

RECORD AND RETURN TO:

Thelen, Marrin, Johnson & Bridges  
Two Embarcadero Center  
San Francisco, CA 94111  
Attention: Allison A. Cheek

135828

DEED OF TRUST  
WITH ASSIGNMENT OF RENTS  
AND ROYALTIES

THIS DEED OF TRUST WITH ASSIGNMENT OF RENTS AND ROYALTIES ("Deed of Trust") is made as of the 13th day of February, 1991, among Tonkin Springs Gold Mining Company, a Colorado corporation, and U.S. Gold Corporation, a Colorado corporation, collectively herein called "Trustor" and whose address is 1600 Stout Street, Suite 1600, Denver, Colorado 80202; First American Title Company of Nevada, a Nevada corporation, herein called "Trustee"; and Denay Creek Gold Mining Company, a California corporation, herein called "Beneficiary", and whose address is c/o Homestake Mining Company, 650 California Street, 9th Floor, San Francisco, California 94108.

W I T N E S S E T H:

That Trustor irrevocably grants, transfers, and assigns to Trustee in trust with power of sale and right of entry and possession, all right, title and interest which Trustor presently has or may hereafter acquire in and to that property in the County of Eureka, State of Nevada (the "Property"), more particularly described in Exhibit A hereto, which is appended hereto and incorporated by reference herein and made a part hereof.

TOGETHER with all structures, improvements, water rights, tenements, hereditaments and appurtenances thereunto now existing or hereafter belonging or appertaining, and the reversion and reversions, remainder and remainders, rents, royalties, issues and profits thereof; subject, however, to the

right, power and authority of Beneficiary during any period of default hereunder and without waiver of such default to collection of said rents, royalties, issues and profits by any lawful means and to apply the same, less costs and expenses of collection, to any indebtedness secured thereby.

**FOR THE PURPOSE OF SECURING:**

1. Full and timely performance of each and every agreement, covenant, term and condition of Trustor contained herein and in that certain New Denay Creek Lien Agreement between Trustor and Beneficiary dated as of February 13, 1991, the form of which (without exhibits thereto) is appended hereto as Exhibit B, as it may hereafter be amended, and

2. Payment by Trustor of the full amount of the Properties Loan (as defined in the New Denay Creek Lien Agreement) and all other amounts which may be owing to Beneficiary under the New Denay Creek Lien Agreement.

Grantor hereby grants, conveys and confirms to the Trustee in trust with power of sale, the Property.

Upon any default, Beneficiary may at any time without notice, either in person, by agent or by a receiver to be appointed by a court, and without regard to the adequacy of any security for the indebtedness hereby secured, enter upon and take possession of the Property, in its own name for or otherwise collect such rents, issues and profits, including those past due and unpaid, and apply the same, less costs and expenses of operation and collection, including attorneys' fees, upon any indebtedness secured hereby, and in such order as Beneficiary may determine.

**In the event of default:**

1. Beneficiary shall execute or cause the Trustee to execute a written notice of such default and of Beneficiary's election to cause the Property to be sold to satisfy all agreements and obligations hereunder, and shall cause such notice to be recorded in the Office of the Recorder of each county wherein the Property or some part thereof is situated.

2. Notice of sale having been given as then required by law, and not less than the time then required by law having elapsed after recordation of such notice of default, Trustee, without demand on Trustor, shall sell the Property at the time and place of sale fixed by it in said Notice of Sale, whether as a whole or in separate parcels and in such order as it may determine, at public auction to the highest bidder for cash in lawful money of the United States of America, payable at time of sale.

3. Trustee may postpone sale of all or any portion of the Property by public announcement at such time and place of sale, and from time to time thereafter may postpone such sale by public announcement at the time fixed by the preceding postponement.

4. Trustee shall deliver to the purchaser its deed conveying the property so sold, but without any covenant or warranty, express or implied. The recitals in such deed of any matters of facts shall be conclusive proof of the truthfulness thereof.

5. Any person, including Trustor, Trustee or Beneficiary as therein defined, may purchase at such sale.

Trustee shall be under no obligation to notify any party hereto of any pending sale hereunder or of action or proceeding of any kind in which Trustor, Beneficiary and or Trustee shall be named as defendant, unless brought by Trustee.

The entering upon and taking possession of said Property, the collection of such rents, royalties, issues and profits, and the application thereof as aforesaid, shall not cure or waive any default or notice of default hereunder or invalidate any act done pursuant to such notice.

To the extent not inconsistent herewith, the following covenants: Nos. 5, 6, 7 (reasonable), 8 and 9 of N.R.S. 107.030, are hereby adopted and made a part of this Deed of Trust.

Beneficiary may, from time to time, as provided by statute, or by a writing, signed and acknowledged by Beneficiary and recorded in the office of the county recorder of the county in which the Property is situated, appoint another trustee in place and stead of Trustee, and thereupon, the Trustee named shall be discharged and trustee so appointed shall be substituted as Trustee hereunder with the same effect as if originally named Trustee herein.

The rights and remedies hereby granted shall be in addition to any rights or remedies granted by law. A violation of any of the covenants expressly set forth in this Deed of Trust shall have the same effect as the violation of any covenant adopted by reference.

This Deed of Trust applies to, inures to the benefit of, and binds all parties hereto, their heirs, legatees, devisees, administrators, executors, legal representatives, successors and assigns.

Trustee accepts these Trusts when this Deed of Trust, duly executed and acknowledged is made a public record as provided by law, reserving, however, unto the Trustee the right to resign from the duties and obligations imposed herein whenever he deems, at his sole discretion, it to be in the best interest of the Trustee by giving written notice to the Trustor and Beneficiary herein, their successors or assigns.

This Deed of Trust is irrevocable by the Trustor.

DATED: March 12, 1991

Attest:

David Reid  
David Reid, Secretary

TONKIN SPRINGS GOLD MINING  
COMPANY

By

William M. Reid  
William M. Reid  
President

Attest:

David Reid  
David Reid, Secretary

U.S. GOLD CORPORATION

By

William M. Reid  
William M. Reid, President

1480K

STATE OF CALIFORNIA )  
 )  
CITY AND COUNTY OF SAN FRANCISCO ) SS.

On this 12<sup>th</sup> day of February, in the year 1991,  
before me, the undersigned, a Notary Public in and for said  
State, personally appeared William Reid  
and DAVID Reid

\_\_\_\_\_, personally known to me (or  
proved to me on the basis of satisfactory evidence) to be the  
persons who executed the within instrument as \_\_\_\_\_

\_\_\_\_\_, President and \_\_\_\_\_  
Secretary, respectively, of Tonkin Springs Gold Mining Company,  
and acknowledged to me that the Corporation executed it  
pursuant to its by-laws or a resolution of its board of  
directors.

WITNESS MY HAND AND OFFICIAL SEAL.



Marcia D. Miller  
Notary Public in and for said State

STATE OF CALIFORNIA )  
 )  
CITY AND COUNTY OF SAN FRANCISCO ) SS.

On this 12<sup>th</sup> day of February, in the year 1991,  
before me, the undersigned, a Notary Public in and for said  
State, personally appeared William Reid  
and DAVID Reid

\_\_\_\_\_, personally known to me (or  
proved to me on the basis of satisfactory evidence) to be the  
persons who executed the within instrument as \_\_\_\_\_

\_\_\_\_\_, President and \_\_\_\_\_  
Secretary, respectively, of U.S. Gold Corporation, and  
acknowledged to me that the Corporation executed it pursuant to  
its by-laws or a resolution of its board of directors.

WITNESS MY HAND AND OFFICIAL SEAL.



Marcia D. Miller  
Notary Public in and for said State

# EXHIBIT A

## Claims

All of the unpatented lode mining claims and unpatented mill sites located in Eureka County, Nevada described as follows together with all improvements and fixtures thereon:

<u>Claim Name</u>	<u>Location Date</u>	<u>Recording Book/Page</u>	<u>BLM Serial No.</u>
ROB #55 - 86	02-23-80	80/300-331	150581-150612
Amended	07-22-80	83/345-407	
ROB #109-170	02-22-80	80/332-393	150613-150674
Amended	07-22-80	83/409-531	
ROB #172	02-22-80	80/394	150675
Amended	07-22-80	83/533	
ROB #183-208	02-18-80	80/395-420	150676-150701
Amended	07-22-80	83/535-585	
ROB #209-215	02-17-80	80/421-427	150702-150708
Amended	07-22-80	83/587-599	
ROB #216-256	02-17-80	80/428-468	150709-150749
Amended	07-22-80	84/1-81	
ROB #257-284	02-15-80	80/469-496	150750-150777
Amended	07-22-80	84/83-137	
ROB #285-331	02-16-80	80/497-543	150778-150824
Amended	07-22-80	84/139-231	
ROB #333	02-20-80	80/544	150825
Amended	07-22-80	84/233	
ROB #335	02-20-80	80/545	150826
Amended	07-22-80	84/235	
ROB #337	02-20-80	80/546	150827
Amended	07-22-80	84/237	
ROB #339	02-20-80	80/547	150828
Amended	07-22-80	84/239	
ROB #341-366	02-20-80	80/548-573	150829-150854
Amended	07-22-80	84/241-291	
ROB #367-376	04-15-80	80/574-583	150855-150864
Amended	07-22-80	84/293-311	
ROB #400-409	02-20-80	80/584-593	150865-150874
Amended	07-22-80	84/313-331	
ROB #410-413	06-20-85	137/530-533	346730-346733
Tonkin Mill Site 1 - 4	12-13-88	193/001-008	535529-535532
Tonkin Mill Site 5 - 9	12-09-88	193/009-013	535533-535537
Tonkin Mill Site 10-13	12-13-88	193/014-021	535538-535541
Tonkin Mill Site 14-19	12-09-88	193/022-027	535542-535547
Tonkin Mill Site 20-23	12-13-88	193/028-035	535548-535551
Tonkin Mill Site 24-31	12-09-88	193/036-043	535552-535559
Tonkin Mill Site 32-35	12-13-88	193/044-051	535560-535563
Tonkin Mill Site 36-44	12-12-88	193/052-060	535564-535572



<u>Claim Name</u>	<u>Location Date</u>	<u>Recording Book/Page</u>	<u>BLM Serial No.</u>
Tonkin Mill Site 45-48	12-13-88	193/061-068	535573-535576
Tonkin Mill Site 49-56	12-12-88	193/069-076	535577-535584
Tonkin Mill Site 57-60	12-13-88	193/077-084	535585-535588
Tonkin Mill Site 61-67	12-12-88	193/085-091	535589-535595
Tonkin Mill Site 68-70	12-13-88	193/092-097	535596-535598
Tonkin Mill Site 71-74	12-12-88	193/098-101	535599-535602
Tonkin Mill Site 75-86	12-08-88	193/102-113	535603-535614
Tonkin Mill Site 87-88	12-13-88	193/114-117	535615-535616
TSG #12 - 15	03-23-86	143/363-366	365052-365055
TSG #16 - 19	03-25-86	143/367-370	365056-365059
TSG #36 - 40	03-08-86	143/387-391	365076-365080
TSG #41 - 45	03-09-86	143/392-396	365081-365085
TSG #66 - 67	03-10-86	143/417-418	365106-365107
TSG #81 - 82	03-11-86	143/432-433	365121-365122
TSG #96 - 99	03-12-86	143/447-450	365136-365139
TSG #113-116	03-15-86	143/464-467	365153-365156
TSG #130-133	03-16-86	143/481-484	365170-365173
TSG #153-155	03-22-86	143/504-506	365193-365195
TSG #160-162	03-22-86	143/511-513	365200-365202
TSG #167-170	04-30-86	145/496-499	371733-371736
TSG #208-221	01-16-88	174/330-343	468608-468621
TSG #222-223	01-14-88	174/344-345	468622-468623
TSG #224-232	01-15-88	174/346-354	468624-468632
TSG #233-239	03-05-88	174/355-361	468633-468639
TSG #240-250	01-28-88	174/362-372	468640-368650
TSG #251-252	01-18-88	174/373-374	468651-368652
TSG #253-257	01-17-88	174/375-379	468653-468657
TSG #258-261	01-15-88	174/380-383	468658-468661
TSG #265-282	02-24-88	174/387-404	468665-468682
TSG #283-289	01-18-88	174/405-411	468683-468689
TSG #290-292	01-19-88	174/412-414	468690-468692
TSG #305-327	02-25-88	174/427-449	468705-468727
TSG #328-331	03-08-88	174/450-453	468728-468731
TSG #352-374	02-28-88	174/474-496	468752-468774
TSG #375-378	03-08-88	174/497-500	468775-468778
TSG #401-420	03-02-88	174/523-542	468801-468820
TSG #421-422	02-14-88	174/543-544	468821-468822
TSG #436-449	02-29-88	174/558-571	468836-468849
TSG #450-452	02-13-88	174/572-574	468850-468852
TSG #466-474	02-26-88	174/588-596	468866-468874
TSG #475-476	02-11-88	174/597-598	468875-468876
TSG #490-497	02-15-88	175/012-019	468890-468897
TSG #629-640	03-26-88	175/468-479	470642-470653

<u>Claim Name</u>	<u>Location Date</u>	<u>Recording Book/Page</u>	<u>BLM Serial No.</u>
TSG #733-736	12-20-89	206/400-403	584898-584901
TSG #737	12-14-89	206/405	584902
TSG #738	12-14-89	206/404	584903



Leases and Agreements

1. That certain Mining Lease dated 11/20/1988 between Aaron and Ethel Buffington and Tonkin Springs Gold Mining Company, a short form of which is recorded in the Official Records of Eureka County, Nevada, in Book 196 at Page 306, which Lease covers the following unpatented mining claims and mill sites:

<u>Claim Name</u>	<u>Location Date</u>	<u>Recording Book/Page</u>	<u>BLM Serial No.</u>
Little Jocker #1 - 5	08-20-78	65/391-395	28479-28483
Little Jocker #6 - 9	10-11-78	65/552-555	39052-39055
Big Joker	08-20-78	65/496	29558
Little Joker #1 - 3 (Mill Sites)	12-10-78	68/241-243	46479-46481

2. That certain Mining Lease dated 8/10/86 between Aaron R. Buffington and Randy Buffington and Tonkin Springs Gold Mining Company, a short form of which is recorded in the Official Records of Eureka County, Nevada, in Book 148 at Page 183, which Lease covers the following unpatented mining claims:

<u>Claim Name</u>	<u>Location Date</u>	<u>Recording Book/Page</u>	<u>BLM Serial No.</u>
Alice	05-03-85	136/357	341844
Alice #1 - 4	05-03-85	136/358-361	341845-341848

3. That certain Mining Lease dated 1/1/86 between Lyle F. Campbell, Julian E. Simpson and Jean C. Simpson and Tonkin Springs Gold Mining Company under which the Lyle Campbell interest has been assigned to The Lyle F. Campbell Trust by form of Assignment of Lease dated 1/14/88 and recorded in Book 122, Page 557.

A short form of the lease is recorded in the Official Records of Eureka County, Nevada, in Book 148 at Page 110. The lease has been amended as follows: First Amendment dated 1/10/86, recorded in Book 214 at Page 113; Second Amendment dated 9/29/86, recorded in Book 153, Page 12; Third Amendment dated 6/10/87, recorded in Book 161, Page 327; Fourth Amendment dated 8/29/88, recorded in Book 185, Page 104; Fifth Amendment dated 1/11/89, recorded in Book 194, Page 450; Sixth Amendment dated 6/29/89, recorded in Book 202, Page 91; and Seventh Amendment dated 4/18/90, recorded in Book 214, Page 109. The claims and mill sites covered under the Lease as amended are more particularly described as follows:

<u>Claim Name</u>	<u>Location Date</u>	<u>Recording Book/Page</u>	<u>BLM Serial No.</u>
Camp #1 - 4	09-01-88	190/33-36	523180-523183

<u>Claim Name</u>	<u>Location Date</u>	<u>Recording Book/Page</u>	<u>BLM Serial No.</u>
Rooster 1 - 26 (Mill Sites)	12-10-88	192/573-598	535617-535642
Snow #1 - 4 (placers)	09-01-88	190/37-40	523184-523187
TSG #1 - 6	02-22-86	143/357-362	365046-365051
TSG #20-25	02-25-86	143/371-376	365060-365065
TSG #26-29	02-25-86	143/377-380	365066-365069
Amended	06-16-86	145/500-506	
TSG #30-35	02-25-86	143/381-386	365070-365075
TSG #46	03-09-86	143/397	365086
TSG #47-65	03-09-86	143/398-416	365087-365105
TSG #67-80	03-10-86	143/418-431	365107-365120
TSG #82-86	03-11-86	143/433-437	365122-365126
TSG #87-95	03-12-86	143/438-446	365127-365135
TSG #99-103	03-12-86	143/450-454	365139-365143
TSG #104-112	03-13-86	143/455-463	365144-365152
TSG #116-120	03-15-86	143/467-471	365156-365160
TSG #121-129	03-16-86	143/472-480	365161-365169
TSG #133-137	03-16-86	143/484-488	365173-365177
TSG #138-152	03-20-86	143/489-503	365178-365192
TSG #156-159	03-22-86	143/507-510	365196-365199
TSG #163-166	03-22-86	143/514-517	365203-365206
TSG #202-206	03-21-88	175/462-466	470636-470640
TSG #207	03-17-88	175/467	470641
TSG #262-264	01-15-88	174/384-386	468662-468664
TSG #293	01-19-88	174/415	468693
TSG #294-296	01-22-88	174/416-418	468694-468696
TSG #297-304	03-07-88	174/419-426	468697-468704
TSG #332-345	03-08-88	174/454-467	468732-468745
TSG #346-351	01-25-88	174/468-473	468746-468751
TSG #379-385	01-22-88	174/501-507	468779-468785
TSG #386-394	01-23-88	174/508-516	468786-468794
TSG #395-400	01-25-88	174/517-522	468795-468800
TSG #423-427	02-14-88	174/545-549	468823-468827
TSG #428-435	02-06-88	174/550-557	468828-468835
TSG #453-457	02-13-88	174/575-579	468853-468857
TSG #458-465	02-07-88	174/580-587	468858-468865
TSG #477-478	02-11-88	174/599-600	468877-468878
TSG #479	02-11-88	175/001	468879
TSG #480-489	02-09-88	175/002-011	468880-468889
TSG #498-500	02-15-88	175/020-022	468898-468900
TSG #501-510	02-10-88	175/023-032	468901-468910
TSG #511-518	02-12-88	175/033-040	468911-468918
TSG #519-529	03-15-88	175/041-051	468919-468929
TSG #641-660	03-18-18	175/480-499	470654-470673

<u>Claim Name</u>	<u>Location Date</u>	<u>Recording Book/Page</u>	<u>BLM Serial No.</u>
TSG #661-668	03-19-88	175/500-507	470674-470681
TSG #669-688	03-22-88	175/508-527	470682-470701
TSG #689-696	03-23-88	175/528-535	470702-470709
TSG #697-710	03-21-88	175/536-549	470710-470723
TSG #711-716	03-23-88	175/550-555	470724-470729
TSG #717-730	03-27-88	175/556-569	470730-470743
TSG #731-732	04-28-88	175/344-345	478706-478707
Pat #1 - 10	06-25-66	12/132-150	89478-89487
Pat #11 - 16	07-25-66	12/152-162	89488-89493
N #39 - 41	09-19-69	33/398-400	89494-89496
N #50 - 53	10-12-66	14/141	89497-89500
Amended	01-09-67	14/475-487	
O #27 - 35	10-11-69	33/401-409	89501-89509
O #39 - 41	09-19-69	33/410-412	89510-89512
O #50 - 53	10-12-66	14/141	89513-89516
Amended	01-09-67	14/535-547	
P #27 - 30	09-19-69	33/413-416	89517-89520
P #31 - 34	09-17-69	33/417-420	89521-89524
P #35 - 40	09-01-69	33/421-426	89525-89530
P #41 - 42	10-11-66	14/137	89531-89532
Amended	01-09-67	14/595-599	
P #43 - 46	10-11-66	14/137	89533-89536
Amended	01-09-67	15/001-013	
P #47 - 49	09-19-69	33/427-429	89537-89539
Q #27	09-19-69	33/430	89540
Q #34	09-17-69	33/437	89541
Q #35 - 40	09-01-69	33/438-443	89542-89547
Q #41 - 44	10-11-66	14/137-139	89548-89551
Amended	01-09-67	15/093-103	
Q #45	10-11-66	14/139	89552
Amended	01-09-67	15/105	
Q #46	10-11-66	14/139	89553
Amended	01-09-67	15/103	
Q #47 - 49	09-19-69	33/444-446	89554-89556
R #41 - 49	09-01-69	33/447-455	89557-89565
S #41 - 49	09-01-69	33/456-464	89566-89574
Summer #1 - 18	09-02-78	67/91-107	37116-40572
T #43 - 46	12-24-78	69/91-94	51841-51844
U #35	12-28-78	69/95	51845
U #36 - 40	12-23-78	69/96-100	51846-51850
U #41 - 46	12-24-78	69/101-106	51851-51856
V #36 - 37	12-26-78	69/107-108	51857-51858
V #38 - 40	12-23-78	69/109-111	51859-51861

<u>Claim Name</u>	<u>Location Date</u>	<u>Recording Book/Page</u>	<u>BLM Serial No.</u>
V #41 - 46	12-24-78	69/112-117	51862-51867
W #36 - 37	12-26-78	69/118-119	51868-51869
W #38 - 40	12-23-78	69/120-122	51870-51872
W #41	12-24-78	69/123	51873
W #42	12-27-78	69/124	51874
W #43 - 46	12-24-78	69/125-128	51875-51878
X #70	11-12-78	68/404	48938
X #71	11-23-78	68/405	48939
X #72	11-12-78	68/406	48940
X #73	11-23-78	68/407	48941
X #74	11-23-78	68/408	48942
X #75	11-12-78	68/409	48943
X #76 - 77	11-23-78	68/410-411	48944-48945
X #78	11-12-78	68/412	48946
X #79 - 80	11-16-78	68/413-414	48947-48948
X #81 - 83	11-23-78	68/415-417	48949-48951
X #84 - 91	11-16-78	68/418-425	48952-48959
X #92 - 93	05-01-79	71/178-179	72907-72908
X #94 - 95	11-14-78	68/426-427	48960-48961
X #96 - 97	11-16-78	68/428-429	48962-48963
X #98	11-12-78	68/430	48964
X #99 -100	05-01-79	71/180-181	72909-72910
X #101-102	11-14-78	68/431-432	48965-48966
X #103-104	11-16-78	68/433-434	48967-48968
X #105	11-12-78	68/435	48969
X #106-107	05-01-79	71/182-183	72911-72912
X #108-109	11-14-78	68/436-437	48970-48971
X #110-111	11-16-78	68/438-439	48972-48973
X #112-113	05-01-79	71/184-185	72913-72914
X #114-115	11-14-78	68/440-441	48974-48975
X #116-117	11-16-78	68/442-443	48976-48977
X #118-119	05-01-79	71/186-187	72915-72916
X #120-121	11-14-78	68/444-445	48978-48979
X #122-123	11-16-78	68/446-447	48980-48981
X #124-125	05-01-79	71/188-189	72917-72918
X #126-127	11-14-78	68/448-449	48982-48983
X #128-129	11-16-78	68/450-451	48984-48985
X #130-131	05-01-79	71/190-191	72919-72920
X #132-133	11-15-78	68/452-453	48986-48987
X #134-135	11-16-78	68/454-455	48988-48989
X #137-138	11-28-78	68/456-457	48990-48991
X #139-140	11-15-78	68/458-459	48992-48993
X #141	11-16-78	68/460	48994

<u>Claim Name</u>	<u>Location Date</u>	<u>Recording Book/Page</u>	<u>BLM Serial No.</u>
X #143-144	11-28-78	68/461-462	48995-48996
X #145-146	11-15-78	68/463-464	48997-48998
X #147	11-16-78	68/465	48999
X #149-150	11-28-78	68/466-467	49000-49001
X #151-152	11-15-78	68/468-469	49002-49003
X #153	11-16-78	68/470	49004
X #155-166	11-27-78	68/471-472	49005-49006
X #157-158	11-15-78	68/473-474	49007-49008
X #161-162	11-27-78	68/475-476	49009-49010
X #163-164	11-15-78	68/477-478	49011-49012
X #167-168	11-27-78	68/479-480	49013-49014
X #169-170	11-15-78	68/481-482	49015-49016
X #173-174	11-27-78	68/483-484	49017-49018
X #175	11-21-78	68/485	49019
X #178-179	11-27-78	68/486-487	49020-49021
X #180	11-21-78	68/488	49022
X #183-184	11-27-78	68/489-490	49023-49024
X #185	11-21-78	68/491	49025
FET #1 - 3	07-14-80	83/315-317	163995-163997
S #101 - 109	03-15-81	94/353-361	193660-193668
Skip #201	01-10-90	208/291	592409
Skip #202-211	01-11-90	208/292-301	592410-592419
Skip #212-213	01-12-90	208/302-303	592420-592421

4. That certain Surface Use Agreement dated 12/5/88 between Edward Devenyns and David Ernest ("Owners"), Hycroft Resources & Development, Inc., and Tonkin Springs Gold Mining Company recorded in the Official Records of Eureka County, Nevada in Book 219 at Page 466.

5. That certain Deed and Agreement dated 11/1/87 between Precambrian Exploration, Inc. and Silver State Mining Corporation recorded in the Official Records of Eureka County, Nevada in Book 170 at Page 436.

6. That certain Assignment and Agreement dated 11/1/87 between Precambrian Exploration, Inc. and Silver State Mining Corporation recorded in the Official Records of Eureka County, Nevada in Book 170 at Page 417.

Water Rights

The following Nevada State Water Permits for Underground Waters all of which permits are now held in the name of U.S. Gold Corporation:

Permit #48708 issued August 27, 1985

Permit #48893 issued August 27, 1985

Permit #50930 issued February 5, 1988

Permit #50931 issued February 5, 1988

Permit #50932 issued February 5, 1988

Permit #52463 issued March 10, 1989

Permit #52966 issued September 27, 1989

Permit #52968 issued September 27, 1989

Waiver #M/O-191 (Piezometer monitor)



Personal Property

All buildings and fixtures including the Bioleach Processing Mill, Administration Office Building, Laboratory, Assay Lab, Warehouse, Shop, Water Treatment Plant, Pilot Plant, Truck Shop, Heap Pad, Tailings Dam, Ponds and Carbon Absorption Plant, together with the following equipment:

1 CARBON ABSOR. TANK  
SMALL WATER TANK  
CAUSTIC TANK  
SMALL VERTICAL TANK  
ONE STEEL BIN  
GENERATOR CAT 3304B S/N 38Z04646  
PROCESS SIGNAL CALIBRATOR, GEN RESIST MOD E-35  
BIDDLE DIGITAL MEGGER GROUND RESIST TESTER  
GOLD ROOM SAFE  
LISTER GENERATOR S/N J391713  
PUMP 3" KOHLER, GAS ENGINE  
PUMP 3" MULTIQUIP S/N 800667, (IN PARTS)  
PUMP 8" FAIRBANKS MORSE S/N K3T1-021118 (FIRE SYSTEM)  
PUMP 1-1/2" BRIGGS & STRATON  
WATER WELL & PUMP STATION FOR PLANT (WELL #5)  
WATER WELL & PUMP STATION FOR RV PARK

HORIZONTAL BAND SAW  
CEMENT MIXER  
ENGINE HOIST  
10" BENCH GRINDER  
THREE TON PRESS  
ONE TON CHAIN HOIST  
30 TON SHOP PRESS  
RIGID PIPE MACHINE  
LINCOLN ARC WELDER  
POW CON WELDER  
TWO EA. CUTOFF SAWS  
ENTERPAC PORTA-POWER & CYLINDER  
1-1/2" DRIVE INGERSALL RAND IMPACT WRENCH  
3 EA. HORIZONTAL GRINDERS  
HILTI GUN  
CUTTING TORCH CART  
CROWN HAND FORKLIFT

SMALL CABINET, ACID STORE (VWR)  
ORBIT ENVIRON SHAKER (VWR)  
HACH MODEL DR/2000 LAB SPECTROPHOTOMETER (HACH)  
12" DAMON/IEC CENTRIFUGE (MACH CENTER)  
TWO EA. CAHN BALANCES  
FOUR EA. THERMOLYNE HOT PLATES  
THERMOLYNE TYPE 10500 FURNACE

ROTAP MODEL B TESTING SIEVE SHAKER S/N 823  
FIVE EA. METTLER PJ400 SCALES  
FOUR EA. CORNING STIRRER/HOTPLATES  
THREE EA. WET VACUUMS  
SENTRY SAFE  
BARNSTEAD GLASS STILL  
CRYSTALAB DEEMINIZER  
HACH DR100 COLORIMETER  
YSI MODEL 5890 WATER QUALITY INSTRUMENT  
BECHMAN MICROFUGE E  
SEPOR PRESSUR VESSAL, TWO EA.  
MASTERFLEX 7549-30, TWO EA.  
MASTERFLEX 7520-10  
GFC ROLL CRUSHER  
CHATILLON SCALE, MODEL HB1000  
SMALL SEPOR COMPRESSOR  
SEPOR ROLL MIXER

PRS WASHER, S/N 19141  
LOADER-MUSTANG SKID S/N 168784  
CAR HAULER MF-18-4TB S/N 1FWF01926KA008931  
88 WHITE FORD PU 3/4 TON #IFTEF2GN5JPB85125  
85 BAYWOOD HILTON TRAILER 14' X 70' S/N  
KB1DSN513458  
89 PARKRIDGE 56' X 14' MODEL SD470N #1694706906  
89 PARKRIDGE 64' X 14' MODEL SD343N #1693437045  
8' X 32' OAL MODULAR OFFICE S/N 08128  
74 CENTURY 14' X 70' TILTON S/N ACED7952  
1980 GELCO SAFETY TRAILER S/N 80105 UNIT 110892  
RESORT ROSE TRAILER S/N1RE323123J1143365 326136  
MILLER ARC WELDER, 400 AMP S/N JK530287  
TOYOTA FORKLIFT S/N FGH20-12627  
78 COMMET 42' TRAILER (@ PILOT PLANT)  
UTILITY 43' FLATBED TRAILER

400 AMP LINCOLN WELDER  
GRIEVE ROD (WELDING OVEN)  
2 EA. ACTOYLINE/OXY TORCH SETS  
90 DEGREE HAND GRINDER  
SULLAIR COMPRESSOR & TANK  
DAYTON HORIZINTAL BAND SAW  
8" DAYTON BENCH GRINDER  
1", 1/2", 3/8" INGERSALL RAND IMPACT WRENCH  
SHOP VACUUM  
10 TON OVERHEAD CRANE  
TIRE MACHINE & WHEEL BALANCER  
WORTHINGTON COMPRESOR  
DAYTON NIBCO HEATER, TWO EA.  
YAMAHA 4000 WATT PORTABLE GENERATOR  
MICRO COMPUTER PROCESSOR FOR CHEVY & FORD  
POWERTEAM PORTA POWER & CYLINDER

DUAL LENSE MICROFICHE  
OLYMPIA, SHARP & TI CALCULATOR (ONE EA.)  
8 GE 2 WAY RADIO & CHARGERS  
LIGHTED DRAFTED TABLE  
DAYTON 12 VOLT CHARGER  
VANGUARD ELECTRIC DRIVE PORTA POWER PUMP

COMPUTERS:

EVEREX 386/20 PC, 143 MB HD, 2 FLOPPIES, 80387 COPROCESSOR,  
VGA GRAPHICS, NANA0 MONITOR  
EVEREX 386/20 PC, 143 MB HD, 2 FLOPPIES, 80387 COPROCESSOR,  
VGA GRAPHICS, COLOR MONITOR  
IBM AT PC  
MINTEC SYSTEM-SOFTWARE  
1 20 MB BERNOULLI BOX  
EPSON EX1000 PRINTER  
EPSON LQ1000 PRINTER  
PANASONIC KX-P1524 PRINTER

POSTAGE METER

2 EA. IBM WHEELWRITERS  
CANNON FAX MACHINE  
MINOLTA COPIER EP470Z  
MINOLTA COPIER EB2100 (LAB)  
PHONE SYSTEM, INCLUDING 15 PHONES  
FIRE DETECTION SYSTEM - OFFICE  
ISOLINE 4000 PLOTTER, SINGLE PEN  
BRUNING PD 404 BLUE LINE COPIER  
RADIO ASTRON MLS 2 CHANNEL  
ADVANCED COMMUNICATIONS RADIOS, 16 EA.  
CALCOMP 9100 TABLE DIGITIZER  
1 EA. TOPCON 2B SURVEY STATION & TRIPODS, POLES  
(SIX) TRASH DUPMSTERS  
VCR & TV (SAFETY TRAILER)

VARIOUS OFFICE FURNISHINGS CONSISTING OF DESKS, CHAIRS,  
CREDENZAS, DRAFTING TABLES, FILE CABINETS, PARTITIONS,  
MAP CASES, BOOKCASES

CARBON RECOVERY PLANT (EXCLUDING THE FOLLOWING COMPONENTS  
WHICH ARE RETAINED BY US GOLD):

- A. STEEL SKIDS USED AS BASE FOR CARBON COLUMN SYSTEM
- B. ONE BLUE BOILER, LACKING BURNER SYSTEM
- C. ONE ACID WASH TANK
- D. ONE CARBON CONDITIONER TANK
- E. TWO ELECTROWINNING CELLS LACKING LIDS, BUS BARS &  
INTERNALS
- F. ONE RECTIFIER
- G. ONE RFINING FURNACE

COMPUTER CONTROL SYSTEM  
16 LIGHTNIN 42" TYPE 6 INLINE STATIC MIXERS  
OXIDATION AIR FANS  
MERCURY DISTILLATION  
PROPANE TANK FARM  
INTERNAL PARTS BIO-OX THICKENER TANKS  
INDUCTOTHERM FURNACE  
MILL LINE HANDLER JAW CRUSHER  
BACKUP GENERATOR DETROIT 16V92 S/N 741FSM2360AP-R700W  
48" X 25' 1" NICO #FD-4486 APRON FEEDER  
EIMCO THICKENERS  
12 EA. BIO-OX 48" STAINLESS PUMPS  
1986 FORD AMBULANCE SN 1FDKF37L2GNA52618  
GRADALL EXTEND FORKLIFT SN 8444263G  
LOADER - TOYOTA SKID S/N 2SDK7-11393  
FUEL TANKS AND DELIVERY SYSTEM  
TELEPHONE SYSTEM  
LARGE CABINET, ACID STORE (VWR)  
VFR 3631 ST KMRSN WRK TOP (VWR)  
26073-310 CENTRIFUGE (VWR)  
PL100-CO BALANCE, TROY OZ (VWR)  
TWO EA. 50 PHASE METER W/SART-UP (VWR)  
GRIEVES SB-350 OVEN 2 EA. (VWR)  
ORBIT ENVIRON SHAKER (VWR)  
HACH MODEL DR/2000 LAB SPECTROPHOTOMETER (HACH)  
TWO 1000 GAL DVC T316ELC TANKS (VIATEC)  
15" X 8' 4" FLAT BELL FEEDER (MACH CENTER)  
30 EA. LIGHTNIN MIXER (MACH CENTER)  
12" DIA X 9' 4" LAB AUGER-TYPE CLASSIFIER (MACH CENTER)  
SKID MTD CRUSH & SCREEN PLANT (MACH CENTER)  
5 X 5 EIMCO THICKENER (MACH CENTER)  
4" X 6" MASSCO LAB JAW CRUSHER (MACH CENTER)  
8" BICO UD PULVERIZER (MACH CENTER)  
2-1/4 X 3 BICO CHIPMUNK CRUSHER (MACH CENTER)  
12" DAMON/IEC CENTRIFUGE (MACH CENTER)  
40" X 80" STAIN, TANK W/MIXER (MACH CENTER)  
4" X 18" JEFFREY VIB PAN FEEDER (MACH CENTER)  
TOLEDO MODEL 2155 SCALE, WHSE (UTAH SCALE)  
CAT GEN SET 3406B S/N 5HA01496 (BOISE EQ)  
NO 7 HAZEN QUINN FLOAT CELL (MINERALS EQ)  
10" X 53" BELT FEEDER (MINERALS EQ)  
31" X 36" STAIN STEEL TANK (MINERALS EQ)  
2 EA. SULLAIR MOD GE 10.0 AIR COMPRESS (FOLSOM)  
36" X 32" USED MARCH BALL MILL (MACH RESERVE)  
MOD VD BICO DISC PULVERIZER (MACH RESERVE)  
6 EA. SANPIPER DIAPHRAGM PUMPS (MACH RESERVE)  
2 EA. 60" X 8" EIMCO THICKENERS (MACH RESERVE)  
3 EA. MOD HES-1 LAPP PULSAFEEDER (MACH RESERVE)  
30 HP FLUID MIXERS, 3 EA. (MIXING EQUIP)  
VIBRATORY RING PULVERIZER (TM ENGINEER)  
PERKIN ELMER AA MACHINE MODEL 2380 (PERKIN ELMER)  
OLYMPUS BH2 TRINOCULAR MICROSCOPE SYSTEM (ROCKY MTN MIC)

## EXHIBIT B

### NEW DENAY CREEK LIEN AGREEMENT

THIS NEW DENAY CREEK LIEN AGREEMENT (the "Agreement") is made as of February 13, 1991 by and among U.S. Gold Corporation, a Colorado corporation formerly known as Silver State Mining Corporation ("U.S. Gold"), Tonkin Springs Gold Mining Company, a Colorado corporation ("Tonkin") (Tonkin, U.S. Gold, and their respective successors in title and permitted assigns are hereinafter collectively called the "Debtor"), Denay Creek Gold Mining Company, a California corporation ("Denay", and hereinafter, together with its successors in title and assigns, called the "Secured Party"), and Tonkin Springs Venture Limited Partnership, a Nevada limited partnership (the "Venture").

#### RECITALS:

A. This Agreement is made pursuant to that certain Tonkin Facilities Agreement between Denay, U.S. Gold and Tonkin dated as of the date of this Agreement (together with any amendments, the "Facilities Agreement").

B. The Venture was formed pursuant to that certain Tonkin Springs Venture Limited Partnership Agreement between Denay, Homestake Nevada Corporation ("HNC") and Tonkin (together with any amendments, the "Tonkin Springs Agreement"). Denay is the managing general partner of the Venture and owns a 50.5% interest in the Venture, and has options to acquire additional interests therein of 24% and 25%. HNC is a limited partner of the Venture and owns a .5% interest in the Venture.

C. Pursuant to the Facilities Agreement, the Tonkin Springs Agreement and the Option Agreement, Denay will incur substantial expenditures which will benefit Debtor and/or the Venture.

D. This Agreement is made to induce Denay to enter into the Facilities Agreement, the Tonkin Springs Agreement, and the agreements and instruments contemplated thereby.

E. Capitalized terms not otherwise defined herein shall have the meanings assigned to them in the Tonkin Springs Agreement.

NOW, THEREFORE, in consideration of the foregoing and of the mutual covenants and agreements set forth in this Agreement, the Facilities Agreement and the Tonkin Springs Agreement, the Debtor, the Secured Party and the Venture agree as follows:

Section 1. LOAN.

(a) If in any proceeding referenced in Section 8.1(a) of the Facilities Agreement, any part of the sales and assignments and conveyances to Denay and HNC and Homestake Mining Company of California and the Venture, as the case may be, provided in Sections 1.2, 1.3 or 1.4 of the Facilities Agreement is determined to be invalid or is otherwise set aside, or Denay or any of its Affiliates is held liable in damages in respect of such transactions (a "Final Judgment"), then Denay shall have the following rights:

(i) If any such sale, assignment or conveyance is determined to be invalid or is otherwise set aside, the difference between (x) the cumulative Denay Expenditure Amounts (as defined below) and (y) the cumulative amounts received and retained by Denay and HNC as Distributions from the Venture shall be treated as a loan to Tonkin, to be repaid and to be secured upon the terms and conditions set forth in this Agreement.

(ii) If Denay or any of its Affiliates is held liable in damages in respect of any such sale, assignment or conveyance, then immediately upon payment by Denay or any of its Affiliates of any such damages, the full amount of any such damages and all expenses incurred in respect of any such proceedings (including all attorneys fees) shall be deemed to be expenditures by Denay pursuant to Section 5.2 of the Tonkin Springs Agreement (other than Section 5.2(b) thereof) until the earliest to occur of the events described in Section 5.3 of the Tonkin Springs Agreement, and thereafter shall be deemed to have been lent to Tonkin pursuant to Section 10.3 of the Tonkin Springs Agreement. Interest thereon shall accrue from the date of any such deemed loan. Deemed expenditures and deemed loans pursuant to this Section 1(a)(ii) shall be governed by the Tonkin Springs Agreement and the Note issued pursuant thereto and shall not constitute any part of the Properties Loan to which the remainder of this Agreement applies.

(b) The amounts determined in subparagraph (i) above are herein referred to as the "Net Expenditure Amounts". The principal amount of such loan (the "Properties Loan") shall be the amount of the Net Expenditure Amounts as of the date of the Final Judgment (the "Determination Date").



(c) As used herein, "Denay Expenditure Amounts" shall mean the sum of the following, whether now outstanding or hereafter incurred, direct or indirect, absolute or contingent, and whether arising by contract, operation of law or otherwise, and including any refinancings thereof:

(i) Amounts paid or payable by Denay under Sections 1.1 and 4.5(f) and 5.3 of the Facilities Agreement (less \$50,000 and less any amounts previously recovered by Denay upon enforcement of the Retained Claims and Security in respect thereof pursuant to Section 8.1(b) of the Tonkin Facilities Agreement);

(ii) All capital contributions (including amounts expended for both capital and operating expenses) of the Secured Party or HNC as partners of the Venture;

(iii) All amounts advanced by the Secured Party to a partner (other than any of its Affiliates) pursuant to Section 6.4 of the Tonkin Springs Agreement which are not repaid, together with accrued interest thereon;

(iv) All expenditures by the Secured Party as the Manager of the Venture not reimbursed to the Manager as required by the Tonkin Springs Agreement;

(v) All amounts advanced by the Secured Party to Tonkin pursuant to Section 10.3 of the Tonkin Springs Agreement or evidenced by the Note (as defined therein) which are not repaid, together with accrued interest thereon (but excluding any amounts deemed lent to Tonkin pursuant to Section 1(a)(ii) hereof, Section 1(a)(ii) of the New Denay Creek Lien Agreement - Technology in the form of Exhibit Q-2 to the Tonkin Facilities Agreement, and Section 8.1(c) of the Tonkin Facilities Agreement); and

(vi) All amounts paid by the Secured Party as the purchase price of the First Option or the Second Option pursuant to the Option Agreement (unless both the First Option and the Second Option have been exercised).

(c) On the Determination Date, the Properties Loan shall become immediately due and payable in full. If the Properties Loan is not repaid in full within 90 days from the Determination Date, the unpaid principal of the Properties Loan shall thereafter bear interest at the rate of the Prime Rate plus four percent (the "Stated Rate"), until all unpaid principal and interest thereon have been paid in full, but not in excess of the maximum rate permitted by law. Interest shall be calculated on the basis of a 365 or a 366 day year, as the case may be, compounded monthly (to the extent permitted by law).

Section 2. GRANT OF SECURITY INTEREST.

(a) To secure repayment of the Properties Loan, the Venture hereby pledges and assigns to the Secured Party, and hereby grants to the Secured Party a continuing security interest in and lien on all of its right, title and interest in and to, the following property, whether now existing or hereafter acquired (collectively, the "Venture Collateral"):

(i) the Properties;

(ii) all interests in mining claims and real property described in Exhibit A hereto, and all other interests in mining claims and other real property (the "Real Property");

(iii) all interests in the personal property and fixtures described in Exhibit A hereto, and all other interests in personal property and fixtures (the "Personal Property");

(iv) all ores, minerals and mineral resources, whether mined or unmined, work in progress, finished or unfinished product or inventory, or in any other form derived from the Real Property;

(v) all furniture, fixtures, goods, equipment, machinery, supplies, raw materials, goods in process, work in progress, finished and unfinished products, wares and merchandise, inventory, all documents of title, and, in general, all tangible personal property, goods and chattels of the Venture of every kind and description, wheresoever situated, including, without limitation, all telephone and other telecommunications equipment, photo duplicating and photocopying equipment, computer equipment, and motor vehicles of every description, including automobiles and trucks;

(vi) all deeds, leases, contracts and agreements for the use, sale or assignment of property, whether tangible or intangible, leaseholds, mortgages, assignments, options and licenses of every kind and description, and all documents and muniments of title relating to or in any way connected with the Real Property and the Personal Property, whether tangible or intangible;

(vii) all general intangibles of every kind whatsoever and all files, books, records and other writings, including, without limitation, all records and books of account, all corporate minute books and all stock ledgers, and also including, without limitation, all computer programs and tapes and all electronic data processing software and all other computer software, and all information of every description recorded or contained or stored in any of the foregoing, all rights of access to computer service bureaus, all service

bureau service contracts, all computer data and all concepts and ideas on which said data is based, all developmental ideas and concepts, all papers, drawings, blueprints, sketches and documents relating to any of the Collateral, all databases, supplier and customer lists, all trade secrets, patents, trademarks and service marks and all applications for and licenses, rights and interests to or under or in respect of any patents, trademarks, trade names or copyrights;

(viii) all of the income, products and proceeds of, and all additions, substitutions and accessions to, the Properties and all of the other properties and assets described in the foregoing clauses (i) through (vii) of this Section 2(a).

(b) To secure repayment of the Properties Loan, the Debtor hereby pledges and assigns to the Secured Party, and hereby grants to the Secured Party a continuing security interest in and lien on all of its right, title and interest in and to the following property, whether now existing or hereafter acquired (collectively, the "Debtor Collateral"):

- (i) the Properties;
- (ii) the Venture Collateral;
- (iii) Debtor's partnership interest in the Venture; and
- (iv) all of the income, products and proceeds of, and all additions, substitutions and accessions to, the properties and assets described in the foregoing clauses (i) through (iii) of this Section 2(b).

### Section 3. OBLIGATIONS SECURED.

(a) The Venture Collateral and the Debtor Collateral (collectively, the "Collateral") constitute and will constitute continuing security for all the following obligations, liabilities and indebtedness of the Debtor (collectively, the "Obligations"):

- (i) the full and prompt payment by the Debtor of the Properties Loan, in accordance with the terms of this Agreement as amended from time to time;
- (ii) the full and prompt payment by the Debtor of all amounts payable under Sections 4 and 12 hereof with respect to the Properties Loan or the Collateral; and
- (iii) the strict performance and observance by all other documents delivered pursuant hereto which secure the Properties Loan.

**Section 4. OPTION TO PERFORM OBLIGATIONS OF THE DEBTOR IN RESPECT OF COLLATERAL.** If any default in the payment or performance of any of the Obligations shall have at any time occurred and be continuing, the Secured Party may discharge taxes, liens or security interests or other encumbrances at any time levied or placed on the Collateral, pay for insurance on the Collateral, and pay for the maintenance and preservation of the Collateral; and should the Venture and/or Debtor fail or refuse to make any other payment or perform any other action which the Venture and/or Debtor is obligated hereunder to make, perform, observe, take or do, then the Secured Party may at its option, upon the giving of at least 10 days' notice to the Venture and/or Debtor and without releasing the Venture and/or Debtor from any obligation, covenant or condition hereof, make, perform, observe, take or do the same in such manner and to such extent as the Secured Party may in its sole discretion deem necessary to protect the security of this Agreement. The Venture and Debtor agree to reimburse the Secured Party, on demand by the Secured Party, for any payments made, or any expenses incurred, by the Secured Party pursuant to the foregoing authorization, and the Venture and Debtor absolutely and unconditionally agree further to pay interest on such payments or expenses at the Stated Rate or the maximum rate then permitted by law, from the date of said payments or expenditures to the date of such reimbursement.

**Section 5. SECURITY DOCUMENTS; FURTHER ASSURANCES.** Each of the Venture and the Debtor shall execute, deliver and cause to be recorded the deeds of trust and Uniform Commercial Code financing statements in the form of Exhibits B and C hereto. Each of the Venture and the Debtor shall, at any time and from time to time, (at Secured Party's expense) make, execute or endorse, acknowledge, deliver and/or file, all such vouchers, invoices, notices and certifications and additional agreements, undertakings, conveyances, transfers, assignments, financing statements, continuation statements or further assurances and take any and all such action, as and when the Secured Party may from time to time reasonably deem necessary or proper to perfect and/or otherwise protect the security interests and liens created hereby or to enable the Secured Party to obtain the full benefit of this Agreement and the rights and powers herein granted. Each of the Venture and the Debtor shall execute and deliver to the Secured Party from time to time upon the Secured Party's request all such documents and instruments, including financing statements, supplemental security agreements, notices of assignments under statutes and regulations, and shall take all such action, as the Secured Party may reasonably deem necessary or proper to perfect or otherwise preserve and protect the security interests and liens created hereby. If the Debtor contemplates relocating its chief executive office from the location stated in Section 6(a) hereof, the Debtor shall provide written notice to the Secured Party at least 10 days prior to the proposed relocation.



**Section 6. REPRESENTATIONS AND WARRANTIES OF THE DEBTOR.** The Debtor represents and warrants that:

(a) the Debtor's chief executive office is located in Denver, Colorado; and

(b) the security interest created pursuant to Section 2 hereof will be a valid and perfected security interest in the Collateral senior to any and all other liens and security interests in the Collateral (other than the "Security" for the Retained Claims (as defined in Section 1.1 of the Facilities Agreement) and the lien for real property taxes not delinquent). The Debtor has not granted and will not grant to any other person a security interest therein, and has not transferred and will not transfer any interest therein other than as set forth in this Agreement, the Facilities Agreement and the Tonkin Springs Agreement.

**Section 7. POWER OF ATTORNEY.**

(a) Each of the Venture and the Debtor hereby irrevocably constitutes and appoints the Secured Party as its attorney in fact, with full power of attorney and full power of substitution, in the Secured Party's reasonable discretion and without any further act of the Venture and the Debtor, (i) to take any or all action and to execute and deliver in the name and on behalf of the Venture and the Debtor any and all financing statements, mortgages, supplemental security agreements and other documents to perfect and otherwise protect and preserve the security interests created hereunder, and (ii) from and after the occurrence of any default with respect to the Properties Loan, to convert the Collateral into cash at the expense of the Debtor, but solely for the benefit of the Secured Party. The rights and powers granted the Secured Party by this appointment include, but are not limited to, the rights and powers to compromise, settle or execute releases with any of the Venture and the Debtor's account debtors, and to prosecute, defend, compromise or release any action relating to the Collateral; to endorse the name of the Venture and the Debtor in favor of the Secured Party upon any and all checks, drafts, money orders, notes, acceptances or other instruments of the same or different nature; to sign and endorse the name of the Venture and the Debtor on, and to receive as Secured Party, any of the collateral, any invoices, schedules of collateral, freight or express receipts, or bills of lading, storage receipts, warehouse receipts or other documents of title of a same or different nature relating to the collateral; to sign the name of the Venture and the Debtor on any notice to the account debtors or on verification of the collateral; and to sign and file or record on behalf of the Venture and the Debtor any financing or other statements in order to perfect or protect the Secured Party's security interests.

(b) The Secured Party shall not be obligated to do any of the acts or exercise any of the powers hereinabove authorized; if the Secured Party elects to do any such act or exercise any such powers, it shall not be accountable for more than it actually receives as a result of such exercise of power, and it shall not be responsible to the Venture or the Debtor except for wilful misconduct or bad faith. All powers conferred upon the Secured Party by this Agreement, being coupled with an interest, shall be irrevocable as to the Collateral so long as the Obligations have not been finally satisfied in full.

Section 8. REMEDIES. If the Properties Loan is not paid when due, then as to each such loan, to the fullest extent permitted by applicable law:

(a) The Secured Party shall have, in addition to all other rights and remedies allowed by law, the rights and remedies of a secured party under the Uniform Commercial Code as enacted in any jurisdiction in which the Collateral may be located, and, without limiting the generality of the foregoing, the Secured Party may immediately, without (to the fullest extent permitted by law) demand of performance or advertisement or notice of intention to sell or of the time or place of sale or of redemption or other notice or demand whatsoever to the Debtor, all of which are hereby expressly and irrevocably waived by the Venture and the Debtor to the fullest extent permitted by law, sell at public or private sale or otherwise realize upon, in any place or at any location, the whole or from time to time any part of the Collateral (as the case may be) in or upon which the Secured Party shall have a security interest or lien hereunder, or any interest which the Venture and the Debtor may have therein, and, after deducting from the proceeds of sale or other disposition of the Collateral (as the case may be) all costs and expenses (including all reasonable expenses for legal services) as provided in Sections 4 and 12, the Secured Party shall apply the residue of such proceeds toward the payment of the Obligations in accordance with Section 9 of this Agreement, the Debtor remaining absolutely liable for any deficiency remaining unpaid after such application. The Secured Party shall notify the Venture and the Debtor, in writing, at least five days before the time any intended public sale or other disposition of such collateral is to be made. The Venture and the Debtor agree to assemble the Collateral immediately upon the request of the Secured Party, at such place or places as the Secured Party designates by written notice. At any such sale or other disposition the Secured Party may itself purchase the whole or any part of the collateral sold, free from any right of redemption on the part of the Venture and the Debtor, which right is hereby waived and released.



(b) Without limiting the generality of any of the rights and remedies conferred upon the Secured Party under Section 8(a) hereof, the Secured Party may exercise rights of offset against any amounts owed to Debtor by Secured Party (including amounts distributable to Debtor by Secured Party as Manager under the Tonkin Springs Agreement) and Secured Party may enter upon the premises of the Venture and the Debtor, exclude the Venture and the Debtor therefrom and take immediate possession of the Collateral either personally, by agents or by means of a receiver appointed by a court therefor, and may, at the Secured Party's option, use, operate, manage and control the Collateral in any lawful manner and may collect and receive all rents, income, revenue, earnings, issues and profits therefrom, and may maintain, repair, renovate, alter or remove the Collateral (as the case may be) as the Secured Party may determine in its discretion, and any monies so collected or received by the Secured Party shall be applied to, or may be accumulated for application upon, the Obligations in accordance with Section 9 of this Agreement.

(c) The Secured Party may, at any time following the occurrence of any default in the payment or performance of any of the Obligations, require the Venture and the Debtor to hold all proceeds of and collections on account of the Collateral in trust for the Secured Party, and to deliver such proceeds and collections to the Secured Party immediately upon the receipt thereof by the Venture and the Debtor in the identical form received and duly endorsed or assigned to the Secured Party, with such proceeds and collections not to be commingled with other funds of the Venture and the Debtor.

Section 9. APPLICATION OF FUNDS. All funds realized by the Secured Party as proceeds of sales or collections of the Collateral, or any other funds with respect to the Collateral, the application of which is not otherwise herein provided for, shall be applied as follows:

FIRST: to the payment or reimbursement of the Secured Party for or in respect of costs and expenses incurred by the Secured Party in or incidental to the collection of such funds by the Secured Party or the exercise, protection or enforcement by the Secured Party of all or any of the rights and remedies of the Secured Party with respect to the Properties Loan or the Collateral and to the provision of adequate indemnity to the Secured Party against all taxes or liens which by law shall have, or may have, priority over the rights of the Secured Party in and to such funds;

SECOND: to the payment of interest outstanding on the Properties Loan;

THIRD: to the payment of outstanding principal of the Properties Loan;

FOURTH: to the payment of all other Obligations; and

FIFTH: to the payment of the surplus (if any) to the Debtor or to such other person or persons as shall be lawfully entitled to receive such surplus. Secured Party shall have the right to interplead any such surplus if there is any uncertainty as to the persons entitled to receive any such surplus.

Section 10. OBLIGATIONS NOT AFFECTED. The obligations of the Venture and the Debtor under this Agreement shall remain in full force and effect without regard to, and shall not be impaired by: (a) any bankruptcy, insolvency, reorganization, arrangement, readjustment, composition, liquidation or dissolution of the Venture or the Debtor; (b) any exercise or nonexercise, or any waiver, by the Secured Party of any right, remedy, power or privilege under or in respect of any of the Obligations or any security therefor (including this Agreement); (c) any amendment to any agreement, instrument or contract evidencing any of the Obligations or pursuant to which any of the Obligations were issued or secured; (d) any amendment to or modification of any agreement, instrument or contract (other than this Agreement) securing any of the Obligations; or (e) the taking of additional security for or any guaranty of any of the Obligations or the release or discharge or termination of any security for or guaranty of any of the Obligations; and in each case whether or not the Venture or the Debtor shall have had any notice or knowledge of any of the foregoing.

Section 11. NO WAIVER. No failure on the part of the Secured Party to exercise, and no delay in exercising, any right, remedy, power or privilege hereunder shall operate as a waiver thereof, nor shall any single or partial exercise by the Secured Party of any right, remedy, power or privilege hereunder preclude any other or future exercise of any other right, remedy, power or privilege. Each and every right, remedy, power and privilege hereby granted to the Secured Party or allowed to it by law or other agreement, shall be cumulative and not exclusive of any other, and may be exercised by the Secured Party from time to time.

Section 12. COSTS AND EXPENSES. The Debtor agrees to pay, immediately on demand by the Secured Party, all costs and expenses (including reasonable attorneys' fees and expenses for legal services of every kind) incurred or sustained by the Secured Party incidental to the sale of, or realization upon, any of the Collateral or in any way relating to the enforcement or protection of all or any of the rights or remedies of the Secured Party hereunder.

Section 13. MISCELLANEOUS

(a) Termination. If a Final Judgment shall not have occurred on or before the fourth anniversary of the closing

under the Facilities Agreement and at such date no proceeding seeking a Final Judgment is pending, this Agreement shall terminate as to the Properties Loan and the Collateral. In addition, if Secured Party shall have exercised both the First Option and the Second Option or if Secured Party shall withdraw from the Venture pursuant to Section 12.2 of the Tonkin Springs Agreement, this Agreement shall terminate as to any Properties Loan and the Collateral. On any such termination, Secured Party shall execute such documents as the Venture and/or Debtor shall request to reconvey and release any security created hereunder.

(b) Amendments and Waivers. Any provision of this Agreement may be amended and the observance of any provision of this Agreement may be waived only by an instrument in writing specifically stating that such instrument is intended to amend, modify or supplement this Agreement or to waive such provision and duly signed by or on behalf of each of the parties hereto.

(c) Notices. Any notice, request or other communication required or provided by this Agreement shall be given in writing and be personally delivered, mailed by registered or certified mail or given by telex, telegram or facsimile transmission confirmed by mail, addressed to:

Tonkin Springs Venture Limited Partnership  
Denay Creek Gold Mining Company  
c/o Homestake Mining Company  
650 California Street, 9th Floor  
San Francisco, CA 94108  
Attention: Vice President and General Counsel  
415/981-8150  
Fax: 415/397-0952

U.S. Gold Corporation  
1600 Stout Street, Suite 1600  
Denver, CO 80202  
Attention: President  
303/629-1515  
Fax: 303/534-1723

Tonkin Springs Gold Mining Company  
c/o U.S. Gold Corporation  
1600 Stout Street, Suite 1600  
Denver, CO 80202  
Attention: President  
303/629-1515  
Fax: 303/534-1723

Notices shall be deemed received only upon actual receipt thereof. A copy of all notices to Debtor shall be sent at the same time addressed to:

French American Banking Corporation  
499 Park Avenue, Third Floor  
New York, NY 10022  
Attention: Commodities Department  
212/415-9872  
Fax: 212/415-9898

(d) Choice of Law; Choice of Forum. This Agreement shall be governed by the internal laws of the State of Nevada. All claims, disputes or causes of action relating to or arising out of this Agreement may be brought, heard and resolved by and in a federal or state court for Washoe County, Nevada, and each Party hereto submits to the non-exclusive jurisdiction of such courts.

(e) Headings. The headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement.

(f) Severability. The invalidity or unenforceability of any provision of this Agreement shall in no way affect the validity or enforceability of any other provision.

DENAY CREEK GOLD MINING COMPANY

BY: \_\_\_\_\_

Lee A. Graber  
Vice President

U.S. GOLD CORPORATION  
TONKIN SPRINGS GOLD MINING COMPANY

BY: \_\_\_\_\_

William Reid  
President

TONKIN SPRINGS VENTURE LIMITED  
PARTNERSHIP

By Denay Creek Gold Mining  
Company, a general partner

BY: \_\_\_\_\_

Lee A. Graber  
Vice President

By Tonkin Springs Gold Mining  
Company, a general partner

BY: \_\_\_\_\_

William Reid  
President

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OFFICIAL RECORDS  
RECORDED AT THE REQUEST OF

*Homestake Mining*

'91 FEB 13 P4:34

*Co-*

EUREKA COUNTY, NEVADA  
M.N. REBALEATI, RECORDER  
FILE NO. FEE \$

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