

When recorded mail to:
Peter E. Hamilton
Stikeman, Elliott
Suite 1400
Commerce Court West
Toronto, Ontario
M5L 1B9

126912

DEED OF TRUST

THIS DEED OF TRUST is made among FRANCO-NEVADA MINING CORPORATION, INC, Suite 2000, 20 Eglinton Avenue West, Toronto, Ontario M4R 1K8, as grantor. (the "Borrower"), First American Title Company of Nevada, as trustee (the "Trustee") and THE CHASE MANHATTAN BANK, N.A., 1 Chase Manhattan Plaza, New York, New York, 10081, as beneficiary (the "Bank").

The Borrower, in consideration of the indebtedness herein received and the trust herein created, irrevocably grants, bargains and sells to the Trustee, in trust, with power of sale, all of the Borrower's right, title and interest in and to certain unpatented mining claims located in the Lynn Mining District, Eureka County, Nevada, as more fully described in Schedule "A" hereto, together with all the Dips, Spurs and Angles, and also all minerals, metals, ores, rock and earth and all minerals therein; and all the rights, privileges and franchises thereto incident, appendant and appurtenant, or therewith usually had and enjoyed; and also, all and singular the tenements, hereditaments and appurtenances thereunto belonging or in any ways appertaining, the rents, issue, royalties, revenues and profits thereof; and also the estate, right, title, interest, property possession, claim and demand whatsoever, as well in law as in equity, whether presently or hereafter acquired, of the said Borrower, of, in or to the said premises, and every part and parcel thereto with the appurtenances, and including all improvements existing thereon (all of the foregoing being hereinafter referred to as the "Property").

TO SECURE to the Bank (i) the payment and performance, when due, of all debts, liabilities and obligations of the Borrower to the Bank pursuant to or in connection with the gold loan agreement between the Borrower and the Bank dated as of March 31, 1989, as from time to time supplemented, amended or replaced (the "Gold Loan Agreement") and evidenced by the Borrower's promissory note dated as of March 31, 1989 (the "Promissory Note") including, but not limited to, the payment of the principal amount of Gold Loans in the principal amount of 25,000 fine troy ounces of Gold and the performance of all other obligations of the Borrower under or in respect of the Gold

BOOK 195 PAGE 545

Loan Agreement, with Gold Fee and interest thereon as therein provided; (ii) the payment of all other amounts with interest thereon advanced to or on behalf of the Borrower for the same purpose as the purpose of the original loan collateralized by the Promissory Note or for the improvement or protection of the Property, and the performance of the covenants and agreements of the Borrower herein contained; and (iii) the repayment of any future advance with interest thereon made to the Borrower by the Bank pursuant to Section 4 or Section 7 hereof, provided the notes representing those advances indicate that they are secured by this deed of trust (collectively, the "Obligations").

Section 1. Deed of Trust Tax. In the event of any tax or assessment on the interest of any party to this deed of trust, it shall be deemed that the taxes and assessments are on the interest of the Borrower who agrees to pay the same although assessed against the Bank. Any such payment shall not be considered to be a payment of interest and shall not be used in the calculation of interest under any applicable usuary law.

Section 2. Condemnation. (1) The proceeds of any award or claim for damages, direct or consequential, in connection with any condemnation or other taking of the Property, or part thereof, or for any conveyance in lieu of condemnation, are hereby assigned, and shall be paid, to the Bank. The amount paid to the Bank may be applied by the Bank towards the payment and discharge of the Obligations in the manner specified in the Gold Loan Agreement or may at the option of the Bank, be released to the Borrower. The application or release shall not cure or waive any default or notice of default or invalidate any act done pursuant to a notice of default.

(2) If the Property is abandoned by the Borrower or, if after notice by the Bank to the Borrower that the condemnor offers to make an award or settle a claim for damages, the Borrower fails to respond to the Bank within 30 days of the date of the notice, the Bank is authorized to collect the proceeds. The amount paid to the Bank may be applied by the Bank towards the payment and discharge of the Obligations in the manner specified in the Gold Loan Agreement, or may, at the option of the Bank, be released to the Borrower. The application or release shall not cure or waive any default or notice of default or invalidate any act done pursuant to a notice of default.

Section 3. Application of Insurance. The proceeds of any policy of insurance in connection with any damage to or destruction of the Property or any interruption in production therefrom are hereby assigned, and shall be paid, to the Bank. In case of any damage to or destruction of the Property, the amount paid to the Bank under any policy or

insurance may be applied by the Bank towards the payment and discharge of the Obligations in the manner specified in the Gold Loan Agreement, or may, at the option of the Bank, be released to the Borrower. The application or release shall not cure or waive any default or notice of default, or invalidate any act done pursuant to a notice of default.

Section 4. Future Advances. Upon request by the Borrower, the Bank, at the Bank's sole option prior to full reconveyance of the Property by the Trustee to the Borrower, may make future advances to the Borrower. All future advances shall be made in accordance with NRS 106-300 to 106-400 inclusive. Future advances, with interest thereon, shall be secured by this deed of trust, provided any note or notes evidencing such advances so indicates. Any accrued interest on the note not paid when due shall be treated as a future advance by the Bank to the Borrower and shall be secured hereby.

Section 5. Statutory Covenants. Covenants No. 1, 3, 4 (interest 18%), 5, 6, 7 (reasonable attorney's fees), 8 and 9 of NRS 107.030 are hereby adopted and made a part of this deed of trust.

Section 6. Offset Statement. The Borrower will, at any time requested by the Bank during the term of this Trust and within five (5) days following receipt of such request, furnish to the Bank a written executed statement, commonly called an offset statement, showing the exact payment made to date and the unpaid balance of the Promissory Note secured by this deed of trust as shown on the Borrower's records.

Section 7. Protection of the Bank's Security. If the Borrower fails to perform the covenants and agreements contained in this deed of trust or in the Gold Loan Agreement, or if any action or proceeding is commenced which materially affects the Bank's interest in the Property, including, but not limited to, eminent domain, insolvency code enforcement or arrangements or proceedings involving a bankrupt or decedent, then the Bank, at its option, upon notice to the Borrower, may make any appearances, disburse any sums and take any action necessary to protect the Bank's interest, including, but not limited to, disbursement of reasonable attorney's fees. Any amounts disbursed by the Bank pursuant to this Section 7, with interest thereon from date of disbursement at the U.S. Dollar Rate provided for in the Gold Loan Agreement, shall become additional indebtedness of the Borrower secured by this deed of trust, payable upon demand.

Section 8. Acceleration; Remedies. Upon the occurrence of an Event of Default, as defined in the Gold Loan Agreement, the Bank may (i) declare all amounts secured

BOOK 195 PAGE 547

hereby to be immediately due and payable in accordance with the Gold Loan Agreement; and (ii) have a receiver appointed as a matter of right without regard to the sufficiency of the Property or any other security or guaranty and without showing as required by NRS 107.100.

Section 9. Assignment of Royalties. As additional security, the Borrower hereby assigns to Lender its right to all royalties and other payment due or accruing to it in respect of the Property.

Section 10. Bank's Right to Deal with Collateral. Without affecting the liability of any person, including the Borrower, for the payment of any indebtedness secured hereby, or the lien of this deed of trust on the Property for the full amount of any indebtedness unpaid (other than any person or property specifically released by the Bank) the Bank and the Trustee are respectively empowered as follows: the Bank may, without notice do any one or more of the following: (i) release any person liable for the payment of any of the indebtedness; (ii) extend the time or otherwise alter the terms of payment of any of the indebtedness; (iii) accept additional security; and (iv) alter, substitute or release any property securing the indebtedness. The Trustee may, without liability therefore and without notice, upon written request of the Bank and presentation of this deed of trust for endorsement: (v) consent to the making of any map or plot of the Property; (vi) join in any subordination or other agreement affecting this deed of trust or lien or charge thereof; and (vii) reconvey, without any warranty, any part of the Property.

Section 11. Interpretation. The covenants and agreements herein contained shall bind, and the rights hereunder shall inure to, the respective successors and assigns of the Bank and the Borrower. The captions and headings of the sections of this deed of trust are for convenience only and are not to be used to interpret or define the provisions hereof.

Section 12. Notice. Any notice provided for in this deed of trust shall be given in the manner contemplated in the Gold Loan Agreement.

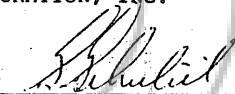
Section 13. Governing Law; Severability. This deed of trust shall be governed by the law of Nevada. In the event that any provision or clause of this deed of trust conflicts with applicable law, the conflict shall not affect other provisions of this deed of trust which can be given effect without the conflicting provisions, and to this end the provisions of this deed of trust are declared to be severable.

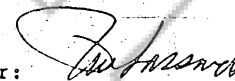
BOOK 195 PAGE 548

Section 14. Waiver of Statute of Limitations. Borrower waives, except as prohibited by law, the right to plead, use or assert any statute of limitations as a plea or defense or bar of any kind, or for any purpose.

Section 15. Certain Legal Proceedings. Should the Bank or the Trustee, or both, become parties to any action to enjoin foreclosure, or other legal proceedings instituted by the Borrower, or by any third party, or should Borrower institute or be subject to any bankruptcy, reorganization, receivership or other proceeding in relation to creditors, then all attorneys' fees and costs incurred by the Bank or the Trustee, or both, shall be a charge against the Property and shall immediately be paid by the Borrower upon demand, and if not paid, shall be recovered from the Property, with interest thereon at the U.S. Dollar Rate provided for in the Gold Loan Agreement from the date incurred until paid.

FRANCO-NEVADA MINING CORPORATION, INC.

Per: 
Seymour Schulich
Chairman of the Board

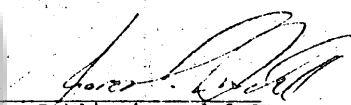
Per: 
Pierre Lassonde
President

c/s

SEAL
Affixed

PROVINCE OF ONTARIO)
JUDICIAL DISTRICT OF YORK) ss

On this 27th day of March, 1989, personally appeared before me, Seymour Schulich and Pierre Lassonde, who acknowledged that they executed the foregoing instrument.


Notary Public in and for
the Province of Ontario

SEAL
Affixed

BOOK 195 PAGE 549

SCHEDULE "A"

<u>Claims</u>	<u>BLM Serial Number</u>	<u>Claims</u>	<u>BLM Serial Number</u>
GOLD STRIKE NO. 1	NMC-57154	GOLD STRIKE NO. 19	NMC-57172
GOLD STRIKE NO. 2	NMC-57155	GOLD STRIKE NO. 20	NMC-57173
GOLD STRIKE NO. 3	NMC-57156	GOLD STRIKE NO. 21	NMC-57174
GOLD STRIKE NO. 4	NMC-57157	GOLD STRIKE NO. 22	NMC-57175
GOLD STRIKE NO. 5	NMC-57158	GOLD STRIKE NO. 23	NMC-57176
GOLD STRIKE NO. 6	NMC-57159	GOLD STRIKE NO. 24	NMC-57177
GOLD STRIKE NO. 7	NMC-57160	GOLD STRIKE NO. 25	NMC-57178
GOLD STRIKE NO. 8	NMC-57161	GOLD STRIKE NO. 26	NMC-57179
GOLD STRIKE NO. 9	NMC-57162	GOLD STRIKE NO. 27	NMC-57180
GOLD STRIKE NO. 10	NMC-57163	GOLD STRIKE NO. 28	NMC-57181
GOLD STRIKE NO. 11	NMC-57164	GOLD STRIKE NO. 29	NMC-57182
GOLD STRIKE NO. 12	NMC-57165	GOLD STRIKE NO. 30	NMC-57183
GOLD STRIKE NO. 13	NMC-57166	GOLD STRIKE NO. 31	NMC-57184
GOLD STRIKE NO. 14	NMC-57167	GOLD STRIKE NO. 32	NMC-57185
GOLD STRIKE NO. 15	NMC-57168	GOLD STRIKE NO. 33	NMC-57186
GOLD STRIKE NO. 16	NMC-57169	GOLD STRIKE NO. 34	NMC-57187
GOLD STRIKE NO. 17	NMC-57170	GOLD STRIKE NO. 35	NMC-57188
GOLD STRIKE NO. 18	NMC-57171	GOLD STRIKE NO. 36	NMC-57189

The above claims located in Sections 18, 19, 29 and 30, T-36-N, R-50-E, M.D.B. & M., Lynn Mining District, Eureka County, Nevada.

<u>Claims</u>	<u>BLM Serial Number</u>
BAZZA NO. 1	NMC-57136
BAZZA NO. 2	NMC-57137
BAZZA NO. 3	NMC-57138
BAZZA NO. 4	NMC-57139
BAZZA NO. 5	NMC-57140
BAZZA NO. 6	NMC-57141
BAZZA NO. 7	NMC-57142
BAZZA NO. 8	NMC-57143
BAZZA NO. 9	NMC-57144
BAZZA NO. 10	NMC-57145

Located in Sections 23 and 24, T-36-N, R, 49-E, M.D.B. & M., Lynn Mining District, Eureka County, Nevada.

Claims	BLM Serial Number
POST NO. 1	NMC-57146
POST NO. 2	NMC-57147
POST NO. 3	NMC-57148 and NMC-239665
POST NO. 4	NMC-57149 and NMC-239666
POST NO. 5	NMC-57150
POST NO. 6	NMC-57151
POST FRACTION	NMC-57153 and NMC-239667
POST EXTENSION	NMC-57152 and NMC-239668

The above claims located in Section 19, T-36-N, R-50-E, M.D.B. & M.,
Lynn Mining District, Eureka County, Nevada.

RECORDED AT THE REQUEST OF

BOOK 195 PAGE 545

Hoase, Harris & Muel

'89 MAR 29 P4:04

OFFICE OF THE
CLERK OF THE DISTRICT COURT
MINERAL COUNTY, NEVADA

FILE NO. 1100

125912

BOOK 195 PAGE 551