

DEED OF TRUST

THIS DEED OF TRUST, made and entered into as of the 26<sup>th</sup> day of May 1998,

by and between, European American Resources, Inc., a Delaware corporation, First Party,

hereinafter called Grantor; First American Title Company, Second Party, hereinafter called

Trustee; and Einar C. Erickson and Georgia Erickson, husband and wife, and Lynn H.

Erickson and Linda Erickson, husband and wife, as individuals, all of St. George, Utah, and

Silver International, Inc. and Silver Viking Corporation, both Nevada corporations, Third

Parties, hereinafter called Beneficiaries; it being understood that the words used herein in any

gender includes all other genders, the singular number includes the plural, and the plural the

singular,

430007 WJP

WITNESSETH:

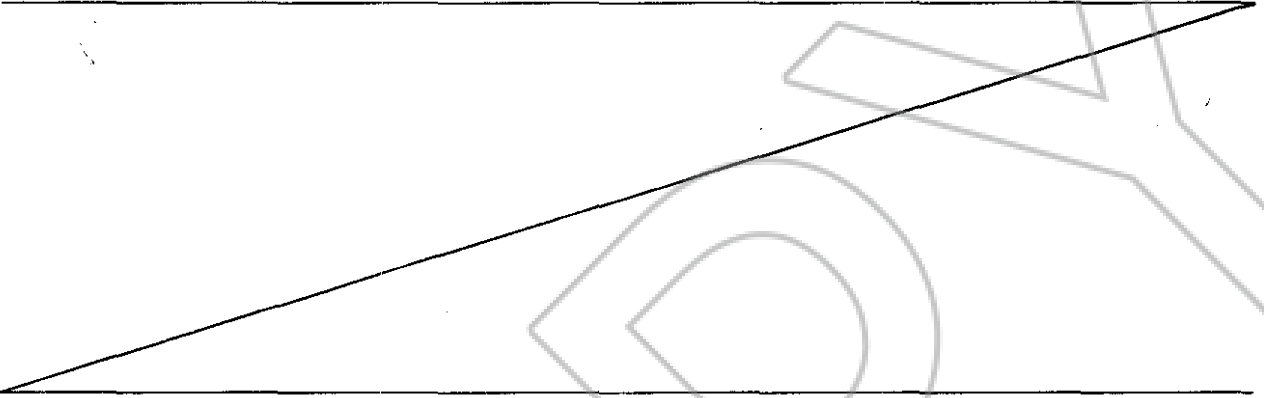
THAT WHEREAS, the Grantor is indebted to the Beneficiaries, in the sum of

NINETY-NINE MILLION NINE HUNDRED EIGHTY-FIVE THOUSAND DOLLARS

(\$99,985,000.00), lawful money of the United States, and has agreed to pay the same according

to the terms and tenor of a certain Promissory Note of even date herewith, and made, executed

and delivered by Grantor to Beneficiaries, which note is in the words and figures as follows:



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ATTORNEYS AT LAW  
442 Court St.  
ELKO, NEVADA 89801

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**PROMISSORY NOTE**

\$99,985,000.00

May 26, 1998 - Ely, Nevada.

**FOR VALUE RECEIVED**, the undersigned Maker promises to pay to the order of Einar C. Erickson and Georgia Erickson, as joint tenants with right of survivorship, Lynn H. Erickson and Linda Erickson, as joint tenants with right of survivorship, Silver International, Inc., a Nevada corporation, and Silver Viking Corporation, a Nevada corporation, at Ely, Nevada, or wherever payment may be demanded at Ely, Nevada, or wherever payment may be demanded by the holders of this Note, the sum of NINETY-NINE MILLION NINE HUNDRED EIGHTY-FIVE THOUSAND DOLLARS (\$99,985,000.00), without interest, all in the manner following:

|    |           |  |
|----|-----------|--|
| A. | \$ 50,000 | advance royalty on or before 1 year after date hereof  |
|    | \$ 90,000 | advance royalty on or before 2 years after date hereof                                       |
|    | \$120,000 | advance royalty on or before 3 years after date hereof                                       |
|    | \$150,000 | advance royalty on or before 4 years after date hereof                                       |
|    | \$200,000 | advance royalty on or before 5 years after date hereof,                                      |
|    |           | and a like sum on or before the same date each and every year thereafter until paid in full. |

B.

In addition, Maker shall pay the holders of this Note a production royalty of 3% of the net smelter returns from all minerals produced by Maker from the patented and unpatented mining claims described in the Deed of Trust which secures this Note, when the average price of gold (London quote) in the production quarter is less than \$400/ounce. If the average price is \$400/ounce or more, the production royalty shall increase to 4% of the net smelter returns. This production royalty shall be paid quarterly, and shall be accompanied by a statement summarizing the computation of net smelter returns. The quarterly royalty payments will be provisional and subject to adjustment at the end of Maker's accounting year.

The term "net smelter returns" as used herein shall mean the net proceeds received by Maker from the sale of minerals from the property after deductions for all of the following:

(a) Custom smelting costs, treatment charges and penalties including, but without being limited to, metal losses, penalties for impurities and charges or deductions for refining, selling, and transportation from smelter to refinery and from refinery to market; provided, however, in the case of leaching operations, all processing and recovery costs incurred by Maker beyond the point at which the metal being treated is in solution shall be considered as treatment charges (it being agreed and understood, however, that such processing and recovery costs shall not include the cost of mining, crushing, dump preparation, distribution of leach solutions or other mining and preparation costs up to the point at which the metal goes into solution);

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(b) Costs of transporting mineral product from the concentrator to a smelter or other place of treatment; and

(c) Production taxes, severance taxes and sales, privilege and other taxes measured by production or the value of production.

Advance royalties shall be credited against production royalties. The total of all royalties paid to holders shall be credited against the balance of the Note.

The Maker may, at its option, make additional payments or pay the entire unpaid principal in full at any time without penalty. It is specifically provided herein, however, that the Note shall be discounted from \$99,985,000.00 to \$26,985,000.00, if the holders are paid \$26,985,000.00, including royalty credits, on or before five years from date hereof.

The Maker waives demand, diligence, presentment, protest and notice of protest and nonpayment.

In the event of default in the payment of any sum of principal due hereunder, according to the terms and tenor hereof, or in the performance of any of the provisions of any security instruments now or hereafter securing this Note, the holders may, at their option, declare the entire amount of principal due and payable. Failure to exercise such option shall not constitute a waiver of the right to exercise it in the event of any subsequent default.

Maker will have no personal liability for the payment of this Note, and the only remedy available to the holders will be foreclosure pursuant to law, as provided in the Deed of Trust securing this Note.

This Note is secured by Deed of Trust of even date herewith.

**European American Resources, Inc.,**  
a Delaware corporation

By /s/ Martin Sportschuetz  
Title Director

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**NOW THEREFORE**, the Grantor, for the purpose of securing the payment of Promissory

Note, and also the payment of all monies herein agreed or provided to be paid by the Grantor, or which may be paid out or advanced by the Beneficiaries or Trustee under the provisions of this instrument, does hereby grant, bargain, sell, convey and confirm unto the Trustee all of the right, title and interest, claim and demand, as well in law as in equity, which the Grantor may now have or may hereafter acquire of, in or to the following described patented and unpatented mining claims situate in the County of Eureka, State of Nevada, and being more particularly described as follows:

See Exhibit A, patented mining claims, attached hereto and made a part hereof.

See Exhibit B, unpatented mining claims, attached hereto and made a part hereof.

**TOGETHER WITH** any improvements situate thereon, or which are placed thereon during the life of this Deed of Trust.

**TOGETHER WITH** the tenements, hereditaments and appurtenances thereunto belonging or in anywise appertaining, and the reversion and reversions, remainder and remainders, rents, issues and profits thereof.

**TOGETHER WITH** all the dips, spurs, and angles, and also all the metals, ores, gold and silver bearing quartz, rock and earth 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 anywise appertaining, and the rents, issues and profits thereof.

**TO HAVE AND TO HOLD** the premises, together with the appurtenances, unto the Trustee,

and to its successors and assigns, for the uses and purposes herein mentioned.

The following covenants, Nos. 1, 2 (not applicable), 3, 4 (not applicable) 5, 6, 7 (see

Paragraph 13 of Closing Agreement), 8 and 9 of NRS 107.030, are hereby adopted and made a part of this

Deed of Trust.

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This Deed of Trust also secures payment for further sums and the promissory note evidencing the same, as shall be provided for therein, as may hereafter be loaned or advanced by the Beneficiaries to the Grantor.

Grantor, in consideration of the premises, hereby covenants and agrees that neither the acceptance nor existence, now or hereafter, of other security for the indebtedness secured hereby, nor the release thereof, shall operate as a waiver of the security of this Deed of Trust, nor shall this Deed of Trust nor its satisfaction nor a reconveyance made hereunder operate as a waiver of any such other security now held or hereafter acquired.

Beginning with the annual assessment work period of September 1, 1998 to September 1, 1999, and for each annual assessment work year commencing during the term of this Deed of Trust, Grantor shall perform for the benefit of the unpatented mining claims work of a type customarily deemed applicable as assessment work and of sufficient value to satisfy the annual assessment work requirements, if any, of all applicable Federal, state and local laws, regulations and ordinances, and shall prepare evidence of the same in form proper for recordation and filing and shall timely record and/or file such evidence in the appropriate Federal, state and local office as required by applicable Federal, state and local laws, regulations and ordinances. If under applicable Federal laws and regulations, Federal annual mining claim maintenance or rental fees are required to be paid for the unpatented mining claims which constitute all or part of the property, beginning with the annual assessment work year of September 1, 1998 to September 1, 1999, Grantor shall timely and properly pay the Federal annual mining claim maintenance or rental fees, and shall execute and record or file, as applicable, proof of payment of the Federal annual mining claim maintenance of rental fees and of Grantor's intention to hold the mining claims. Copies of all recordations and filing shall be provided to Beneficiaries.

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Grantor shall comply with all Federal, state and local statutes and regulations, including

environmental statutes and regulations in its maintenance and operation of the patented and unpatented

mining claims. If at any time, Grantor ceases operations upon any mining claim, it shall comply with all

reclamation laws and regulations in reclaiming such mining claim.

**IN WITNESS WHEREOF**, the Grantor has hereunto set its hand as of the day

and year first hereinabove written.

European American Resources, Inc,  
a Delaware corporation

By

Title

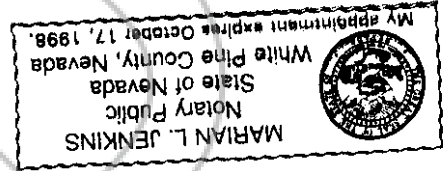
*CEO + Director*

STATE OF NEVADA,

) ss.

) COUNTY OF WHITE PINE,

On May 26, 1998, personally appeared before me, a Notary Public, Martin Sportschuetz,  
personally known (or proved) to me to be the person whose name is subscribed to the above instrument who  
acknowledged that he executed the above instrument as Director of European American Resources, Inc.,  
a Delaware corporation.



NOTARY PUBLIC

*Marian L. Jenkins*

88050411BP  
KAY 22, 1998

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DESCRIPTION

All that certain lot, piece or parcel of land situated in the County of Eureka, State of Nevada, described as follows:

PATENTED CLAIMS

| DESCRIPTION                    | ACRES   | ACRES   |
|--------------------------------|---------|---------|
| ANTELOPE                       | 215     | 215     |
| AVON - 85%                     | 243     | 243     |
| APACHE                         | 178     | 178     |
| BANNER                         | 156     | 156     |
| CLOUD                          | 194     | 194     |
| CLYDE                          | 129     | 129     |
| COMPASS - 9/16                 | 302     | 302     |
| DAYLESFORD                     | 264A    | 264A    |
| DEAD BROKE                     | 191     | 191     |
| DELAWARE                       | 157     | 157     |
| DIAMOND                        | 221     | 221     |
| EAST OAKLAND                   | 186     | 186     |
| ELDORADO NO. 2-1/8             | 140     | 140     |
| EUREKA TUNNEL - 3/16 NO SURVEY | 142     | 142     |
| EXCELATOR & CARLO ZENO         | 181     | 181     |
| EXCELATOR                      | 198     | 198     |
| FANNY & FRANKIE SCOTT CONS.    | 82      | 82      |
| FOURTH OF JULY                 | 145     | 145     |
| GENERAL WASHINGTON             | 128     | 128     |
| COBEN & SINNOT                 | 237     | 237     |
| GORE                           | 162     | 162     |
| HAWKEYE                        | 223     | 223     |
| HIBERNIA                       | 311     | 311     |
| HUGUENOT                       | 115     | 115     |
| IDA                            | 199     | 199     |
| KENTUCKY NO. 1                 | 236     | 236     |
| KENTUCKY NO. 3                 | 238     | 238     |
| KIT CARSON                     | 163     | 163     |
| KRAO                           | 319     | 319     |
| METAMORAS                      | 127B    | 127B    |
| OLD PUT                        | 245B    | 245B    |
| MILL SITES                     |         |         |
| LANTERN                        | 183     | 183     |
| LARAL - 50%                    | 188     | 188     |
| LENA - 9/16                    | 303     | 303     |
| LIZZIE L.                      | 224     | 224     |
| MADRID                         | 166     | 166     |
| MANHATTAN - 62 1/2%            | 179     | 179     |
| MAY DAY QUEEN                  | 144     | 144     |
| MCMANUGHTON                    | 172     | 172     |
| METAMORAS                      | 127A    | 127A    |
| MILAND                         | 132-135 | 132-135 |
| MINER'S DREAM                  | 233     | 233     |
| MORRIS                         | 169A    | 169A    |
| MOUNTAIN BOY                   | 234     | 234     |
| MOUNTAIN QUEEN                 | 235     | 235     |
| NAPA                           | 320     | 320     |
| NEW YEARS                      | 193     | 193     |
| OLD PUT                        | 245A    | 245A    |
| OVERSIGHT                      | 282     | 282     |
| OSARD                          | 158     | 158     |
| PIONEER - 75%                  | 177     | 177     |
| REPUBLIC                       | 296     | 296     |
| SAGE BRUSH                     | 185     | 185     |
| SILVER CONNOR - 50%            | 187     | 187     |
| SAN JOSE                       | 182     | 182     |
| STAR OF EUREKA                 | 312     | 312     |
| SUNSET - 1/8                   | 205     | 205     |
| WELSH KING                     | 184     | 184     |
| WHIP POOR WILT                 | 168     | 168     |
| WILLIAMS                       | 170     | 170     |
| YOUNG MABEL                    | 263     | 263     |

Apr 410-00-19

EXHIBIT "A"

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430007MP

UNPATENTED MINING CLAIMS OF SILVER VIKING CORPORATION

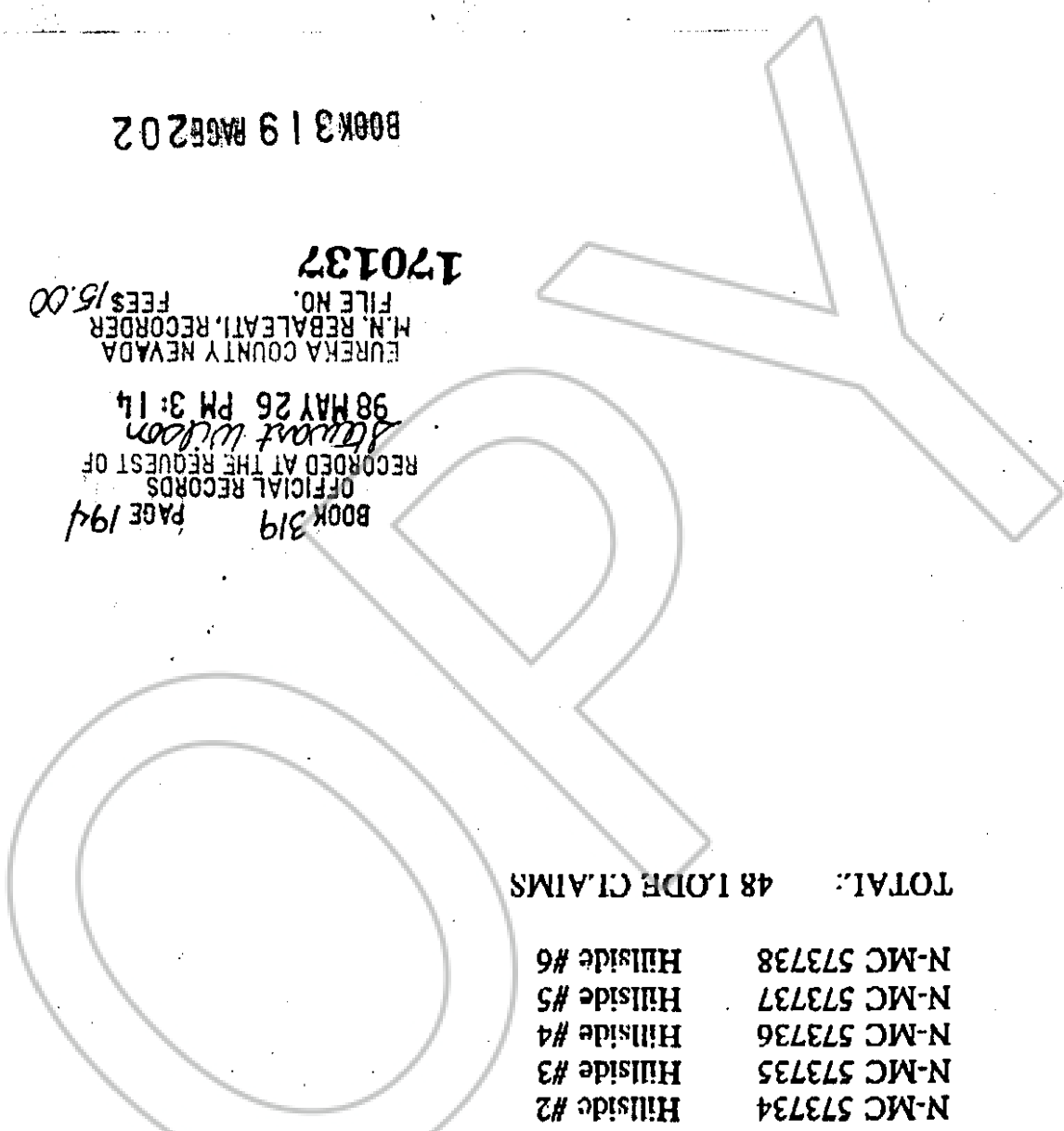
EUREKA (DIAMOND/SILVER CONNOR) DISTRICT, EUREKA COUNTY  
 SILVER VIKING CORPORATION ET. AL., MERLIN MINING COMPANY

| Claim Number | Name of Lode            | Book | Page |
|--------------|-------------------------|------|------|
| N-MC 120780  | August Lode             | J    | 380  |
| N-MC 120781  | August #1               | J    | 380  |
| N-MC 120782  | August #3               | J    | 382  |
| N-MC 120783  | August #4               | J    | 382  |
| N-MC 120784  | August #7               | J    | 383  |
| N-MC 120785  | August #8               | J    | 384  |
| N-MC 120786  | August #9               | J    | 384  |
| N-MC 120787  | Baltic Amended          | 43   | 2    |
| N-MC 120788  | Belgic Amended          | 43   | 1    |
| N-MC 120789  | Fourth of July Fraction | J    | 397  |
| N-MC 120790  | Gover Cleveland Amended | 43   | 6    |
| N-MC 120791  | Hillside Amended        | 43   | 8    |
| N-MC 120792  | Huckleberry Amended     | 43   | 7    |
| N-MC 120793  | Leviathan               | G    | 422  |
| N-MC 120794  | Nevada                  | G    | 456  |
| N-MC 120795  | Northern Light Amended  | 43   | 3    |
| N-MC 120796  | Omega #1                | K    | 204  |
| N-MC 120797  | Omega #2                | K    | 205  |
| N-MC 120798  | Omega #3                | K    | 205  |
| N-MC 120799  | Omega #4                | K    | 206  |
| N-MC 120800  | Omega #5                | 43   | 5    |
| N-MC 120801  | Omega #6                | K    | 207  |
| N-MC 120802  | Omega #7                | K    | 207  |
| N-MC 99252   | Omega #8                | 57   | 555  |
| N-MC 120803  | Ophir                   | K    | 280  |
| N-MC 120804  | Ophir #1                | K    | 155  |
| N-MC 120805  | Ophir #2                | K    | 156  |
| N-MC 120806  | Ophir #3                | K    | 158  |
| N-MC 120807  | Ophir #4                | K    | 281  |
| N-MC 120808  | Parnell Amended         | 43   | 4    |

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 OFFICIAL RECORDS  
 RECORDED AT THE REQUEST OF  
*Stewart Wilson*  
 98 MAY 26 PM 3:14  
 EUREKA COUNTY NEVADA  
 M.N. REBALANCE, RECORDER  
 FILE NO. 170137  
 FEES \$15.00  
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TOTAL: 48 LODE CLAIMS

| Claim Number | Name of Lode            | Book | Page    |
|--------------|-------------------------|------|---------|
| N-MC 120809  | Utah                    | C    | 457     |
| N-MC 120810  | W.B. Harrib             | 31   | 126-7-8 |
| N-MC 120811  | Wabash Fraction Amended | 37   | 80      |
| N-MC 120812  | Wabash Lode Amended     | K    | 134     |
| N-MC 120813  | Wabash #1 Amended       | L    | 278     |
| N-MC 120814  | Wabash #2 Amended       | L    | 278     |
| N-MC 120815  | Wabash #3 Amended       | L    | 278     |
| N-MC 120816  | Wabash #4               | K    | 279     |
| N-MC 120817  | Wabash #5               | 37   | 81      |
| N-MC 120818  | Wabash #6               | 37   | 82      |
| N-MC 120819  | Wabash #7               | 37   | 82      |
| N-MC 120820  | Wabash #8               | 39   | 322     |
| N-MC 573733  | Hillside #1             |      |         |
| N-MC 573734  | Hillside #2             |      |         |
| N-MC 573735  | Hillside #3             |      |         |
| N-MC 573736  | Hillside #4             |      |         |
| N-MC 573737  | Hillside #5             |      |         |
| N-MC 573738  | Hillside #6             |      |         |