

Official Record

Recording requested By
WILSON BARROWS & SALYER

Eureka County - NV

Mike Rebaleati - Recorder

Fee \$21.00

Page 1 of 8

RPTT:

Recorded By: FES

Book- 500 Page- 0042



0215064

APN: Mineral Rights

Mailing Address of Grantee or Other Person Requesting Recording:

Wilson Barrows & Salyer
442 Court Street
Elko, Nevada 89801

Mail Tax Statements to:

N/A

Social Security Number Affirmation Statement:

In accordance with NRS 239B.030, the undersigned person recording this document hereby affirms that this document does not contain personal information, including full social security number of any person;

-OR-

In accordance with NRS 239B.030, the undersigned person recording this document hereby affirms that this document does contain personal information, including full social security number of a person.

Wm T. Rice
Name

Title

[Signature]
Signature

Title of Document Recorded:

WARRANTY DEED WITH RESERVED ROYALTY

WARRANTY DEED WITH RESERVED ROYALTY

THIS DEED is dated May 27, 2010, and is made between ISABEL ELIA PETERS, a married person, dealing with her sole and separate property, PETE MICHAEL PETERS, a married person, dealing with his sole and separate property, and MARCIA L. SCOTT, a married person, dealing with her sole and separate property (collectively, the "Grantors"), of the County of Elko and State of Nevada, and EVOLVING GOLD CORP., a Nevada corporation, whose address is 505 South Sunset Street, Unit L, Longmont, CO 80501.

WITNESS, that the Grantors, for and in consideration of the sum of Ten Dollars and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, hereby grant, bargain, sell, convey and confirm unto the Grantee and its successors and assigns forever, the real property located in the County of Elko, State of Nevada described in Exhibit A hereto and incorporated by this reference ("Property").

TOGETHER with all and singular the hereditaments and appurtenances belonging, or in anywise appertaining to the Property, all ores, minerals, waste dumps, tailings, geothermal resources and energy, materials and mineral rights "(Minerals)" belonging or in any way appertaining thereto, and any water rights, easements, rights-of-way, access rights and other appurtenances thereto and any improvements thereon, the reversions, remainders, rents, issues and profits thereof, and all the estate, right, title, interest, claim and demand whatsoever of the Grantors, either in law or equity, of, in and to the above bargained Property, with the hereditaments and appurtenances; and together with all of Grantors' ownership, executory and other rights in and to any leases affecting or pertaining to the Property;

RESERVING unto Grantors, however, a perpetual, non-participating royalty interest ("Royalty") in and to the Property of ONE PERCENT (1.0%) of Net Smelter Returns from Minerals produced and sold from the Property, based on Grantors' net mineral ownership. By way of example, if Grantors' net mineral ownership is an undivided fifty percent (50%), then the Royalty would be 0.5% of total Net Smelter Returns. "Net Smelter Returns" as used in this Deed is defined in Exhibit B hereto and incorporated by this reference. The Royalty shall include the right of Grantors to receive a proportionate share of any advances which may be credited against production royalties payable to Grantee or Grantee's successors and assigns as to the Property. No Royalty shall be payable on Minerals not conveyed to Grantee hereunder or on sand, gravel or other construction materials used by Grantee in connection with its improvements and operations on the Property. Payment of Royalty shall be as provided in Exhibit B hereto.

TO HAVE AND TO HOLD the said Property above bargained and described, with the appurtenances, unto the Grantee and its successors and assigns forever.

The Grantors, for the Grantors and the Grantors' heirs and assigns, do covenant, grant, bargain, and agree to and with the Grantee and its successors and assigns: that at the time of the ensealing and delivery of these presents, the Grantors are well seized of the above described Property and Minerals; have good, sure, perfect, absolute and indefeasible estate of inheritance, in law and in fee simple therein; and have good right, full power and lawful authority to grant, bargain, sell and convey the same in manner and form as aforesaid; and that the same are free and clear from all former and other grants, bargains, sales, liens, taxes, assessments, encumbrances and restrictions of whatever kind or nature soever.

And the Grantors shall and will WARRANT THE TITLE AND DEFEND the interest in the Property and interest in the Minerals stated in Exhibit A in the quiet and peaceable possession of



the Grantee and its successors and assigns, against all and every person or persons claiming the whole or any part thereof.

IN WITNESS WHEREOF, the Grantors have executed this deed on the date set forth above.

Isabel Elia Peters by Marcia L. Scott
Isabel Elia Peters by Marcia L. Scott,
her attorney in fact

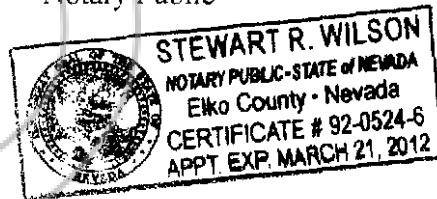
Pete Michael Peters
Pete Michael Peters

Marcia L. Scott
Marcia L. Scott

STATE OF NEVADA)
) ss.
COUNTY OF ELKO)

This instrument was acknowledged before me on May 27, 2010
by Marcia L. Scott, as attorney in fact for Isabel Elia Peters.

Stewart R. Wilson
Notary Public



STATE OF NEVADA)
) ss.
COUNTY OF ELKO)

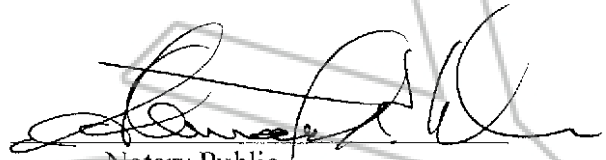
On this 27th day of May, 2010, personally appeared before me, a Notary Public, Pete Michael Peters, personally known or proved to me to be the person whose name is subscribed to the above instrument who acknowledged to me that he/she executed the above instrument.

Stewart R. Wilson
Notary Public



STATE OF NEVADA)
) ss.
COUNTY OF ELKO)

On this 27th day of May, 2010, personally appeared before me, a Notary Public, Marcia L. Scott, personally known or proved to me to be the person whose name is subscribed to the above instrument who acknowledged to me that he/she executed the above instrument.


Notary Public

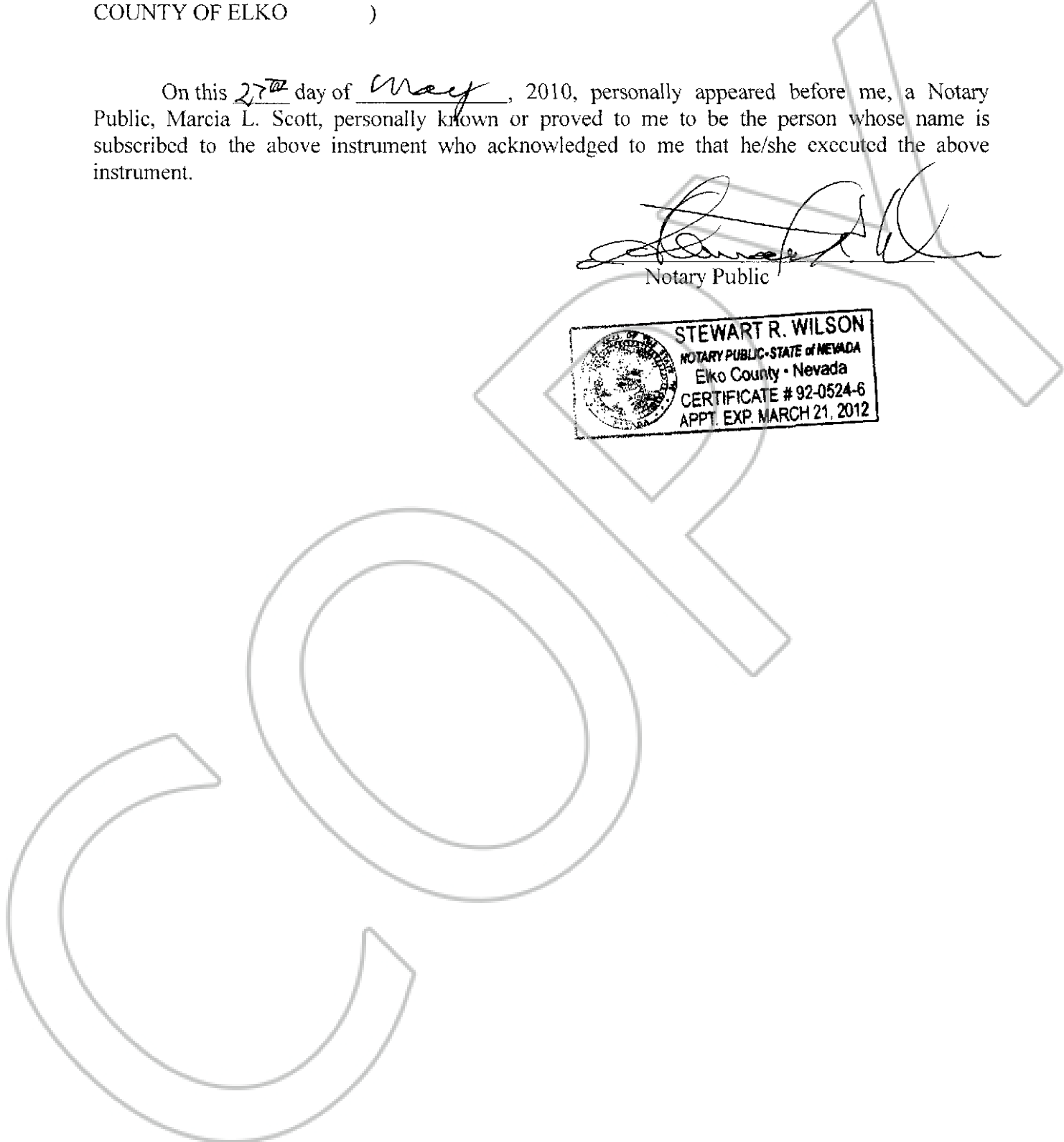


EXHIBIT A

PROPERTY CONVEYED

Property: The following described lands located in Elko and Eureka Counties, Nevada ("Property"):

Township 32 North, Range 52 East, M.D.M.

Section 13: All

Section 21: All

Section 23: All

Section 29: All

Section 31: N1/2 (a/k/a Lots 1 and 2; E1/2NW1/4; NE1/4)

EXCEPTING THEREFROM that portion conveyed to Western Pacific Railroad

Company Section 33: N1/2

Section 35: All (a/k/a Lots 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, and 12; N1/2)

Township 31 North, Range 52 East, M.D.M.

Section 3: E1/2NE1/4 (a/ka Lot 1; SE1/4NE1/4)

Section 5: All (a/k/a Lots 1, 2, 3, and 4; S1/2N1/2; S1/2)

Section 9: All

Section 16: W1/2NW1/4; N1/2SW1/4

Section 17: E1/2

Grantors' Interest: At least an undivided FIFTY PERCENT (50%) interest in the fee mineral estate. Such mineral estate includes all minerals of every name, kind or nature associated with the above-described lands, including, but not limited to (1) gold, silver, copper, molybdenum and all other precious and base metallic and nonmetallic minerals, whether lode or placer, locatable or non-locatable; (2) geothermal resources and energy; and (3) to the extent, if any, owned by Grantors, sand, gravel and other construction materials.

EXHIBIT B

NET SMELTER RETURNS DEFINITION, COMPUTATION AND PAYMENT PROCEDURE

1. Definitions. Words and terms defined in the Deed to which this Exhibit B is attached and not otherwise defined in this Exhibit B shall have the same meaning for purposes of this Exhibit B. In addition, the following definitions apply:

- (a) "Applicable Percentage" means the percentage of Net Smelter Returns payable as Royalty under the Deed, after taking into account the lesser interest provisions of the Deed, if applicable.
- (b) "Affiliate" means a person or entity controlled by, controlling or under common control with Grantee.
- (c) "Deemed Sale" of Products shall mean any of the following:
 - (i) Any sale to an Affiliate;
 - (ii) Any case in which Grantee does not sell the Products to a smelter, refiner or other processor and instead retains ownership of the Products after they have been smelted, refined or otherwise processed into a salable product for a period of more than thirty days; or
 - (iii) Any transaction where the Products are the subject of forward sales, futures trading, commodities options trading or other price protection or speculative arrangements.

Sale or assignment of the Property or rights therein or the granting of overriding or other royalties or payments based on production of Products shall not constitute a Deemed Sale of Products giving rise to Net Smelter Returns or the duty to pay Royalty thereon.

- (d) "Net Smelter Returns" as used in the Deed shall mean the net proceeds received by Grantee from the sale or other disposition of Products from the Property after deductions from the Sales Price for all of the following (unless already allowed for in the Sales Price):
 - (i) Custom smelting and refining costs, treatment charges and penalties including, but without being limited to, metal losses, penalties for impurities and charges or deductions for refining, selling, transportation from smelter to refinery and from refinery to market; provided, however, in the case of heap or dump leaching operations, all processing and recovery costs incurred by Grantee 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);

- (ii) Cost of transporting (including, without limitation, security and insurance costs) Products from the concentrator to a smelter, refiner or other place of treatment; and
- (iii) The amount of production taxes, severance taxes and sales, privilege and other taxes measured by production or the value of production (other than taxes measured by income).

If any of the foregoing matters for which deductions are allowed are performed by Grantee or an Affiliate, then charges, costs and penalties for such services shall not exceed rates charged by independent third parties unrelated to Grantee offering comparable services for comparable products on prevailing terms.

- (e) "Products" shall mean all ores, concentrates or Minerals conveyed by Grantors to Grantee pursuant to the Deed and produced and sold from the Property on which Royalty is payable.
- (f) "Sale Date" shall mean (a) for a sale in an arm's length transaction to a third party or Deemed Sale under subparagraphs (i) or (iii) of paragraph (c) above, the date, after the Products have been smelted, refined or otherwise treated or processed, that Grantee receives or is credited with sales proceeds by the purchaser, or (b) in the case where Grantee retains possession and ownership of the Products pursuant to subparagraph (c)(ii) above, the date on which the Products are made available to Grantee by the smelter, refiner or other processor.
- (g) The "Sales Price" of Products from the Property is defined as follows:
 - (i) In the case of any current sale of Products to a third party that is not a Deemed Sale, Sales Price means the net amount actually received by Grantee from any refinery, smelter or other purchaser for such Products.
 - (ii) In the case of any Deemed Sale, the Sales Price shall be calculated by multiplying the number of units of the refined metal or other mineral product sold or processed to a salable product during any month by the average of the afternoon gold price fixings for current sales on the London Bullion Market Associates for refined gold, or the daily spot prices as quoted by London Metals Exchange for one unit of any other refined metal or mineral product during the same month, multiplied by the number of units of such Products sold or that are the subject of a Deemed Sale during that month. If, for any reason, published prices for any Products



produced from the Property are not available from the sources set forth above, the parties shall select such other published commodity exchange, producer, trade publication or other listing as will fairly reflect the spot price at which sales of such commodities are being effected at the time the price is to be fixed pursuant to this paragraph.

2. Computation of Royalty. Net Smelter Returns shall be calculated for each calendar quarter in which Net Smelter Returns are realized in connection with a Sale or Deemed Sale. The Net Smelter Returns so calculated shall then be multiplied by the Applicable Percentage to determine the Royalty due Grantors for the Products in question. Grantors shall have no right whatsoever to take Products or Royalty "in kind."

3. Payments and Statements. Each Royalty payment due to Grantors hereunder shall be made within thirty days after the end of the calendar quarter during which the Sale Date occurs. If Grantors have received a proportionate share of any advances which may be credited against Royalty, any such payments shall be deducted from Royalty otherwise due Grantors. Such payments shall be accompanied by a statement summarizing the computation of Net Smelter Returns and the payment amount. Quarterly Royalty payments will be provisional and subject to adjustment at the end of Grantee's accounting year. If no written objection is made by Grantors to the correctness of a Royalty payment or its accompanying statement within two years from the date of such payment, such statement shall be conclusively deemed to be correct and such Royalty payment sufficient and complete, and no exception or claim for adjustment shall thereafter be permitted.

4. Treatment and Sale. Grantee shall have the right (but not the obligation) to concentrate, mill, smelt, refine, upgrade or otherwise process or beneficiate Products mined from the Property, at locations on or off the Property. Grantee shall not be liable for any values lost in processing under sound processing practices and procedures, and no Royalty shall be payable to Grantors with respect thereto. Also no Royalty shall be payable to Grantors for or with respect to reasonable quantities of Products which are not sold by Grantee but are used by Grantee for assaying, treatment amenability, metallurgical or other analytical processes or procedures. No Royalty shall be payable on Products not conveyed to Grantee hereunder or on sand, gravel or other construction materials used by Grantee in connection with its improvements and operations on the Property.

5. Commingling. Grantee shall have the right of mixing or commingling, at any location and either underground or at the surface, any Products mined from the Property with any ores, metals, Products, or mineral products mined from other lands, provided that Grantee shall determine the weight or volume of, sample and analyze all such ores, metals, Products and mineral products before the same are so mixed or commingled. Any such determination of weight or volume, sampling and analysis shall be made in accordance with sound and generally accepted sampling and analytic practices and procedures. The weight or volume and the analysis so derived shall be used as the basis of allocation of Royalty payable to Grantors hereunder in the event of a sale by Grantee of materials so mixed or commingled.