

Jody K. Hamilton
 Lukins & Annis, P.S.
 1600 Washington Trust Financial Center
 Spokane, WA 99204

136135

BUCKHORN

NEVADA DEED OF TRUST

THIS DEED OF TRUST ("Deed of Trust") is made this 11th day of March, 1991 by and among Cominco American Incorporated, a Washington corporation, having its principal place of business at 3rd Floor, 601 West Riverside Avenue, Spokane, Washington 99201, as grantee (the "Beneficiary"); **, as Trustee with an address of **, (the "Trustee"); and Equinox Resources Inc., a Nevada corporation, with its principal office at 900 - 625 Howe Street, Vancouver, British Columbia, Canada V6C 2T6, (the "Grantor").

The Grantor, in consideration of good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and the trust herein created, irrevocably grants, bargains and sells to the Trustee, in trust, with power of sale, of the Grantor's right, title and interest in and to certain fee lands and, patented and unpatented mining claims located in the Eureka County, Nevada, as more fully described in Exhibit "A" which twenty-three and fifty-six one hundredths percent (23.56%) represents the undivided interest of Equinox Resources, Inc. in the Property, title to which stands in the name of the Grantor, hereto, together with all 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 Grantor, 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"). The lien granted hereby is subject to the right of first refusal reserved to Cominco American Resources Incorporated, its successor in interest to the Beneficiary in a certain joint venture agreement dated March 7, 1983 between the Beneficiary and Pembina Minerals, Inc. of which Equinox Resources, Inc., an affiliated Company to the Borrower, is the successor in interest to Pembina Minerals, Inc.

TO SECURE to the Beneficiary (i) the payment and performance, when due, of all debts, liabilities and obligations of Equinox Resources (Wash.), Inc., a Washington corporation (the "Borrower") pursuant to or in connection with the credit facilities being made available to the Borrower in the aggregate principal amount of (US)\$2,350,000 for the development of the Van Stone mine in the State of Washington all pursuant to a loan agreement dated for reference March 11th 1991, among Equinox Resources (U.S.A.) Inc. ("EUSA"), the Borrower, Equinox Resources Ltd. ("ECAN"), Equinox Resources Inc. ("EINC"), Equinox Resources (Calif), Inc. ("ECALIF"), Ross Beaty and CAI (the "Loan Agreement"), and the performance of all other obligations of the Borrower and the Grantor under or in respect of the Loan Agreement with interest on the Principal advanced thereunder as therein provided; and (ii) the payment of all other amounts with interest thereon for the improvement or protection of the Property, and the performance of the covenants and agreements of the Borrower and Grantor herein contained.

** First American Title Company
 518 Idaho Street
 Elko, Nevada 89801

SECTION 1. Tax or Assessment. 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 Grantor and Borrower agrees to pay the same although assessed against another person or entity. 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 usury law.

SECTION 2. Future Advances. Upon request by the Borrower, the Beneficiary, at the Beneficiary's sole option, prior to full reconveyance of the Property by the Trustee to the Grantor, 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. Any accrued interest under the Loan Agreement not paid when due shall be treated as a future advance by the Beneficiary to the Borrower and shall be secured hereby.

SECTION 3. Statutory Covenants. Covenants No. 1, 2 (full replacement cost), 3, 4 (interest 12%), 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 4. Protection of the Beneficiary's Security. If the Grantor fails to perform the covenants and agreements contained in this Deed of Trust or the Borrower or Grantor fails to perform the covenants and agreements in the Loan Agreement, then the Beneficiary, at its option, upon notice to the Grantor, may make any appearances, disburse any sums and take any action necessary to protect the Beneficiary's interest, including, but not limited to, disbursement of reasonable attorney's fees. Any amounts disbursed by the Beneficiary pursuant to this Section 4 with interest thereon from date of disbursement at the rate of twelve percent (12%) per annum, shall become additional indebtedness of the Borrower secured by this Deed of Trust, payable upon demand.

SECTION 5. Acceleration; Remedies. Upon the occurrence of a default under this Deed of Trust or an Event of Default or as defined in the Loan Agreement, the Beneficiary may declare all amounts secured hereby to be immediately due and payable in accordance with the terms and conditions of the Loan Agreement.

SECTION 6. Assignment of Royalties. As additional Security, the Grantor hereby assigns to the Beneficiary its right to all royalties and other payments due or accruing to it in respect of the Property.

SECTION 7. Beneficiary'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 23.56% of the Property for the full amount of any indebtedness unpaid (other than any person or property specifically released by the Beneficiary), the Beneficiary and the Trustee are respectively empowered as follows: the Beneficiary 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 Beneficiary 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 8. Non-Recourse to Grantor. Notwithstanding anything to the contrary contained in this deed of trust, Beneficiary covenants and agrees with the undersigned, by the acceptance of this Deed of Trust, in any action or proceeding hereafter on the Loan Agreement or this Deed of Trust, no deficiency or other money judgment shall be sought or obtained against any director or officer of Grantor, except for Ross Beaty as set forth in the Loan Agreement.

SECTION 9. 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 10. Notice. All notices, comments, and other communications shall be in writing and shall be deemed given when mailed by United States or Canadian, as applicable, certified mail or express mail, postage and certification or express charges prepaid, or sent by courier service, such as Federal Express, which obtains a signed receipt, upon the date on which the addressee, or its agent, signs a receipt therefor, to the addresses specified herein or such other address as either party may by notice to the other designate, which shall thereupon become the effective address of such party.

SECTION 11. Governing Law; Severability. This Deed of Trust shall be governed by the laws of State 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 12. Waiver of Statute of Limitations. Grantor 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 13. Certain Legal Proceedings. Should the Beneficiary or the Trustee, or both, become parties to any action to enjoin foreclosure, or other legal proceedings instituted by the Grantor, the Borrower, or by any third party, or should Borrower or Grantor 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 Beneficiary 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 of twelve percent (12%) per annum from the date incurred until paid.

SECTION 14. Trustee. The Trustee shall be liable solely for its willful misconduct in the performance of its or his duties hereunder. The Trustee shall not be liable for its or his negligence or gross negligence in the performance of its or his duties hereunder.

SECTION 15. Loan Agreement. This Deed of Trust is given pursuant to the terms of the Loan Agreement, and the terms of the Loan Agreement shall continue and shall not merge after the execution and delivery hereof. In the event of a conflict between any of the terms and conditions contained herein or the provisions of the Loan Agreement, or any ambiguity or deficiency herein, the provisions of the Loan Agreement shall govern.

GRANTOR:

EQUINOX RESOURCES, INC.

By: *[Signature]*

BENEFICIARY:

COMINCO AMERICAN INCORPORATED

By: *[Signature]*

BORROWER:

EQUINOX RESOURCES (WASH.) INC.

By: *[Signature]*

DRAFT
March 8, 1991

STATE OF Washington)
COUNTY OF Snohomish)

ss.

On this 13th day of March, 1991, personally appeared before me, a Notary Public, C Bruce DeLong, the Secretary of Cominco American Incorporated, a Washington corporation, who acknowledged that he/she executed the foregoing instrument on behalf of the corporation being authorized to do so.

Joy K. Hunt
Notary Public

My commission expires:

12/15/92



STATE OF _____)
COUNTY OF _____)

ss.

On this _____ day of March, 1991 personally appeared before me, a Notary Public, _____, the _____ of _____, a _____, who acknowledged that he/she executed the foregoing instrument on behalf of the _____ being authorized to do so.

Notary Public

My commission expires:

DRAFT
March 8, 1991

VANCOUVER

BRITISH COLUMBIA

ss.

On this 10th day of March, 1991 personally appeared before me, a Notary Public, ROSS BEATY, the President of Equinox Resources, Inc., a Nevada corporation, who acknowledged that he/she executed the foregoing instrument on behalf of the corporation being authorized to do so.

Notary Public
in and for the Province of British
Columbia

DONALD J. HASLAM
BARRISTER & SOLICITOR
Smith, Lyons, Torrance, Stevenson, Mayer
Suite 550 - 999 Canada Place
World Trade Centre
Vancouver, B.C. V6C 3C8
(604) 662-8082

My commission expires:
at the pleasure of Her Majesty,
Elizabeth II



VANCOUVER

BRITISH COLUMBIA

ss.

On this 10th day of March, 1991 personally appeared before me, a Notary Public, Ross Beaty, the President of Equinox Resources (Wash) Inc., a Washington corporation, who acknowledged that he/she executed the foregoing instrument on behalf of the corporation being authorized to do so.

Notary Public
in and for the Province of British
Columbia

DONALD J. HASLAM
BARRISTER & SOLICITOR
Smith, Lyons, Torrance, Stevenson, Mayer
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(604) 662-8082

My commission expires:
at the pleasure of Her Majesty, Queen
Elizabeth II



EXHIBIT A

1. Fee Land.

The land in the State of Nevada, County of Eureka, described as follows:

PARCEL 1:

The Buckhorn No. 10 Lode Mining Claim designated by the Surveyor General of the United States of America as Survey No. 3819 as described in Patent executed by UNITED STATES OF AMERICA, recorded May 8, 1913, in Book 17 of Patents at page 410, Eureka County, Nevada.

Humboldt No. 1 and Humboldt No. 2 Lode Mining Claims being a portion of Survey No. 3883 as designated by the Surveyor General of the UNITED STATES OF AMERICA as described in Patent executed by UNITED STATES OF AMERICA, recorded July 13, 1912, in Book 17 of Deeds at page 268, Eureka County, Nevada.

Lame Bull No. 1 and 2 and Lame Bull Fraction Lode Mining Claims being a portion of Survey No. 4130 as designated by the Surveyor General of the UNITED STATES OF AMERICA as described in Patent executed by UNITED STATES OF AMERICA, recorded September 15, 1919, in Book 18 of Patents at page 430, Eureka County, Nevada

Subject to encumbrances of record.

PARCEL 2:

The Monarch Lode Mining Claim designated by the Surveyor General of the UNITED STATES OF AMERICA, as survey No. 3818 as described in Patent executed by UNITED STATES OF AMERICA, recorded July 18, 1912, in Book 17 of Deeds at page 274, Eureka County, Nevada.

The Buckhorn No. 1, Buckhorn No. 2, Buckhorn No. 3, Buckhorn No. 4, Buckhorn No. 5, Buckhorn No. 6, Buckhorn No. 7, Buckhorn No. 8, Buckhorn No. 9, E and P Fraction and Narrow Gauge Lode Mining Claims designated by the Surveyor General of the United States of America as Survey No. 3866 as described in Patent executed by the UNITED STATES OF AMERICA, recorded June 7, 1913, in Book 17, of Deeds at page 425, Eureka County, Nevada.

The Easter No. 1 and Easter No. 2 Lode Mining Claims designated by the Surveyor General of the United States of America as Survey No. 3919 as described in Patent executed

by UNITED STATES OF AMERICA, recorded December 23, 1912, in Book 17 of Deeds at page 343, Eureka County, Nevada.

Subject to encumbrances of record.

2. Unpatented Mining Claims.

Those certain unpatented lode mining claims generally located in Sections 1, 12, 13, 24, 25, and 36 of Township 27 North Range 48 East (unsurveyed), in Sections 18, 19, 30, 31, and 32 of Township 27 North, Range 49 East (unsurveyed), and in Section 14 of Township 26, Range 49 East MBD&M, Unknown (Buckhorn) Mining District, Eureka County, Nevada, more particularly described as follows:

<u>Claim Name</u>	<u>BLM Serial No. (NMC-)</u>
Aspen 1 - 5	116387 - 116391
Aspen 16 - 19	116402 - 116405
Aspen 22 - 30	116408 - 116416
Aspen 34 - 44	116420 - 116430
Humboldt 3	116453
Santa Fe Fraction	116464
Tufa	116465
Buckaroo 10	116485
Buckaroo 224	116603
Buckaroo 229 - 230	116608 - 116609
Buckaroo 363	116641
Buc 11 -13	368070 - 368072
Buc 21, 28	368080, 368087
Oro	116455
Oro 1 - 2	116456 - 116457
Oro 6 - 7	116461 - 116462
Pinon 59	247056
Sage 125, 127, 130	287540, 287542, 287545
UP 2 - 6	116466 - 116470
Buckhorn 1 - 20	293862 - 293881
RIM 1 - 4	280831 - 280834

The interest of Grantor in the mining claims is derived from various lease and sublease agreements and the interest of Grantor in the properties is defined and limited by the terms of said agreements.

3. Buckhorn Mine Area.

- (1) Mining Lease, dated January 4, 1972, between Royce A. Hardy and Alice Hardy Paulsen (Lessors) and William B. Golden (Lessee).

- (2) Contract, dated June 22, 1973, between William B. Golden (Seller) and Ernest Dale Soule, Sr. and Ernest Dale Soule, Jr. (Buyers).
- (3) Agreement, dated May 5, 1976, between Buckhorn Mines Company (successor to Soules) and Westex Metal Corporation, which Agreement was suspended and superseded by an Agreement, dated April, 1978, between the Parties.
- (4) Mining Lease, dated January 15, 1979, between Buckhorn Mines Company and Hennes-Westex Corporation (successor to Westex Metal Corporation) (Lessors) and Bar Resources, Inc. (Lessee).
- (5) Agreement, dated December 6, 1979, between Bar Resources, Inc. and its parent corporation, Bar Resources Ltd. (Lessors) and Bethlehem Copper Corporation (Lessee), as amended by agreements dated June 30, 1980, and as modified by Memorandum of Agreement dated April 19, 1982, between the Parties.
- (6) Purchase Agreement dated October 3, 1983, between Arthur Biale and Betty Biale, husband and wife, John O'Connor, individually, and Richard O'Connor, individually, (Sellers) and Cominco American Incorporated (Buyer).

4. Other Tenements.

1. Fourteen (14) patented lode mining claims situated in Eureka County, Nevada, and described as follows:
Buckhorn No. 1 - 9
E & P Fraction
Monarch
Narrow Gauge
Easter No. 1 and 2
2. Six (6) patented lode mining claims situated in Eureka County, Nevada, and described as follows:
Buckhorn No. 10
Humboldt No. 1 and 2
Lame Bull No. 1 and 2
Lame Bull Fraction

3. Thirteen (13) patented lode mining claims situated in Eureka County, Nevada, and described as follows:

D.P.M.
Eagle
Eva Lee
Huntingdon Mine
J. B. Rouig
Lone Star
M & M Fraction No. 1
Noon Day Fraction
North Side Mine
One Hundred Proof
Red Ant
Sunday Fraction
Sunset

4. Fifty-five (55) unpatented lode mining claims situated in Eureka County, Nevada and described as follows:

Aspen No. 1 - 30
Oro
Oro No. 1 - 7
Oro Fino
U. P. 2 - 10
Tufa
Buckhorn Fraction
Citizen Fraction No. 1 (as amended)
Humboldt No. 3
Lame Bull Fraction
Santa Fe Fraction
Jughead Placer

5. One hundred seventy-seven (177) unpatented lode mining claims situated in Eureka County, Nevada, and described as follows:

Buckaroo No. 1 - 72
Buckaroo No. 81 - 118
Buckaroo No. 127
Buckaroo No. 129
Buckaroo No. 131
Buckaroo No. 133
Buckaroo No. 135
Buckaroo No. 137
Buckaroo No. 139
Buckaroo No. 141
Buckaroo No. 143
Buckaroo No. 145
Buckaroo No. 147
Buckaroo No. 149

Buckaroo No. 151
Buckaroo No. 153
Buckaroo No. 221 - 252
Buckaroo No. 353 - 357
Buckaroo No. 359 - 374

6. One hundred eighty-five (185) unpatented lode mining claims situated in Eureka County, Nevada, and described as follows:

Aspen No. 31 - 63
Fir No. 1 - 13
Fir No. 16 - 18
Fir No. 20 - 22
Fir No. 24 - 30
Fir No. 32 - 34
Fir No. 36
Fir No. 39 - 41
Fir No. 45
Fir No. 47
Fir No. 50 - 51
Fir No. 53
Fir No. 56 - 57
Pinon No. 1 - 13
Pinon No. 15 - 26
Pinon No. 33
Pinon No. 40
Pinon No. 54
Pinon No. 56 - 59
Pinon No. 71 - 74
Pinon No. 88 - 91
Cedar No. 1 - 13
Sage No. 1 - 28
Sage No. 100 - 130

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BOOK 221 PAGE 191
OFFICIAL RECORDS
RECORDED AT THE REQUEST OF
Luckins & Arnes
'91 MAR 18 P3:57

EUREKA COUNTY, NEVADA
M.N. REBALEATI, RECORDER
FILE NO. FEE \$1500

BOOK 221 PAGE 201