

DEED OF TRUST

THIS DEED OF TRUST is made on April 8<sup>th</sup>, 1998 by and among ATLAS CORPORATION ("Borrower"), a Delaware corporation, 370 Seventeenth Street, Suite 3140, Denver, Colorado 80202, the Public Trustee of the county described below ("Trustee"); and GERALD E. DAVIS ("Lender"), an individual, 34 Lark Bunting Lane, Littleton, Colorado 80127, for the purpose of securing certain indebtedness to Lender.

The indebtedness which this Deed of Trust secures is evidenced by Borrower's Promissory Note, payable to Lender, dated April 8<sup>th</sup>, 1998, for the principal sum of Two Hundred Thousand Dollars (\$200,000.00), principal and interest payable according to the tenor of said note to which reference is made ("Note").

1. GRANT. The Borrower, for good and valuable consideration and for the purpose of securing the indebtedness to the Lender, does hereby grant and convey to the said Trustee all of Borrower's interest in the following described property situated in the County of Eureka, State of Nevada, to include all improvements and fixtures located thereon (the "Property"):

Section 27, T 22 N-R 49 E, MDM, situated in the Roberts Mountain Mining District, Eureka County, Nevada,

Patented Millsite Claims	Mineral Survey #	Patent #	Acres
AM 108	5005	27-89-0038	5.00
AM 109	5005	27-89-0038	5.00
AM 115	5005	27-89-0038	5.00
AM 116	5005	27-89-0038	5.00
AM 117	5005	27-89-0038	5.00

2. TRUSTEE TO HOLD IN TRUST. Said Trustee shall hold said Property, together with all of Borrower's interest in all the appurtenances, fixtures, easements, rents, minerals, and rights, thereto belonging and attached, and all improvements now or hereafter erected on the property, together with all of Borrower's interest in replacements and additions to the above ("the Property"), IN TRUST, to secure to the Lender the indebtedness described above pursuant to the Note, together with interest thereon, and other sums advanced to protect the security of the Deed of Trust, together with interest thereon, made to the Borrower by the Lender according to the terms of this Deed of Trust.

3. SALE IN EVENT OF DEFAULT. In the case of a default in the payment of the Note or in the payment of any prior encumbrance, or in the case of a default or violation or breach of any of the terms or conditions contained in this Deed of Trust, the Lender or the legal holder of the Note may declare a violation of any of the covenants contained herein and, consistent with the terms of the Note, elect to advertise the property for sale with the Trustee who shall sell the Property, pursuant to the terms and conditions of the applicable statutes. In the event of such a sale, the holder of the Note shall be entitled to recover all expenses of sale, all monies advanced for

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insurance, taxes, assessments, repairs, and for payments on prior encumbrances, together with interest thereon at the default rate provided in the Note, reasonable attorneys' fees, and such pre-sale and post-sale expenses as permitted by law.

4. **THE BORROWER REPRESENTS AND AGREES AS FOLLOWS:**

A. **Warranties.** At the time of signing of this Deed of Trust, subject to the Purchase Agreement (defined below) the Borrower owns the Property described above in fee simple, and has good right, full power and authority to grant, bargain, sell, and convey the real property to the Trustee, and that the real property is free and clear of all liens and encumbrances, except for any lien for real property taxes not yet due and payable, and the Borrower will warrant and forever defend the quiet and peaceable possession of the Trustee in and to the above described real property against all persons lawfully claiming the whole or any part thereof.

B. **Waiver of Homestead.** The Borrower waives and releases all rights and claims it may have in and to the Property as a homestead exemption, or other exemption, under any existing or future state or federal law.

C. **Payment.** The Borrower shall promptly pay when due the principal and interest as provided in the Note, secured by this Deed of Trust, together with all amounts due or to become due on account of principal and interest on prior encumbrances, if any. The Borrower shall also pay all taxes and/or assessments which may be levied or assessed on the Property described above. If Borrower fails to pay any such taxes and/or assessments when due, Borrower shall pay monthly into a fund to be held by Lender 1/12 of the estimated annual taxes, assessments, insurance premiums, and other charges on the Property. Borrower shall not be entitled to interest on such fund.

D. **Insurance.** The Borrower shall keep all buildings and improvements which may be on said Property insured against casualty loss, including extended coverage, by a company authorized to do business in the state of Nevada and meeting the net worth requirements of the Lender, which insurance shall be in an amount not less than the total indebtedness secured hereby plus any prior encumbrances, with a loss payable clause naming Lender as Payee, which policy shall also provide that the insurance may not be canceled without ten days prior written notice to the Lender. A copy of the policy shall be delivered to Lender within ten (10) days after execution hereof.

E. **Repair and Maintenance.** The Borrower shall keep the Property in good repair and shall not commit waste or permit deterioration of the Property.

5. **APPOINTMENT OF RECEIVER.**

A. In the event of any default whereby the right of foreclosure occurs, or in the case of abandonment of the Property, the Lender shall at once become entitled to the possession, use, and enjoyment of the Property, and to the rents, issues, and profits thereof, from the accruing of such right and during the pendency of foreclosure proceedings and during the period of redemption.

B. Such possession shall at once be delivered to the Lender or the holder of the Certificate of Purchase.

C. A Receiver may be appointed by any court of competent jurisdiction upon application, with notice, and without regard to the solvency or insolvency of the Borrower and without regard to the value of the Property or the amount owing on the Note. In the event of abandonment, the Lender may take possession of the Property without application to the court. If a Receiver is appointed, the Receiver shall have the right and power to expend monies necessary to protect the property and to repair the Property, and to be reimbursed therefor, and the balance of all rents, issues, and profits shall be applied by the Receiver to the payment of the indebtedness secured hereby, according to law and the orders of the court.

D. The right to take possession and manage the Property and to demand and collect all rents, income, and profits from the Property may be exercised with or without the appointment of a Receiver, and, if exercised without the appointment of a Receiver, it shall be sufficient to give written notice to any tenant in the Property and to the Borrower at the Property or any other address provided to the Lender.

6. **STRICT DUE ON SALE.** In the event of any Transfer of the Property, excluding the creation of a lien or encumbrance subordinate to this Deed of Trust, then the Lender may declare all sums secured by this Deed of Trust to be immediately due and payable. For purposes of this paragraph, "Transfer" shall mean: (i) a transfer or conveyance of title (or any portion thereof, legal or equitable) of the Property (or any part thereof or interest therein); (ii) the execution of a contract (or agreement creating a right to title (or any portion thereof, legal or equitable) in the Property (or any part thereof or interest therein); (iii) an agreement granting a possessory right in the Property (or any portion thereof); (iv) a sale or transfer of, or the execution of a contract or agreement creating a right to acquire or receive, a controlling interest of Borrower, or fifty percent (50%) of the assets of Borrower; (v) the reorganization, liquidation, or dissolution of Borrower; or (vi) or any exercise to purchase any property by Barrick Gold Exploration Inc. ("Barrick") under the terms of the Asset Purchase Agreement Among Atlas Gold Corporation, Atlas Gold Mining, Inc., Atlas Precious Metals, Inc. and Barrick dated June 3, 1997 (the "Purchase Agreement").

## 7. ADDITIONAL EXPENDITURES

A. Release By Trustee. The Trustee, upon production of the Note described in this Deed of Trust, duly canceled, may release this Deed of Trust, without any further showing as to additional advances and without liability for doing so.

B. Additional Expenditures by Lender. This Deed of Trust shall secure, in addition to the Note, all expenditures made by the Lender as determined in its sole discretion for taxes, special assessments, insurance premiums, costs of completing the construction of unfinished improvements, costs of repairing, maintenance and preservation of said improvements, utility charges, delinquent payment fees, accountant/bookkeeping fees, attorneys' fees, and other charges, all of which shall bear interest at the default interest rate provided in the Note. The bid at the foreclosure sale may also include appraisal fees, environmental assessment fees, inspection fees, and similar items. Before redemption can be made from such foreclosure sale, the party redeeming

shall be required to pay, in addition to the amounts specified in said Certificate of Purchase, the further and additional amounts represented by the foregoing expenditures.

#### 8. DEFAULT AND ACCELERATION

A. In the event the Borrower fails to perform any of the terms and conditions contained in this Deed of Trust or to provide any insurance or pay any amounts required above, the Lender may, without being required to do so, make repairs, procure insurance or pay amounts required to be paid, and may add any such amount to the indebtedness secured by this Deed of Trust, together with interest at the default interest rate provided in the Note and costs incurred. In addition, the Lender may declare the indebtedness secured by this Deed of Trust to be in default and proceed to exercise those remedies available under the law or under this Deed of Trust.

B. In the event of a default in any of the payments of principal and interest according to the tenor of the Note, or in the event of a breach or a violation of any of the terms or conditions contained in this Deed of Trust or in any other document also securing the indebtedness secured by this Deed of Trust, or in the event of a default under any other debt to any person for which the majority or any part thereof is security, then the Lender may accelerate the indebtedness, and, in that case, the whole of the principal secured by this Deed of Trust, together with any future advances and interest on both, shall become due and payable, and the property may be sold in the manner and with the same effect as if the indebtedness had matured.

9. **RIGHTS WITH RESPECT TO JUNIOR ENCUMBRANCES.** Any person or entity purporting to have or to take a junior mortgage or other lien upon the Property or any interest therein shall be subject to the rights of Lender to amend, modify, increase, vary, alter, or supplement this Deed of Trust, the Note, or any of the other loan documents and/or to extend the maturity date of the indebtedness secured hereby and/or to increase the amount of the indebtedness secured hereby and/or to waive or forebear the exercise of any of its rights and remedies hereunder or under any of the other loan documents and/or to release any collateral or security for the indebtedness secured hereby, in each and every case without obtaining the consent of the holder of such junior lien.

10. **DEFINITIONS, CAPTIONS.** The term Borrower shall include the Borrower's heirs, personal representatives, successors, and assigns. The term Lender shall be deemed to include the Lender, the Lender's heirs, personal representatives, successors, and assigns, together with the holder of the note secured by this Deed of Trust and the holder of the Certificate of Purchase. All terms and conditions contained herein shall extend to and be binding upon such heirs, personal representatives, successors, and assigns. Whenever used herein, the singular number shall include the plural.

11. **ACKNOWLEDGMENT OF BARRICK ASSET PURCHASE AGREEMENT.** Notwithstanding anything to the contrary herein contained, Davis understands and agrees that the Collateral is the subject of the Purchase Agreement. Accordingly, all rights of Davis in the Property and contained in this Deed of Trust are subject and subordinate to the rights of Barrick pursuant to the Purchase Agreement and Davis' right to foreclose upon the Property shall be strictly limited to Atlas' interest therein. If the Purchase Agreement is exercised by Barrick,

Atlas shall first deliver to Davis the unpaid balance, comprising unpaid principal and accrued interest, owed to Davis under the terms of the Promissory Note. In exchange, Davis shall simultaneously execute and deliver a release of this Deed of Trust, and Davis shall have no further interest in the Property. Notwithstanding any provision hereof, if Atlas defaults on any payments due Davis under the Note, or breaches or violates any term or condition of this Deed of Trust, Davis understands and agrees that he shall have no right to foreclose on the Property or formally pursue any other remedy to obtain possession of the Property until after September 15, 1999. However, if Atlas defaults on any payment due Davis under the Note, and if the Purchase Agreement is terminated prior to September 15, 1999, then Davis shall have the right to commence an immediate action to foreclose on the Property and/or formally pursue other remedies.

12. AMENDMENTS. This Deed of Trust may only be amended in writing, signed by both parties and consented to by Barrick.

ATLAS CORPORATION

By: *[Signature]*  
Gregg Shafer, President

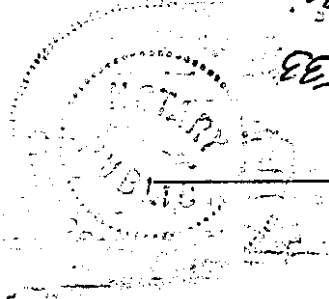
*[Signature]*  
GERALD E. DAVIS

STATE OF COLORADO  
)  
) ss.  
)  
CITY AND COUNTY OF DENVER

The foregoing instrument was acknowledged before me this 8th day of April, 1998, by Gregg Shafer, President of Atlas Corporation, a Delaware corporation.

Witness my hand and official seal.

*[Signature]*  
Notary Public



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OFFICIAL RECORDS  
RECORDED AT THE REQUEST OF  
Maddox, Willie McBook LLC  
98 APR 13 PM 1:02  
SUN. REBAL. RECORDER  
EUREKA COUNTY NEVADA  
FILE NO. 1180  
FEES 11.80  
170009  
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My commission expires: 8-22-99

*[Handwritten notes]*  
Atlas  
9/15/99