

Assessor's Parcel Number: 1323001 014, 1323001 015

*Recording Requested By:*

Barrick Goldstrike Mines Inc.  
c/o Barrick Gold of North America Inc.,  
136 East South Temple, Suite 1300  
alt Lake City, Utah 84111  
Attn: Land Department

Douglas County - NV  
Werner Christen - Recorder  
Page: 1 Of 11 Fee: 30.00  
BK-0706 PG- 8100 RPT: 0.00



RRPT: N/A

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SECURITY AGREEMENT  
(Title of Document)



**UCC FINANCING STATEMENT**

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

A. NAME & PHONE OF CONTACT AT FILER (optional)  
**Rew R. Goodenow (775) 323-1601**

B. SEND ACKNOWLEDGMENT TO: (Name and Address)  
 333 Holcomb Avenue, Suite 300  
 Reno, NV 89502

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1. DEBTOR'S EXACT FULL LEGAL NAME - insert only one debtor name (1a or 1b) - do not abbreviate or combine names

1a. ORGANIZATION'S NAME <b>Pruett Ranches, Inc.</b>						
OR	1b. INDIVIDUAL'S LAST NAME		FIRST NAME	MIDDLE NAME	SUFFIX	
1c. MAILING ADDRESS <b>50 Artesia Road</b>			CITY <b>Wellington</b>	STATE <b>NV</b>	POSTAL CODE <b>89444</b>	COUNTRY <b>USA</b>
1d. SEE INSTRUCTIONS	ADD'L INFO RE ORGANIZATION DEBTOR	1e. TYPE OF ORGANIZATION	1f. JURISDICTION OF ORGANIZATION	1g. ORGANIZATIONAL ID #, if any <input type="checkbox"/> NONE		

2. ADDITIONAL DEBTOR'S EXACT FULL LEGAL NAME - insert only one debtor name (2a or 2b) - do not abbreviate or combine names

2a. ORGANIZATION'S NAME						
OR	2b. INDIVIDUAL'S LAST NAME		FIRST NAME	MIDDLE NAME	SUFFIX	
2c. MAILING ADDRESS			CITY	STATE	POSTAL CODE	COUNTRY
2d. SEE INSTRUCTIONS	ADD'L INFO RE ORGANIZATION DEBTOR	2e. TYPE OF ORGANIZATION	2f. JURISDICTION OF ORGANIZATION	2g. ORGANIZATIONAL ID #, if any <input type="checkbox"/> NONE		

3. SECURED PARTY'S NAME (or NAME of TOTAL ASSIGNEE of ASSIGNOR S/P) - insert only one secured party name (3a or 3b)

3a. ORGANIZATION'S NAME <b>Barrick Goldstrike Mines, Inc.</b>						
OR	3b. INDIVIDUAL'S LAST NAME		FIRST NAME	MIDDLE NAME	SUFFIX	
3c. MAILING ADDRESS <b>P.O. Box 29</b>			CITY <b>Elko</b>	STATE <b>NV</b>	POSTAL CODE <b>89803</b>	COUNTRY <b>USA</b>

4. This FINANCING STATEMENT covers the following collateral:  
**All of Debtors right, title and interest in and to its interest in gold concentrates from Debtor's lower tailing facility located outside of Yerington, Nevada, and all proceeds, products, distillations and combinations containing the gold concentrates. A real property description is attached hereto, as Exhibit "A" more particularly describing the real property where the Collateral is located.**

5. ALTERNATIVE DESIGNATION (if applicable):	LESSEE/LESSOR	CONSIGNEE/CONSIGNOR	BAILEE/BAILOR	SELLER/BUYER	AG. LIEN	NON-UCC FILING	
6. <input type="checkbox"/> This FINANCING STATEMENT is to be filed (for record) (or recorded) in the REAL ESTATE RECORDS. Attach Addendum.	7. Check to REQUEST SEARCH REPORT(S) on Debtor(s) (optional).		ADDITIONAL FEE		All Debtors	Debtor 1	Debtor 2
8. OPTIONAL FILER REFERENCE DATA							

**Exhibit "A"**

The Buckskin property is comprised of 104.2 acres of private and public lands, and is located approximately 10 miles west of Yerington in Douglas County, Nevada. The present facilities include a gold cyanide concentrate processing plant, a dry feed screening-density-flotation plant, associated shops, assay lab, offices, landfill and tailings management facility located within the Northeast ¼ of Section 13, Township 13 North, Range 23 East, M.D.B. & M, and designated as Douglas County Assessor's parcel numbers 1323001 014 and 1323001 015.



## SECURITY AGREEMENT

THIS SECURITY AGREEMENT, is made and entered into effective as of the 7 day of July, 2006 ("Effective Date"), by and between Pruett Ranches, Inc., a corporation organized under the laws of the State of Nevada, hereinafter referred to as "Debtor" and Barrick Goldstrike Mines Inc., as "Secured Party".

### WITNESSETH:

1. **Creation of Security Interest.** Debtor hereby pledges, assigns and transfers to Secured Party, and grants to Secured Party a security interest in and to the collateral described herein pursuant to the Nevada Uniform Commercial Code, NRS Chapter 104 ("U.C.C.").
2. **Obligations Secured.** The obligations secured by said security interest are briefly described as follows:
  - (a) A Note of even date herewith wherein Pruett Ranches, Inc. is maker, and Secured Party is payee, in the original principal amount of Five Hundred Thousand Dollars (\$500,000.00), together with any modifications, extensions or renewals thereof (the "Note").
  - (b) The obligations of Debtor set forth in that certain Concentrate Purchase Agreement, dated July 6, 2006 ("Concentrate Purchase Agreement") between the parties hereto.
3. **Description of Collateral.** The collateral consists of all of Debtor's right, title and interest in gold concentrates from Pruett Ranches' lower tailing facility located outside of Yerington, Nevada, and all proceeds, products, distillations and combinations containing the gold concentrates. A real property description is attached hereto, as Exhibit "A", more particularly describing the real property where the collateral is located.
4. **Taxes, Assessments and Liens.** Debtor agrees to pay, prior to delinquency, all taxes, charges, encumbrances, liens and assessments against the collateral and, upon the failure of Debtor to do so, Secured Party may, at its option, pay any of the same and shall be the sole judge of the legality or validity thereof and the amount necessary to discharge the same. Debtor shall reimburse Secured Party on demand for any amounts paid by Secured Party pursuant to this Section 4.
5. **Inspection Rights.** Secured Party, through its agents and representatives, shall have the right to inspect the collateral at reasonable times and upon reasonable notice to Debtor.
6. **Transfer of Collateral.** Debtor shall not sell or transfer nor suffer any sale or transfer of the collateral, nor any part thereof, nor any interest of Debtor therein, other than as provided in the Concentrate Purchase Agreement, without the prior written



consent of Secured Party.

7. **Debtor's Representations, Covenants and Warranties.** In addition to any other representations, covenants and warranties contained herein, Debtor hereby represents, covenants and warrants to Secured Party as follows:

(a) That Debtor is the owner of the collateral, has not previously assigned, transferred or granted any other security interest in the collateral or any portion thereof (and shall not do so in the future), has full right, power and authority and capacity to grant to Secured Party a security interest in the collateral, and shall defend the collateral against the claims and demands of all persons other than Secured Party;

(b) That Debtor shall give Secured Party prior written notice of any proposed change in the name or entity under which Debtor and its shareholders are conducting their business.

8. **Definition of Default.** The occurrence of any of the following shall be a default by Debtor under this Agreement:

(a) Failure of Debtor to pay when due any obligation secured hereby following notice to Debtor given in the manner provided in the Note;

(b) Failure of Debtor to perform any other obligations secured hereby or contained herein when the same should be performed following notice to Debtor given in the amount provided in the Note;

(c) Breach by Debtor of any warranty, covenant or representation contained herein;

(d) Dissolution, termination of existence, insolvency, appointment of a receiver, or assignment for the benefit of creditors, with respect to the Debtor; or

(e) Commencement of any proceedings by or against the Debtor under any provincial or federal law relating to relief of Debtor, other than as disclosed to Lender prior to Closing, in writing.

9. **Acceleration.** Upon the occurrence of a default, Secured Party may, at its option, declare immediately due and payable all obligations secured hereby, and the same shall thereupon become immediately due and payable without notice to or demand on Debtor.

10. **Payment and release of security interest.** The security interest granted to Secured Party hereunder shall not terminate and Secured Party shall not be required to release its security interest in the Collateral to Debtor or to terminate its security interest therein unless and until (a) the Note has been paid in full and all obligations thereunder have been fully performed, (b) all Debtor's obligations hereunder have been fully performed, (c) the obligations of the Debtor under the Concentrate Purchase Agreement have been discharged or released, and (d) the Debtor has reimbursed Secured Party for



any expenses of releasing its interest in the Collateral and filing any termination statements and other instruments as are required to be filed in public offices under applicable laws.

11. **Remedies.** Upon Default under the terms hereof, the Note, Secured Party may take possession, through any means, sell, at private or public sale, at Secured Party's sole option any portion of the Collateral and apply the proceeds thereof to the secured obligations. The rights, powers and remedies given to Secured Party by this Agreement shall be in addition to all rights, powers and remedies given to Secured Party by virtue of any statute or rule of law, including, but not limited to, the right to require Debtor to assemble the collateral and to make it available to the Secured Party at a place to be designated by the Secured Party which is reasonably convenient to the Debtor and Secured Party. Secured Party shall only take possession of and sell such portion of the Collateral as may be necessary to satisfy the outstanding balance of the secured obligations, in Secured Party's sole judgment and discretion. However, any forbearance or failure or delay by Secured Party in exercising any right, power or remedy hereunder shall not be deemed to be a waiver of any other right, power or remedy, nor as a continuing waiver.

12. **Liability.** In all cases where this Agreement is executed by more than one person as debtor or secured party, all reference to Debtor or Secured Party, as the case may be, shall be construed to include the plural and the obligations of Debtor and rights of Secured Party are joint and several.

13. **Powers of Attorney.** Debtor appoints Secured Party the attorney in fact of Debtor to prepare, sign, file and record or register this Agreement, one or more financing statements, applications for registration or certificate of ownership or title, and like papers, and to take any other action deemed necessary, useful or desirable by Secured Party to perfect and preserve Secured Party's security interest hereunder.

14. **Time.** Time is of the essence of this Agreement.

15. **Binding Effect.** This Agreement shall inure to the benefit of, and be binding upon, the heirs, assigns, transferees, personal representatives and successors in interest, in any capacity, of the parties hereto.

16. **Notices.** All notices, requests, demands, and other communications under this Agreement shall be in writing and shall be deemed to have been duly given on the date of service if served personally on the party to whom notice is to be given, by first class mail, registered or certified, postage prepaid, and properly addressed as follows, on the third day following mailing:

To Debtor:

Pruett Ranches, Inc.  
50 Artesia Road  
Wellington, NV 89444

If to Secured Party:  
Inc.

Barrick Goldstrike Mines,  
P.O. Box 29



Elko, NV 89803  
Attn: Contracts

With a Copy to:

Rew R. Goodenow, Esq.  
Parsons Behle & Latimer  
333 Holcomb Avenue, Suite 300  
Reno, Nevada 89502

Any party may change its address for purposes of this section by giving the other parties written notice of the new address in the manner set forth above.

17. **Debtor's Obligation to Make Collateral Available to Secured Party.**

Upon default, the Secured Party may require Debtor to assemble the collateral and make it available to Secured Party at a place to be designated by Secured Party which is reasonably convenient to both parties. Without removal, Secured Party may render the collateral unusable and may dispose of the collateral on the Debtor's premises under U.C.C.

18. **Additional Rights of Secured Party.** If said collateral or any portion thereof now or hereafter consists of instruments, documents, chattel paper, accounts, general intangibles, or goods in the possession of Secured Party, and in the event Debtor is in default pursuant to the terms hereof or any obligation or obligations secured hereby, and only in such event and to such extent:

(a) At any time, and following written notice to Debtor given in the manner provided in the Note, and at the expense of Debtor, Secured Party, in his name or in the name of his nominee or of Debtor, may, but shall not be obligated to:

(i) notify any person obligated on any security instrument or other paper subject to this Agreement of its rights hereunder;

(ii) collect by legal proceedings or otherwise all dividends, interest, principal and other sums now or hereafter payable upon or on account of the collateral;

(iii) perform any obligation of Debtor hereunder.

(b) Debtor warrants:

(i) that the collateral is true, genuine and all that it purports on its face to be;

(ii) that the persons whose names appear on the collateral were the persons who executed the collateral;

(iii) that the collateral is not overdue nor in default; and



(iv) that there are no issuer's restrictions or liens on the collateral nor on the transferability of the collateral.

19. **Joint Preparation**. Each of the parties to this Agreement has participated in the drafting of it and agrees that no presumption as to construing this document against any party shall arise in any action or proceeding in which the meaning or interpretation of this Agreement is an issue.

COOPER





IN WITNESS WHEREOF, the parties have executed and delivered this Security Agreement the day and year first above written at the place specified.

PRUETT RANCHES, INC.

By David L. Pruett  
Its: President  
David L. Pruett

\_\_\_\_\_

BARRICK GOLDSTRIKE MINES

By Michael Feehan  
Its: VICE PRESIDENT  
Michael Feehan

INC.  
\_\_\_\_\_  
\_\_\_\_\_

STATE OF NEVADA )  
Lyon ) ss.  
COUNTY OF ELKO )

The foregoing instrument was acknowledged before me this 7 day of July, 2006 by David L. Pruett, the President of Pruett Ranches, Inc., a Nevada corporation, personally known (or proved) to me to be the person who executed the above instrument, and acknowledged to me that he executed the same on behalf of said corporation for the purposes stated therein.

WITNESS my hand and official seal.  
Stephanie L. Jackson  
Notary Public in and for said State  
My commission Expires: Aug 25, 2009




STATE OF UTAH)

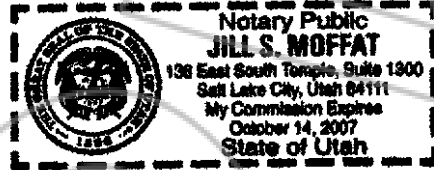
) ss.

COUNTY OF SALT LAKE)

The foregoing instrument was acknowledged before me this 13 day of July, 2006 by Michael Feehan, the Vice President of Barrick Goldstrike Mines Inc., a Colorado corporation, personally known (or proved) to me to be the person who executed the above instrument, and acknowledged to me that he executed the same on behalf of said corporation for the purposes stated therein.

WITNESS my hand and official seal.

  
Notary Public in and for said State  
My commission Expires: October 14, 2007



**COPIES**

**Exhibit "A"**

The Buckskin property is comprised of 104.2 acres of private and public lands, and is located approximately 10 miles west of Yerington in Douglas County, Nevada. The present facilities include a gold cyanide concentrate processing plant, a dry feed screening-density-flotation plant, associated shops, assay lab, offices, landfill and tailings management facility located within the Northeast ¼ of Section 13, Township 13 North, Range 23 East, M.D.B. & M, and designated as Douglas County Assessor's parcel numbers 1323001 014 and 1323001 015.

