recitals contained in any conveyance to any purchaser at any sale made hereunder will conclusively establish the truth and accuracy of the matters therein stated, including, without limiting the generality of the foregoing, nonpayment of the unpaid principal sum of, and the interest accrued on, the written instruments constituting part or all of the Obligations after the same have become due and payable, nonpayment of any other of the Obligations or advertisement and conduct of the sale in the manner provided herein, and appointment of any successor Trustee hereunder.

Section 7.3 Effect of Sale. Any sale or sales of the Collateral or any part thereof will operate to divest all right, title, interest, claim and demand whatsoever, either at law or in equity, of Petrol in and to the premises and the property sold, and will be a perpetual bar, both at law and in equity, against Petrol, Petrol's successors or assigns and against any and all persons claiming or who shall thereafter claim all or any of the property sold from, through or under Petrol or Petrol's successors or assigns. The purchaser or purchasers at the foreclosure sale will receive immediate possession of the property purchased; and if Petrol retains possession of the Realty Collateral, or any part thereof, subsequent to sale, Petrol will be considered a tenant at sufferance of the purchaser or purchasers, and if Petrol remains in such possession after demand of the purchaser or purchasers to remove, Petrol will be guilty of forcible detainer and will be subject to eviction and removal, forcible or otherwise, with or without process of law, and without any right to damages arising out of such removal.

Section 7.4 Application of Proceeds. The proceeds of any sale of the Collateral or any part thereof will be applied as follows:

(a) First, to the payment of all expenses incurred by the Trustee and Beneficiary in connection therewith, including, without limiting the generality of the foregoing, court costs, legal fees and expenses, fees of accountants, engineers, consultants, agents or managers and expenses of any entry or taking or possession, holding, valuing, preparing for sale, advertising, selling and conveying;

(b) Second, to the payment of the Obligations; and

(c) Third, any surplus thereafter remaining to Petrol or Petrol's successors or assigns, as their interests may be established to Beneficiary's reasonable satisfaction.

Section 7.5 Deficiency. Petrol will remain liable for any deficiency owing to Beneficiary after application of the net proceeds of any foreclosure sale.

Section 7.6 Petrol and Grantor's Waiver of Appraisal, Marshalling, etc. Petrol and Grantor agree that they will not at any time insist upon or plead or in any manner whatsoever claim the benefit of any appraisal, valuation, stay, extension or redemption law now or hereafter in force, in order to prevent or hinder the enforcement or foreclosure of this instrument, the absolute sale of the Collateral or the possession thereof by any purchaser at any sale made pursuant to this instrument or pursuant to the decree of any court of competent jurisdiction. Petrol and Grantor, for themselves and all who may claim through or under them, hereby waive the benefit of all such laws and, to the extent that Petrol and Grantor may lawfully do so under applicable state law, waive any and all right to have the Realty Collateral marshalled upon any foreclosure of the lien hereof or sold in inverse order of alienation, and Petrol and Grantor agree that the Trustee may sell the Realty Collateral as an entirety.

#### ARTICLE 8 - MISCELLANEOUS

Section 8.1 Discharge of Purchaser. Upon any sale made under the powers of sale herein granted and conferred, the receipt of Beneficiary will be sufficient discharge to the purchaser or purchasers at any sale for the purchase money, and such purchaser or purchasers and the heirs, devisees, personal representatives, successors and assigns thereof will not, after paying such purchase money and receiving such receipt of Beneficiary, be obliged to see to the application thereof or be in anywise answerable for any loss, misapplication or nonapplication thereof.

Section 8.2 Indebtedness of Obligations Absolute. Nothing herein contained shall be construed as limiting Beneficiary to the collection of any indebtedness of Petrol to Beneficiary only out of the income, revenue, rents, issues and profits from the Collateral or as obligating Beneficiary to delay or withhold action upon any default which may be occasioned by failure of such income or revenue to be sufficient to retire the principal or interest when due on the indebtedness secured hereby. It is expressly understood between Beneficiary and Petrol that any indebtedness of Petrol to Beneficiary secured hereby shall constitute an absolute, unconditional obligation of Petrol to pay as provided herein or therein in accordance with the terms of the instrument evidencing such indebtedness in the amount therein specified at the maturity date or at the respective maturity dates of

the installments thereof, whether by acceleration or otherwise.

Section 8.3 Defense of Claims. Petrol shall promptly notify the Trustee and Beneficiary in writing of the commencement of any legal proceedings affecting Beneficiary's interest in the Collateral, or any part thereof, and shall take such action, employing attorneys acceptable to Beneficiary, as may be necessary to preserve Petrol's, Trustee's, and Beneficiary's rights affected thereby; and should Petrol fail or refuse to take any such action, the Trustee or Beneficiary may take, subject to the Venture Agreement, the action on behalf of and in the name of Petrol and at Petrol's expense. Moreover, Beneficiary or the Trustee on behalf of Beneficiary may take independent action in connection therewith as they may in their discretion deem proper, and Petrol hereby agrees to make reimbursement for all sums advanced and all expenses incurred in such actions plus interest at a rate equal to the maximum interest rate provided in the Guarantee.

Section 8.4 Concerning the Trustee. Trustee shall be under no duty to take any action hereunder except as expressly required hereunder or by law, or to perform any act which would involve Trustee in any expense or liability or to institute or defend any suit in respect hereof, unless properly indemnified to Trustee's reasonable satisfaction. Trustee, by acceptance of this Deed of Trust, covenants to perform and fulfill the trusts herein created, being liable, however, only for willful negligence or misconduct. Trustee may resign at any time upon giving thirty (30) days' notice to Petrol and to Beneficiary. Beneficiary may remove Trustee at any time or from time to time and select a successor trustee. In the event of the death, removal, resignation, refusal to act, or inability to act of Trustee, or in its sole discretion for any reason whatsoever Beneficiary may, without notice and without specifying any reason therefor and without applying to any court, select and appoint a successor trustee, by an instrument recorded wherever this Deed of Trust is recorded and all powers, rights, duties and authority of Trustee, as aforesaid, shall thereupon become vested in such successor. Such substitute trustee shall not be required to give bond for the faithful performance of its duties of Trustee hereunder unless required by Beneficiary.

Section 8.5 Trustee's Fees. Petrol shall pay all costs, fees and expenses incurred by Trustee and Trustee's agents and counsel in connection with the performance by Trustee of Trustee's duties hereunder and all such costs, fees and expenses shall be secured by this Deed of Trust. Grantor shall not in any manner be responsible or liable for the payment of any such fees or expenses.

Section 8.6 Termination. If all the Obligations are paid in full and the covenants herein contained are well and truly performed, and if Petrol, the Trustee and Beneficiary intend at such time that this instrument not secure any obligation of Petrol thereafter arising, then the Trustee and Beneficiary shall, upon the request of Petrol and at Petrol's cost and expense, deliver to Grantor and to Petrol proper instruments executed by the Trustee and Beneficiary evidencing the release of this instrument. Until such delivery, this instrument shall remain and continue in full force and effect.

Section 8.7 Renewals, Amendments and Other Security. Renewals and extensions of the Obligations may be given at any time, amendments may be made to the agreements relating to any part of the Obligations or the Collateral, and Beneficiary may take or hold other security for the Obligations without notice to or consent of Grantor or Petrol. The Trustee or Beneficiary may resort first to other security or any part thereof, or first to the security herein given or any part thereof, or from time to time to either or both, even to the partial or complete abandonment of either security, and such action will not be a waiver of any rights conferred by this instrument.

Section 8.8 Limitations on Interest. No provision of the Guarantee or other instrument constituting or evidencing any of the Obligations or any other agreement between the parties shall require the payment or permit the collection of interest in excess of the maximum non-usurious rate which Petrol may agree to pay under applicable laws. The intention of the parties being to conform strictly to applicable usury laws now in force, the interest on the principal amount of the Guarantee and the interest on other amounts due under and/or secured by this instrument shall be held to be subject to reduction to the amount allowed under said applicable usury laws as now or hereafter construed by the courts having jurisdiction, and any excess interest paid shall be credited to Petrol.

Section 8.9 Effect of Instrument. This instrument shall be deemed and construed to be, and may be enforced as, an assignment, chattel mortgage or security agreement, contract, deed of trust, financing statement, financing statement filed as a fixture filing, and real estate mortgage, and as any one or more of them if appropriate under applicable state law. This instrument shall be effective as a financing statement filed as a fixture filing with respect to all Fixture Collateral and is to be filed for record in the Office of the County Clerk or other appropriate office of each county where any part of the Collateral, including Fixture Collateral is



situated. This instrument shall also be effective as a financing statement covering minerals or the like and accounts subject to Section 9-103(5) (or corresponding provision) of the Uniform Commercial Code as enacted in the appropriate jurisdiction and is to be filed for record in the Office of the County Clerk or other appropriate office of each county where any part of the collateral is situated. A carbon, photographic, or other reproduction of this Deed of Trust or of any financing statement relating to this Deed of Trust shall be sufficient as a financing statement.

Section 8.10 Unenforceable or Inapplicable Provisions. If any provision hereof or of any of the written instruments constituting part or all of the Obligations is invalid or unenforceable in any jurisdiction, whether with respect to all parties hereto or with respect to less than all of such parties, the other provisions hereof and of the written instruments will remain in full force and effect in that jurisdiction with respect to the parties as to which such provision is valid and enforceable, and the remaining provisions hereof will be liberally construed in favor of Beneficiary in order to carry out the provisions hereof. The invalidity of any provision of this instrument in any jurisdiction will not affect the validity or enforceability of any provision in any other jurisdiction.

Section 8.11 Rights Cumulative. Each and every right, power and remedy given to Beneficiary herein or in any other written instrument relating to the Obligations will be cumulative and not exclusive; and each and every right, power and remedy whether specifically given herein or otherwise existing may be exercised from time to time and as often and in such order as may be deemed expedient by Beneficiary, and the exercise, or the beginning of the exercise, of any such right, power or remedy will not be deemed a waiver of the right to exercise, at the same time or thereafter, any other right, power or remedy. A waiver by Beneficiary of any right or remedy hereunder or under applicable law on any occasion will not be a bar to the exercise of any right or remedy on any subsequent occasion.

Section 8.12 Non-Waiver. No act, delay, omission or course of dealing between Beneficiary and Petrol will be a waiver of any of Beneficiary's rights or remedies hereunder or under applicable law. No waiver, change or modification in whole or in part of this instrument or any other written instrument will be effective unless in a writing signed by Beneficiary.

Section 8.13 Trustee's and Beneficiary's Expenses. Petrol agrees to pay in full all expenses and reasonable

attorneys' fees of Beneficiary which may have been or may be incurred by Beneficiary in connection with the collection of the Obligations and the enforcement of any of Petrol or Grantor's obligations hereunder and under any documents executed in connection with the Obligations. Grantor shall not in any manner be responsible or liable for the payment of any such fees or expenses.

Section 8.14 Indemnification. Petrol shall indemnify Beneficiary and hold it harmless against, and Beneficiary shall not be liable for, any loss, cost or damage, including without limitation attorneys', consultants' or management fees, resulting from exercise by Beneficiary of any right, power or remedy conferred upon it by this instrument or any other instrument pertaining hereto, or from the attempt or failure of Beneficiary to exercise any such right, power or remedy; and notwithstanding any provision hereof to the contrary, the foregoing indemnity shall in all respects continue and remain in full force and effect even though all indebtedness and other sums secured hereby may be fully paid and the lien of this instrument released.

Section 8.15 Partial Releases. No release from the lien of this instrument of any part of the Collateral by Beneficiary shall in anywise alter, vary or diminish the force, effect or lien of this instrument on the balance or remainder of the Collateral.

Section 8.16 Subrogation. This instrument is made with full substitution and subrogation of Beneficiary and Trustee in and to all covenants and warranties by others heretofore given or made in respect of the Collateral or any part thereof.

Section 8.17 Notice. All deliveries hereunder shall be deemed to have been duly given if actually delivered or mailed by registered or certified mail, postage prepaid, addressed as set forth above; if by mail, then as of the date of such mailing. Each party may, by written notice so delivered to the others, change the address to which delivery shall thereafter be made.

Section 8.18 Successors. This instrument shall bind and inure to the benefit of the respective successors and assigns of the parties.

Section 8.19 Interpretation.

(a) Article and section headings used in this instrument are intended for convenience only and shall be given no significance whatever in interpreting and construing the provisions of this instrument.

(b) As used in this instrument, "Beneficiary," "Petrol" and "Grantor" include their respective successors and assigns. Unless context otherwise requires, words in the singular number include the plural and in the plural number include the singular. Words of the masculine gender include the feminine and neuter gender and words of the neuter gender may refer to any gender.

Section 8.20 Counterparts. This instrument may be executed in any number of counterparts, each of which will for all purposes be deemed to be an original, and all of which are identical except that, to facilitate recordation, in any particular counterpart portions of Exhibit A hereto which describe properties situated in counties other than the county in which the counterpart is to be recorded may have been omitted.

Executed as of January 8, 1987.

GRANTOR:

NICOR MINERAL VENTURES INC.

ATTEST:

[corporate seal]

[Signature]  
Asst Sec

By:

[Signature]  
Name: PAUL TAYLOR  
Title: V.P. EXPLORATION

THE PETROL OIL AND GAS CORPORATION

ATTEST:

[corporate seal]

[Signature]

By:

[Signature]  
Name: J.A. Mercier  
Title: PRESIDENT

Beneficiary:

THE ROYAL BANK OF CANADA

By:

[Signature]  
Name: JOHN F. GARLITT  
Title: SENIOR ACCOUNT MANAGER

ACKNOWLEDGMENTS

CANADA

)  
) ss.  
)

PROVINCE OF ALBERTA

On January 8, 1984 personally appeared  
before me, a notary public, J.A. Morier  
President of The Petrol Oil and Gas Corporation  
who acknowledged that he executed the above instrument.

  
\_\_\_\_\_  
Notary Public  
Ronald J. Buchanan

[SEAL]

CANADA

)  
) ss.  
)

PROVINCE OF ALBERTA

On \_\_\_\_\_, 1984 personally appeared  
before me, a notary public, \_\_\_\_\_  
\_\_\_\_\_ of The Royal Bank of Canada  
who acknowledged that he executed the above instrument.

\_\_\_\_\_  
Notary Public

[SEAL]

STATE OF COLORADO

COUNTY OF Denver

) ss.

On November 15, 1984 personally appeared  
before me, a notary public, Paul Taylor  
Vice President of The Nicor Mineral Ventures Inc.  
who acknowledged that he executed the above instrument.

Sandra L. Myers  
Notary Public

My Commission Expires June 23, 1997

[SEAL]

Exhibit A  
 To  
 The Deed of Trust, Security Agreement  
 and Financing Statement  
 From  
 NICOR Mineral Ventures Inc.  
 To  
 The Royal Bank of Canada

THE "MINING CLAIMS"

The following patented and unpatented mining claims, all generally located in Sections 1, 2, 10, 11 and 12 of Township 35 North, Range 50 East, M.D.B.&M., Lynn Mining District, Eureka County, Nevada:

1. Patented claims subject to a Lease and Option dated October 1, 1978 by and between Earl A. Poulsen and Goldie M. Poulsen, his wife, and Polar Resources Co., a memorandum of which is recorded in Book 66 at Page 401 of the Eureka County, Nevada records.

<u>Claim</u>	<u>United States Patent No.</u>	<u>United States Survey No.</u>
Big Six #3	783757	4332
Holt	881735	4422
July	935874	4528
Great Divide	945439	4393
Bald Eagle	046758	4927

2. Unpatented mining claims subject to a Lease and Option Agreement dated July 8, 1970 between Bullion Monarch Company and Ronald V. Murphy and Baulah K. Murphy, recorded in Book 71 at Page 429 of the Eureka County, Nevada records.

<u>Claim</u>	<u>Location Certificate Recording Data</u>		<u>BLM Serial Number (s)</u>
	<u>Book</u>	<u>Page</u>	
Hill Top	10	104	N-MC-11231
Hill Top #1	10	106	N-MC-11232
Hill Top #2	10	108	N-MC-11233
Hill Top Fraction	10	110	N-MC-11234
Hill Top #1 Fraction	10	112	N-MC-11235
Hill Top #2 Fraction	9	484	N-MC-11228

<u>Claim</u>	<u>Location Certificate Recording Data</u>		<u>BLM Serial Number(s)</u>
	<u>Book</u>	<u>Page</u>	
Hill Top #3 Fraction	9	486	N-MC-11229
Hill Top #4 Fraction	9	488	N-MC-11230

3. Unpatented mining claims subject to a Lease and Option dated August 13, 1969 by and between R. D. Rubricht and Mary Jo Rubricht, his wife, and Fred Kurtz and Bullion Monarch Company recorded in Book 71 at Page 433 of the Eureka County, Nevada records.

<u>Claim</u>	<u>Location Certificate Recording Data</u>		<u>BLM Serial Number(s)</u>
	<u>Book</u>	<u>Page</u>	
The Sunday Badger	H	126	--
Badger #1	H	259	N-MC-11243
Unity #1	H	260	N-MC-11244
Unity #2	H	247	N-MC-11240
Junction	H	248	N-MC-11241
Compromise #4	H	330	N-MC-11445
Compromise #5	H	261	N-MC-11245
Compromise #6	H	262	N-MC-11442
Compromise #7	H	262	N-MC-11443
Lamira	H	263	N-MC-11444
	H	259	N-MC-11242

4. The following unpatented mining claims, the interests in which are owned in fee:

<u>Claim</u>	<u>Location Certificate Recording Data</u>		<u>BLM Serial Number(s)</u>
	<u>Book</u>	<u>Page</u>	
Joe	73	367	N-MC-92823
Don	73	368	N-MC-92824
Big Jim	0	45	N-MC-11196
Big Jim #1	0	46	N-MC-11197
Big Jim #2	0	47	N-MC-11198
Big Jim #3	0	48	N-MC-11199
Big Jim #4	0	49	N-MC-11200
Big Jim #5	0	50	N-MC-11201
Big Jim #6	0	51	N-MC-11202
Big Jim #7	0	52	N-MC-11203
Big Jim #8	0	53	N-MC-11204
Big Jim #9	0	54	N-MC-11205

Claim	Location Certificate Recording Data		BLM Serial Number(s)
	Book	Page	
Big Jim #10	0	55	N-MC-11206
Big Jim #11	0	56	N-MC-11207
Big Jim #12	0	57	N-MC-11208
Big Jim #13	0	58	N-MC-11209
Big Jim #14	0	59	N-MC-11210
Big Jim #15	0	60	N-MC-11211
Big Jim #16	0	61	N-MC-11212
Big Jim #17	0	62	N-MC-11213
Big Jim #18	0	63	N-MC-11214
Big Jim #19	0	64	N-MC-11215
Big Jim #20	0	65	N-MC-11216
Big Jim #21	0	66	N-MC-11217
Big Jim #22	0	67	N-MC-11218
Big Jim #23	0	68	N-MC-11219
Big Jim #24	0	69	N-MC-11220
Big Jim #25	0	70	N-MC-11221
Big Jim #26	0	71	N-MC-11222
Big Jim #27	0	72	N-MC-11223
Big Jim #28	0	73	N-MC-11224
Big Jim #29	0	74	N-MC-11225
Big Jim #30(MS)*	71	111	N-MC-72757
Big Jim #31(MS)*	71	112	N-MC-72758
Cracker Jack	0	23	N-MC-11174
Cracker Jack #1	0	24	N-MC-11175
Cracker Jack #2	0	25	N-MC-11176
Cracker Jack #3	0	26	N-MC-11177
Cracker Jack #4	0	27	N-MC-11178
Cracker Jack #5	0	28	N-MC-11179
Yellow Rose #6	--	--	--
Yellow Rose #7	--	--	--
Yellow Rose #8	0	31	N-MC-11182
Yellow Rose #9	0	32	N-MC-11183
Yellow Rose #10	0	33	N-MC-11184
Yellow Rose #11	0	34	N-MC-11185
Yellow Rose #12	0	35	N-MC-11186
Yellow Rose #13	0	36	N-MC-11187
Yellow Rose #14	0	37	N-MC-11188
Yellow Rose #15	0	38	N-MC-11189
Yellow Rose #16	0	39	N-MC-11190
Yellow Rose #17	0	40	N-MC-11191
Yellow Rose #18	0	41	N-MC-11192
Yellow Rose #19	0	42	N-MC-11193
Yellow Rose #20	0	43	N-MC-11194
Yellow Rose #21	0	44	N-MC-11195
Polar #1	54	385	N-MC-11154
Polar #2	54	386	N-MC-11155
Polar #3	54	387	N-MC-11156
Polar #4	54	388	N-MC-11157



Claim	Location Certificate Recording Data		BLM Serial Number(s)
	Book	Page	
Polar #5	54	389	N-MC-11158
Polar #6	54	390	N-MC-11159
Polar #7	54	391	N-MC-11160
Polar #8	54	392	N-MC-11161
Polar #9	54	393	N-MC-11162
Polar #10	54	394	N-MC-11163
Polar #11	54	395	N-MC-11164
Polar #12	54	396	N-MC-11165
Polar #13	54	397	N-MC-11166
Polar #14	54	398	N-MC-11167
Polar #15	54	399	N-MC-11168
Polar #16	54	400	N-MC-11169
Polar #17	54	401	N-MC-11170
Polar #18	54	402	N-MC-11171
Polar #19	54	403	N-MC-11172
Polar #20	54	404	N-MC-11173
RJV	62	318	N-MC-13741
Paragon	--	--	--
Paragon #1	M	216	N-MC-11237
Paragon #2	M	217	N-MC-11238
Paragon #3	M	218	N-MC-11239
Paragon Fraction	M	215	N-MC-11236

5. The following unpatented millsite claims, the interests in which are owned in fee:

Claim	Location Certificate Recording Data		BLM Serial Number(s)
	Book	Page	
Bullion #1(MS)*	70	563	N-MC-72752
Bullion #2(MS)*	70	564	N-MC-72753
Bullion #3(MS)*	70	565	N-MC-72754
Bullion #4(MS)*	70	566	N-MC-72755
Bullion #5(MS)*	70	567	N-MC-72756

RECORDED AT REQUEST OF  
Vargas + Bartlett  
BOOK 134 PAGE 105

85 JAN 30 A10: 47

\* (MS) - Millsite Claim

OFFICIAL RECORDS  
EUREKA COUNTY, NEVADA  
M.H. REBELETTI, RECORDER  
FILE NO. 98409  
FEE \$ 29.00