

When recorded mail to:
Richard W. Harris, Esq.
Haase & Harris
P.O. Box 70250
Reno, Nevada 89570-0250

129532

DEED OF TRUST

THIS DEED OF TRUST is made this 30th day of August, 1989 by and among DUTCH CREEK RESOURCES LTD., a British Columbia corporation, 1380 - 200 Granville Street, Vancouver, British Columbia, Canada V6C 1S4, and its wholly-owned subsidiary, DUTCH CREEK INTERNATIONAL, INC., a Nevada corporation, c/o 201 West Liberty Street, Suite 300, Reno, Nevada 89504, as grantors (referred to collectively as the "Borrower"); FIRST AMERICAN TITLE COMPANY OF NEVADA, as trustee (the "Trustee"); and 304512 B.C. LTD., a British Columbia corporation, 1550 - 1500 West Georgia Street, Vancouver, British Columbia, Canada V6G 2Z6 (the "Lender").

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 fee lands and unpatented mining claims located in Elko and Eureka Counties, 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

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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 Lender (i) the payment and performance, when due, of all debts, liabilities and obligations of the Borrower to the Lender pursuant to or in connection with the loan agreement between the Borrower and the Lender dated as of June 1, 1989, as from time to time supplemented, amended or replaced (the "Loan Agreement") and evidenced by the Borrower's promissory note dated as of June 16, 1989, 1989 (the "Promissory Note") including, but not limited to, the payment of the principal amount of loans in the principal amount of THREE HUNDRED THOUSAND DOLLARS (\$300,000.00 U.S.) and the performance of all other obligations of the Borrower under or in respect of the Loan Agreement, with 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 Lender 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. 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 Lender. 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 Lender. The amount paid to the Lender may be applied by the Lender towards the payment and discharge of the Obligations in the manner

specified in the Loan Agreement or may at the option of the Lender, 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 Lender to the Borrower that the condemnor offers to make an award or settle a claim for damages, the Borrower fails to respond to the Lender within 30 days of the date of the notice, the Lender is authorized to collect the proceeds. The amount paid to the Lender may be applied by the Lender towards the payment and discharge of the Obligations in the manner specified in the Loan Agreement, or may, at the option of the Lender, 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 Lender. In case of any damage to or destruction of the Property, the amount paid to the Lender under any policy or insurance may be applied by the Lender towards the payment and discharge of the Obligations in the manner specified in the

Loan Agreement, or may, at the option of the Lender, 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 Lender, at the Lender'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 Lender to the Borrower and shall be secured hereby.

SECTION 5. Statutory Covenants. Covenants No. 1, 3, 4 (interest 8), 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 Lender during the term of this Trust and within five (5) days following receipt of such request, furnish to the Lender 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 Lender's Security. If the Borrower fails to perform the covenants and agreements contained in this deed of trust or in the Loan Agreement, or if any action or proceeding is commenced which materially affects the Lender'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 Lender, at its option, upon notice to the Borrower, may make any appearances, disburse any sums and take any action necessary to protect the Lender's interest, including, but not limited to, disbursement of reasonable attorney's fees. Any amounts disbursed by the Lender pursuant to this Section 7, with interest thereon from date of disbursement at the rate provided for in the 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 a default, as defined in the Loan Agreement, the Lender may (i) declare all amounts secured hereby to be immediately due and payable in accordance with the 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. Lender'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 Lender) the Lender and the Trustee are respectively empowered as follows: the Lender 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 Lender 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 Lender 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 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.

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 Lender 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 lender 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 rate provided for in the Loan Agreement from the date incurred until paid.

DUTCH CREEK RESOURCES LTD.,
a British Columbia corporation

By [Signature]

DUTCH CREEK INTERNATIONAL,
INC., a Nevada corporation

By [Signature]

PROVINCE OF British Columbia ss.
CITY OF Vancouver

On this 3rd day of August, 1989,
personally appeared before me, a Notary Public,
Thomas D. [Signature] the President of DUTCH
CREEK RESOURCES LTD., a British Columbia corporation, who
acknowledged that he/she executed the foregoing instrument on
behalf of the corporation being authorized to do so.

[Signature]
NOTARY PUBLIC

SEAL
Affixed

PROVINCE OF British Columbia
CITY OF Vancouver) ss.

On this 3rd day of August, 1989,
personally appeared before me, a Notary Public,
Wanda D. Dwyer the President of DUTCH
CREEK INTERNATIONAL, INC., a Nevada corporation, who
acknowledged that he/she executed the foregoing instrument on
behalf of the corporation being authorized to do so.

P. J. Jones
NOTARY PUBLIC



8529.DOT/8/G2

EXHIBIT A

1. Fee Land. The NE-1/4 of Section 27, T. 34 N., R. 51 E., MDB&M.

2. Unpatented Mining Claims.

a. The Pat 1-8 unpatented lode mining claims (NMC 128647-128652) situated in the Jarbidge Mining District, Elko County, Nevada, Section 2, T. 44 N., R. 59 E., MDB&M.

b. The Spooky White 1-4 unpatented lode mining claims, Elko County, Nevada, Section 14, T. 35 N., R. 65 E., MDB&M.

The interest of Borrower in the fee land and Pat claim group is derived from various lease and sublease agreements, and the interest of Borrower in the properties is defined and limited by the terms of said agreements.

RECORDED AT THE REQUEST OF

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Naas, Hani & Murch
89 SEP-5 P359

OFFICIAL RECORDS
EUREKA COUNTY, NEVADA
M.N. REBALEATI, RECORDER

FILE NO. 15.12 FEE \$ 15.00

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