

DOC # 0220483

06/04/2012

03:05 PM

Official Record

Recording requested By
THOMAS P ERWIN ESQ

Eureka County - NV

Mike Rebaleati - Recorder

Fee: \$49.00

Page 1 of 36

RPTT:

Recorded By: FES

Book-- 532 Page-- 0165

Recording Requested by:

Joel O. Benson, Esq.
1550 Seventeenth Street, Suite 500
Denver, Colorado 80202

When Recorded, Mail to:

Joel O. Benson, Esq.
1550 Seventeenth Street, Suite 500
Denver, Colorado 80202



0220483

Affirmation of No Social Security Numbers:

The undersigned hereby affirms that this document, including any exhibits hereto, does not contain the personal information of any person or persons. (per NRS 239B.030).

**THIRD AMENDED AND RESTATED
MORTGAGE, DEED OF TRUST, SECURITY AGREEMENT,
PLEDGE AND FINANCING STATEMENT
(LEEVILLE PROJECT)**

FROM

HIGH DESERT MINERAL RESOURCES, INC., as Trustor

TO

STEWART TITLE OF NEVADA HOLDINGS, INC., as Trustee

AND

HSBC BANK USA, NATIONAL ASSOCIATION, as Beneficiary

DATED AS OF MAY 30, 2012

THIS INSTRUMENT CONTAINS AFTER-ACQUIRED PROPERTY PROVISIONS.

THIS INSTRUMENT SECURES PAYMENT OF FUTURE ADVANCES.

THIS INSTRUMENT COVERS AS-EXTRACTED COLLATERAL.

**THIRD AMENDED AND RESTATED
MORTGAGE, DEED OF TRUST, SECURITY AGREEMENT,
PLEDGE AND FINANCING STATEMENT
(LEEVILLE PROJECT)**

This Third Amended and Restated Mortgage, Deed of Trust, Security Agreement, Pledge and Financing Statement (the "Deed of Trust") is entered into by and among High Desert Mineral Resources, Inc., a Delaware corporation, whose address is 1660 Wynkoop Street, Suite 1000, Denver, Colorado 80202-1132 (herein called "Trustor"), Stewart Title of Nevada Holdings, Inc., whose address is 665 Campton Street, Ely, Nevada 89301 (herein called "Trustee"), and HSBC Bank USA, National Association, a national banking association organized under the laws of the United States, whose address is 452 Fifth Avenue, New York, New York 10018 (herein called "Beneficiary").

RECITALS

A. Trustor, Trustee and Beneficiary entered into that certain Mortgage, Deed of Trust, Security Agreement, Pledge and Financing Statement from High Desert to Stewart Title of Northeastern Nevada as trustee for the benefit of Beneficiary, which was recorded in the official records of Eureka County, Nevada on January 10, 2007, Document 0207455, Book 450, Page 1, as amended by the Supplemental Mortgage, Deed of Trust, Security Agreement, Pledge and Financing Statement effective as of January 29, 2007, which was recorded in the official records of Eureka County, Nevada on February 5, 2007, Document 0207761, Book 452, Page 88, as amended by the unrecorded First Amendment to Mortgage, Deed of Trust, Security Agreement, Pledge and Financing Statement, dated February 20, 2008, as amended effective October 30, 2008 by the Amended and Restated Mortgage, Deed of Trust, Security Agreement, Pledge and Financing Statement, which was filed in the official records of Eureka County, Nevada on November 7, 2008, at Document 0212718, Book 482, Pages 321-353, as amended and restated effective February 1, 2011 by the Second Amended and Restated Mortgage, Deed of Trust, Security Agreement, Pledge and Financing Statement, which was filed in the official records of Eureka County, Nevada on February 4, 2011, at Document 0216749, Book 512, Pages 108-141 (as the foregoing has been amended, restated and modified prior to the date hereof, the "Existing Deed of Trust").

B. As a result of and as contemplated in that certain Fifth Amended and Restated Revolving Credit Agreement dated as of May 30, 2012, among Royal Gold, Inc., a corporation existing under the laws of the State of Delaware, as the borrower ("Borrower"), Trustor, as a guarantor, RG Exchangeco Inc., an amalgamated corporation validly existing under the Canada Business Corporations Act, as a guarantor ("RG Exchangeco"), RG Mexico, Inc., a corporation organized and existing under the laws of the State of Delaware, as a guarantor ("RG Mexico"), the other Guarantors from time to time party thereto, as guarantors, Beneficiary, as a lender, The Bank of Nova Scotia, a bank organized and existing under the laws of Canada, as a lender ("Scotia"), Goldman Sachs Bank USA, as a lender ("Goldman") and those banks and financial institutions identified as a "Lender" on the signature pages thereto and such other banks or financial institutions as may from time to time become parties thereto from time to time, as lenders, Beneficiary, as administrative agent, HSBC Securities (USA) Inc., as sole lead arranger

and joint bookrunner ("HSBC Securities"), Scotiabank as syndication agent and joint bookrunner (together with all amendments, restatements, amendments and restatements, modifications, revisions, increases, supplements, extensions, continuations, replacements or refinancings from time to time in accordance with the terms thereof, the "Credit Agreement"), Trustor, Trustee and Beneficiary desire to amend, restate, modify and continue the Existing Deed of Trust as provided herein.

C. This Deed of Trust secures Trustor's prompt and complete payment and performance of all Obligations under, and as defined in, the Credit Agreement, including, without limitation, the repayment of the Loans thereunder in the **principal amount of up to Four Hundred Million Dollars (\$400,000,000)**. It is a condition precedent to the Lenders making and maintaining "Loans" to Borrower under, and as defined in, the Credit Agreement that Trustor shall have granted and perfected the liens and security interests contemplated by this Deed of Trust to Beneficiary for the benefit of the Lenders. This Deed of Trust secures future advances, and advances under the Credit Agreement are obligatory. Capitalized terms used but not otherwise defined herein shall have the meaning given to them in the Credit Agreement.

D. This Deed of Trust is intended to act and operate as either a deed of trust or as a mortgage (but not both), at the sole option and direction of Beneficiary. Upon foreclosure, pursuant to the terms and conditions stated herein, Beneficiary may elect to treat this instrument either as a deed of trust and pursue a non-judicial foreclosure pursuant to the power of sale granted herein, or as a mortgage and pursue a judicial foreclosure.

E. Trustor owns, holds or has rights in and to that certain Realty Collateral defined herein and as further described on Exhibit A, which is attached hereto and incorporated herein by reference.

F THIS DEED OF TRUST IS GOVERNED BY THE PROVISIONS OF NRS 106.300 TO 106.400, INCLUSIVE, AND SECURES FUTURE ADVANCES TO A MAXIMUM PRINCIPAL AMOUNT OF SIX HUNDRED MILLION DOLLARS (\$600,000,000).

G. THIS DEED OF TRUST COVERS GOODS WHICH ARE OR ARE TO BECOME FIXTURES ON THE REAL ESTATE DESCRIBED IN THIS DEED OF TRUST AND ALSO COVERS AS-EXTRACTED COLLATERAL AND MINERALS OR THE LIKE TO BE FINANCED AT THE MINEHEAD OF THE MINE OR MINES LOCATED ON THE REAL ESTATE DESCRIBED IN THIS DEED OF TRUST. THIS DEED OF TRUST IS TO BE FILED FOR RECORD IN THE REAL ESTATE RECORDS AS, AMONG OTHER THINGS, A FINANCING STATEMENT AND A FIXTURE FILING.

H. The Existing Deed of Trust is hereby amended, continued and restated in its entirety as set forth herein.

I. Reference is hereby made to that certain Second Amended and Restated Term Loan Agreement dated as of February 1, 2011 by and among Borrower, as the borrower, RG Exchangeco, as successor to RGLD Gold Canada, Inc., as a guarantor, Trustor, as a guarantor,



RG Mexico, as a guarantor, those additional guarantors identified as a "Guarantor" on the signature pages thereto and such additional guarantors from time to time party thereto, as guarantors, Beneficiary, as a lender, Scotia, as a lender, and those banks and financial institutions identified as a "Lender" on the signature pages thereto and such other banks or financial institutions as may from time to time become parties thereto, as lenders, Beneficiary, as administrative agent for the Lenders, HSBC Securities, as a joint lead arranger and sole global coordinator, Scotia Capital, as a joint lead arranger, and Scotia, as sole syndication agent (the "Term Loan Agreement").

J. The Term Loan Agreement is also secured by the Realty Collateral and certain other Collateral as defined and described in that certain Mortgage, Deed of Trust, Security Agreement, Pledge and Financing Statement (Leeville Project) from Trustor to Stewart Title of Nevada Holdings, Inc. as Trustee with Beneficiary as the beneficiary thereunder, as filed in the official records of Eureka County, Nevada (the "Term Deed of Trust"). The rights and priorities of the "Lenders" under the Credit Agreement and the "Lenders" under the Term Loan Agreement with respect to the Realty Collateral and the Personalty Collateral are governed by that certain Second Amended and Restated Intercreditor Agreement dated as of May 30, 2012, regardless of the date of entering into or filing this Deed of Trust and the Term Deed of Trust.

NOW, THEREFORE, the parties hereto agree as follows:

ARTICLE 1 - DEFINITIONS

Section 1.1 Defined Terms. For the purposes of this instrument:

"Collateral" includes Personalty Collateral and Realty Collateral as hereinafter defined.

"Dollars" mean lawful money of the United States of America.

"Obligations" means the aggregate of:

(i) all amounts payable pursuant to promissory notes evidencing the Loans provided pursuant to the Credit Agreement, payable in full on or before May 30, 2017, payable to each of the Lenders, **in the aggregate principal face amount of up to Four Hundred Million Dollars (\$400,000,000)**, as the same may be amended, modified, supplemented, extended, renewed or replaced from time to time (referred to herein as the "Notes"), executed and delivered pursuant to the Credit Agreement;

(ii) any and all other or additional indebtedness or liabilities for which Trustor is now or may become liable to any Lender in any manner, whether under this instrument, the Credit Agreement, any other Credit Document (as defined in the Credit Agreement), any Hedging Agreement with a Lender (or any Affiliate of a Lender), or any account (including cash management accounts) with a Lender (or an Affiliate of a Lender) either primarily or secondarily, absolutely or contingently, directly or indirectly, jointly, severally, or jointly and

severally, and whether matured or unmatured, and whether or not created after payment in full of the Obligations if this instrument shall not have been released of record by Beneficiary;

(iii) all sums advanced and costs and expenses incurred by Trustee or the Lenders, including without limitation all legal, accounting, engineering, management, consulting or like fees, made and incurred in connection with the Obligations described in paragraphs (i) and (ii) above or any part thereof, any renewal, extension or modification of, or substitution for, the foregoing Obligations or any part thereof, or the acquisition, perfection or maintenance and preservation of the security therefor, whether such advances, costs or expenses shall have been made and incurred at the request of Trustee, Beneficiary or Trustor; and

(iv) any and all extensions and renewals of, substitutions for, or modifications or amendments of any of the foregoing Obligations or any part thereof.

“Personalty Collateral” means all of Trustor’s interest now owned or hereafter acquired in and to: (i) all Products attributable to the Royalty Interests and all amounts paid to, or payable or owing to, Trustor with respect to such Royalty Interests, (ii) all Production Sales Contracts, (iii) all Royalty Agreements, (iv) all Refinery Accounts, and (v) all Proceeds, accounts, contract rights and general intangibles now existing or hereafter arising in connection with the exploration for, production, processing, treatment, storage, transportation, manufacture or sale of Products attributable to the Royalty Interests.

“Proceeds” shall have the meaning given to such term in Article 9 of the Uniform Commercial Code, and includes whatever is received or receivable upon the sale, exchange, collection or other disposition of the Collateral and insurance payable or damages or other payments by reason of loss or damage to the Collateral, and all additions thereto, substitutions and replacements thereof or accessions thereto.

“Production Sales Contract” means each contract now in effect or hereafter entered into by Trustor or Trustor’s predecessors in title for the sale, purchase, exchange or processing of Products attributable to the Royalty Interests.

“Products” means without limitation all ore, minerals, mineral elements and compounds, concentrate, doré, bar, and refined gold, silver or other metals, including, without limitation, all As-Extracted Collateral (as defined in the Uniform Commercial Code), all whether in place, extracted, produced, processed, stored or otherwise severed.

“Realty Collateral” means all of Trustor’s interest in and to the Royalty Interests, including, but not limited to, the interests of Trustor described or specified in Parts I and II of Exhibit A hereto.

“Refinery Accounts” means accounts, and the credit balances in Dollars or Products therein, of Trustor at any refinery or processing facility to which Products attributable to the Royalty Interests are delivered, expressly including all accounts of Trustor presently in effect at Johnson Matthey in Salt Lake City, Utah.

"Royalty Agreements" means the agreements identified in Part I of Exhibit A which create, define or otherwise pertain to the Royalty Interests, and all other agreements to which Trustor is a party which pertain to the Royalty Interests.

"Royalty Interests" means the royalty interests and estates and other interests of Trustor identified in Part I of Exhibit A attached hereto and made a part hereof, in the lands described in Part II of Exhibit A, whether now owned or hereafter acquired, by operation of law or otherwise, together with all of Trustor's interests of any nature whatsoever now or hereafter incident or appurtenant thereto, including, but not limited to, fee mineral and surface interests in said lands, all unsevered and unextracted Products in, under or attributable to Trustor's interests in the royalty interest and estates and other interests of Trustor identified in Part I of Exhibit A hereto, in the lands described in Part II of Exhibit A and in any other royalty interests, estates and other interests in lands acquired with the proceeds of Loans, and all rights of way, surface leases, and easements affecting the foregoing interests of Trustor or useful or appropriate in exploring and/or producing, processing, treating, handling, storing, transporting or marketing Products therefrom.

ARTICLE 2 - CREATION OF SECURITY

Section 2.1 Grant. In consideration of the moneys and credit advanced under the Credit Agreement and the advance of funds or credit constituting the Obligations, and in consideration of the mutual covenants contained herein, and for the purpose of securing payment and performance of the Obligations, Trustor hereby grants, bargains, sells, warrants, mortgages, assigns, pledges, transfers and conveys the Realty Collateral to Trustee, IN TRUST, with power of sale subject to the terms thereof, for the benefit of Beneficiary; to have and to hold the Realty Collateral, together with all and singular the rights, privileges, benefits, contracts, hereditaments and appurtenances now or hereafter at any time before the foreclosure or release hereof, in any way appertaining or belonging thereto, unto Trustee and to its substitutes or successors, forever, IN TRUST, upon the terms and conditions herein set forth; and Trustor hereby binds and obligates itself and its successors and assigns, to warrant and to defend, all and singular, title to the Collateral unto Trustee, its substitutes or successors, forever, against the claims of any and all persons whomsoever claiming any part thereof.

Section 2.2 Creation of Security Interest. In addition to the grant contained in Section 2.1, and for the same consideration and purpose, Trustor hereby grants to Beneficiary, a first and prior continuing security interest in all Personalty Collateral, now owned or hereafter acquired by Trustor, and in all Proceeds. Trustor, without limiting the foregoing provisions of this Section 2.2, stipulates that the grant made by this Section 2.2 includes a grant of a security interest in Products extracted from or attributable to the Royalty Interests and in the Proceeds resulting from sale of such Products, such security interest to attach to such Products as extracted and to the accounts resulting from such sales.

Section 2.3 Pledge. Trustor hereby grants and makes a common law pledge and assignment to Beneficiary of the Refinery Accounts, and the credit balances therein from time to time.



Section 2.4 Proceeds. The security interest of Beneficiary hereunder in the Proceeds shall not be construed to mean that Beneficiary consents to the sale or other disposition of any part of the Collateral other than Products extracted from or attributable to the Royalty Interests and sold in the ordinary course of business.

Section 2.5 Substitution of Beneficiary for Trustor. This instrument shall be effective, at Beneficiary's option and as allowed by applicable law, as a mortgage as well as a deed of trust, and every grant herein to Trustee of interests, powers, rights and remedies shall likewise be a grant of the same interests, powers, rights and remedies to Beneficiary, as mortgagee. Subject to applicable law, Beneficiary shall in all instances, and in its sole discretion, elect whether this instrument shall be effective as a mortgage or as a deed of trust.

Section 2.6 Obligations Secured. This instrument is executed and delivered by Trustor to secure and enforce the irrevocable, full, punctual and complete payment and performance when due (whether at stated maturity, by required prepayment, declaration, acceleration, demand or otherwise) of the Obligations.

Section 2.7 Future Advances. Trustor, and each party at any time claiming an interest in or lien or encumbrances against the Collateral, agrees that all advances made to Borrower from time to time under any Credit Document, and all other portions of the Obligations herein referred to, shall be secured by this Deed of Trust with priority as if all of the same had been advanced, had arisen or become owing or performable on the date of this Deed of Trust. No reduction of the outstanding principal balance under the Credit Agreement shall extinguish, release or subordinate any rights, titles, interests, liens, security interests, powers or privileges intended, created or arising hereunder or under any other Credit Document, and this Deed of Trust shall remain in full force and effect as to any subsequent advances or subsequently arising portions of the indebtedness without loss of priority until all Obligations are fully paid, performed and satisfied; all agreements and obligations, if any, of Beneficiary for future advances have been terminated; and this Deed of Trust has been released of record by Beneficiary. **THIS DEED OF TRUST IS TO BE GOVERNED BY THE PROVISIONS OF THE FUTURE ADVANCES STATUTES IN THE STATE OF NEVADA REVISED STATUTES 106.300-106.400, INCLUSIVE. THIS DEED OF TRUST SECURES FUTURE ADVANCES AND THE MAXIMUM AMOUNT OF PRINCIPAL TO BE SECURED IS SIX HUNDRED MILLION AND NO/100 DOLLARS (\$600,000,000).**

Section 2.8 Continuing Status of Lien, Security Interest and Pledge.

(a) The Credit Agreement and the Notes provide for loans from Beneficiary to Trustor pursuant to which, for the period specified in the Credit Agreement and in the Notes, and subject to the terms and conditions of the Credit Agreement, Trustor may borrow, repay and reborrow funds from Beneficiary. So long as the commitment of Beneficiary under the Credit Agreement to advance funds to Trustor remains in effect, the lien on the Realty Collateral and the security interest in and pledge relating to the Personalty Collateral created hereby shall remain in effect with the priority date established by the recording or filing hereof, notwithstanding the fact that from time to time the outstanding balance of the loans to Trustor under the Credit Agreement may be zero.



(b) **This Deed of Trust amends, restates and continues the Existing Deed of Trust and nothing contained herein shall be deemed or construed to be a repayment, satisfaction, discharge or novation of the Obligations or to release, waive, terminate, reconvey, discharge, novate or in any way limit or impair any lien, security interest or encumbrance granted or given under the Existing Deed of Trust or otherwise to secure the Obligations.**

ARTICLE 3 - ASSIGNMENT OF PRODUCTION PROCEEDS

Section 3.1 Assignment. As further security for the payment and performance of the Obligations, Trustor hereby absolutely and unconditionally assigns and transfers to Beneficiary, effective upon an Event of Default, all Products (and the Proceeds therefrom) which are extracted from or attributable to the Royalty Interests and, effective automatically upon an Event of Default, Trustor hereby transfers, assigns, warrants and conveys to Beneficiary all Products (and the Proceeds therefrom) which are extracted from or attributable to the Royalty Interests. Upon the occurrence of an Event of Default, all persons producing, purchasing or receiving such Products or the Proceeds therefrom are authorized and directed to treat Beneficiary as the person entitled in Trustor's place and stead to receive the same; and further, those persons will be fully protected in so treating Beneficiary and will be under no obligation to see to the application by Beneficiary of any Proceeds received by it. Trustor agrees that, if, after the occurrence of an Event of Default, any Proceeds from such Products are paid to Trustor, such proceeds shall constitute trust funds in the hands of Trustor, shall be segregated from all other funds of Trustor and separately held by Trustor, and shall be forthwith paid over by Trustor to Beneficiary in accordance with the Credit Agreement. Upon the occurrence of an Event of Default, Trustor shall, if and when requested by Beneficiary, execute and file with any production purchaser a transfer order or other instrument declaring Beneficiary to be entitled to the Proceeds of severed Products and instructing such purchaser to pay such Proceeds to Beneficiary. After the occurrence of an Event of Default, should any purchaser fail to make payment promptly to Beneficiary of the proceeds derived from the sale thereof, Beneficiary shall have the right, subject only to any contractual rights of such purchaser or any operator, to designate another purchaser to purchase and take such Products, without liability of any kind on Beneficiary in making such selection so long as ordinary care is used in respect thereof.

Section 3.2 Trustor's Payment Duties. Nothing contained herein will limit Trustor's duty to make payment on the Obligations when the Proceeds received by Beneficiary pursuant to this Article 3 are insufficient to pay the costs, interest, principal and any other portion of the Obligations then owing, and the receipt of Proceeds by Beneficiary will be in addition to all other security now or hereafter existing to secure payment of the Obligations.

Section 3.3 Liability of Beneficiary. Beneficiary has no obligation to enforce collection of any Proceeds and is hereby released from all liability and responsibility in connection therewith, except the responsibility to account to Trustor for Proceeds actually received.

Section 3.4 Indemnification. Trustor agrees to indemnify, defend, save and hold harmless Beneficiary, each Lender, each Agent, their respective Affiliates and their respective

directors, partners, managers, principals, officers, employees, successors, affiliates, agents, consultants and representatives (collectively, the "Indemnified Parties") from all claims, actions, liabilities, losses, judgments, attorneys' fees, costs and expenses and other charges of any description whatsoever (all of which are hereafter referred to in this Section 3.4 as "Claims") made against or sustained or incurred by any such Indemnified Party as a consequence of the assertion, either before or after the payment in full of the Obligations, that Beneficiary received Products or Proceeds pursuant to this instrument. Beneficiary will have the right to employ attorneys and to defend against any Claims and unless furnished with satisfactory indemnity, after notice to Trustor, Beneficiary will have the right to pay or compromise and adjust all Claims in its sole reasonable discretion. Trustor shall indemnify and pay to Beneficiary all amounts paid by Beneficiary in compromise or adjustment of any of the Claims or amounts adjudged against Beneficiary in respect of any of the Claims. The liabilities of Trustor as set forth in this Section 3.4 will constitute Obligations and will survive the termination of this instrument.

ARTICLE 4 - TRUSTOR'S WARRANTIES AND COVENANTS

Section 4.1 Payment of Obligations. Trustor covenants that it will pay all Obligations when due and otherwise faithfully and strictly perform all obligations of Trustor under the Notes, the Credit Agreement, the other Credit Documents and any other instrument or document executed and delivered in connection with the Obligations. If any part of the Obligations is not evidenced by a writing specifying a due date, Trustor agrees to pay the same upon demand. All Obligations are payable to Beneficiary as provided in the Credit Agreement.

Section 4.2 Warranties and Covenants.

(a) Trustor warrants and covenants that:

(i) no approval or consent of any regulatory or administrative commission or authority or of any other governmental body or any other party is necessary to authorize the execution and delivery of this instrument or of any other written instrument constituting or evidencing the Obligations, or to authorize the observance or performance by Trustor of the covenants contained in the instruments constituting or evidencing the Obligations, or to authorize the observance or performance by Trustor of the covenants contained in this instrument or in the other written instruments constituting or evidencing the Obligations or to enable Beneficiary to exercise its rights hereunder;

(ii) Trustor is not obligated, by virtue of a prepayment arrangement under any Production Sales Contract containing a "take or pay" clause or any other prepayment arrangement, to deliver Products produced from the Royalty Interests at some future time without then or thereafter receiving full payment therefor; and Trustor, without Beneficiary's prior written consent, shall not hereafter make any such prepayment arrangements, other than by a customary "take or pay" clause contained in a Production Sales Contract; and

(iii) it has not used any corporate name or done business under a name other than High Desert Mineral Resources, Inc., and that it will not do so, or relocate its chief executive office outside of the State of Colorado without at least thirty days' prior notice to Beneficiary.

(b) Trustor warrants and shall forever defend the Collateral against every person whomsoever lawfully claiming the same or any part thereof, and Trustor shall maintain and preserve the lien and security interest herein created until this instrument has been terminated as provided herein.

Section 4.3 Operation of Property Burdened with Royalty Interests. As long as this instrument has not been terminated and released of record by Beneficiary, Trustor shall, at Trustor's own expense, use commercially reasonable efforts, consistent with its status as a non-executory, royalty interest holder and consistent with Trustor's rights and obligations under the Royalty Agreements, to cause the operator(s) of the properties subject to the Royalty Interests to:

(a) comply fully with all of the terms and conditions of all leases and other instruments of title and all rights-of-way, easements and privileges necessary for the proper operation of such leases and instruments, and otherwise do all things necessary to keep Trustor's rights and Beneficiary's interest in the Collateral unimpaired;

(b) not abandon any property which is producing or capable of commercial production or forfeit, surrender or release any lease, sublease, operating agreement or other agreement or instrument comprising or affecting the Royalty Interests without Beneficiary's prior written consent, which consent shall not be withheld unreasonably;

(c) cause the properties subject to the Royalty Interests to be maintained, developed and operated in a good and workmanlike manner as a prudent operator would in accordance with generally accepted practices, applicable operating agreements and all applicable federal, state and local laws, rules, regulations and orders; and

(d) promptly pay or cause to be paid when due and owing all rentals and royalties payable in respect of the properties subject to the Royalty Interests; all expenses incurred in or arising from the operation or development of such properties; and all taxes, assessments and governmental charges imposed upon such properties.

Section 4.4 Recording and Filing. Trustor shall pay all costs of filing, registering and recording this and every other instrument in addition or supplemental hereto and all financing statements Beneficiary may require, in such offices and places and at such times and as often as may be, in the judgment of Beneficiary, necessary to preserve, protect and renew the lien and security interest herein created as a first lien and prior security interest on and in the Collateral and otherwise do and perform all matters or things necessary or expedient to be done or observed by reason of any law or regulation of any State or of the United States or of any other competent authority for the purpose of effectively creating, maintaining and preserving the lien and security interest created herein and on the Collateral and the priority thereof. Trustor shall also pay the

costs of obtaining reports from appropriate filing officers concerning financing statement filings in respect of any of the Collateral in which a security interest is granted herein.

Section 4.5 Trustee's or Beneficiary's Right to Perform Trustor's Obligations. Trustor agrees that, if Trustor fails to perform any act which Trustor is required to perform under this instrument, Beneficiary or Trustee or any receiver appointed hereunder may, but shall not be obligated to, perform or cause to be performed such act, and any expense incurred by Beneficiary or Trustee in so doing shall be a demand obligation owing by Trustor to Beneficiary, shall bear interest at an annual rate equal to the maximum interest rate provided in the Notes until paid and shall be a part of the Obligations, and Beneficiary, Trustee or any receiver shall be subrogated to all of the rights of the party receiving the benefit of such performance. The undertaking of such performance by Beneficiary, Trustee or any receiver as aforesaid shall not obligate such person to continue such performance or to engage in such performance or performance of any other act in the future, shall not relieve Trustor from the observance or performance of any covenant, warranty or agreement contained in this instrument or constitute a waiver of default hereunder and shall not affect the right of Beneficiary to accelerate the payment of all indebtedness and other sums secured hereby or to resort to any other of its rights or remedies hereunder or under applicable law. In the event Beneficiary, Trustee or any receiver appointed hereunder undertakes any such action, no such party shall have any liability to Trustor in the absence of a showing of gross negligence or willful misconduct of such party, and in all events no party other than the acting party shall be liable to Trustor.

ARTICLE 5 - DEFAULT

Section 5.1 Events of Default. The term "Event of Default" shall have the meaning given thereto in the Credit Agreement and any other Credit Document, but shall also include the occurrence or the existence of any of the following conditions:

(a) failure by Trustor to keep, punctually perform or observe any of the covenants, agreements, obligations or prohibitions contained herein, in any other written instrument evidencing any of the Obligations or in any other agreement with Beneficiary (whether now existing or entered into hereafter) following notice, if required, and the expiration of applicable cure periods, if any; or

(b) the assertion (except by the owner of an encumbrance expressly excepted from Trustor's warranty of title herein) of any claim of priority over this instrument, by title, lien or otherwise, unless Trustor within 30 days after such assertion either causes the assertion to be withdrawn or provides Beneficiary with such further or additional security as Beneficiary may require to protect Beneficiary against all loss, damage, or expense, including attorneys' fees, which Beneficiary may incur in the event such assertion is upheld.

Section 5.2 Acceleration Upon Default. Upon the occurrence of any Event of Default, or at any time thereafter, Beneficiary may, at its option, by notice to Trustor, declare the entire unpaid principal of and the interest accrued on the Obligations to be due and payable forthwith

without any further notice, presentment or demand of any kind, all of which are hereby expressly waived.

Section 5.3 Possession and Operation of Property. Upon the occurrence of any Event of Default, or at any time thereafter, and in addition to all other rights therein conferred on Trustee or Beneficiary, Trustee, Beneficiary or any person, firm or corporation designated by Beneficiary, will have the right and power, but will not be obligated, to have an audit performed, at Trustor's expense, of the books and records of Trustor, and to enter upon and take possession of all or any part of the Collateral, to exclude Trustor therefrom, and to hold, use, administer and manage the same to the extent that Trustor could do so. Trustee, Beneficiary or any person, firm or corporation designated by Beneficiary, may manage the Collateral, or any portion thereof, without any liability to Trustor in connection with such management except with respect to gross negligence or willful misconduct; and Trustee, Beneficiary or any person, firm or corporation designated by Beneficiary will have the right to collect, receive and receipt for all Products produced and sold from the Royalty Interests, and to exercise every power, right and privilege of Trustor with respect to the Collateral. Providing there has been no foreclosure sale, when and if the expenses of the management of the Collateral have been paid and the Obligations paid in full, the remaining Collateral shall be returned to Trustor.

Section 5.4 Ancillary Rights. Upon the occurrence of an Event of Default, or at any time thereafter, and in addition to all other rights of Beneficiary hereunder, Beneficiary may, without notice, demand or declaration of default, all of which are hereby expressly waived by Trustor, proceed by a suit or suits in equity or at law (i) for the seizure and sale of the Collateral or any part thereof, (ii) for the specific performance of any covenant or agreement herein contained or in aid of the execution of any power herein granted, (iii) for the foreclosure or sale of the Collateral or any part thereof under the judgment or decree of any court of competent jurisdiction, (iv) without regard to the solvency or insolvency of any person, and without regard to the value of the Collateral, and without notice to Trustor (notice being hereby expressly waived), for the ex parte appointment of a receiver to serve without bond pending any foreclosure or sale hereunder, or (v) for the enforcement of any other appropriate legal or equitable remedy.

ARTICLE 6 - BENEFICIARY'S RIGHTS AS TO REALTY COLLATERAL UPON DEFAULT

Section 6.1 Deed of Trust or Mortgage. Beneficiary may elect to treat this instrument as either a deed of trust or as a mortgage, but not both. Upon the occurrence of an Event of Default, or at any time thereafter, Beneficiary or Trustee may declare all sums secured hereby immediately due and payable either by commencing an action to foreclose this Deed of Trust as a mortgage, or by the delivery to Trustee of a written declaration of default and demand for sale and of written notice of default and of election to cause the Collateral to be sold, which notice Trustee shall cause to be duly filed for record in case of foreclosure by exercise of the power of sale herein. The decision by Beneficiary to pursue its remedies and foreclose either by acting under the Deed of Trust as a deed of trust by exercise of the power of sale (and as otherwise set forth herein) or by acting under the Deed of Trust as a mortgage by exercise of a judicial

foreclosure (and as otherwise set forth herein) may be made by Beneficiary at Beneficiary's sole option and discretion.

Section 6.2 Judicial Foreclosure. This instrument shall be effective as a mortgage as well as a deed of trust and upon the occurrence of an Event of Default, or at any time thereafter, in lieu of the exercise of the non-judicial power of sale hereafter given, Beneficiary may, subject to any mandatory requirement of applicable law, proceed by suit to foreclose its lien hereunder and to sell or have sold the Realty Collateral or any part thereof at one or more sales, as an entirety or in parcels, at such place or places and otherwise, in such manner and upon such notice as may be required by law, or, in the absence of any such requirement, as Beneficiary may deem appropriate, and Beneficiary shall thereafter make or cause to be made a conveyance to the purchaser or purchasers thereof. Beneficiary may postpone the sale of the real property included in the Collateral or any part thereof by public announcement at the time and place of such sale, and from time to time thereafter may further postpone such sale by public announcement made at the time of sale fixed by the preceding postponement. Sale of a part of the real property included in the Collateral will not exhaust the power of sale, and sales may be made from time to time until all such property is sold or the Obligations are paid in full.

Section 6.3 Non-Judicial Foreclosure. If the Notes or other Obligations are not paid when due, whether by acceleration or otherwise, Trustee is hereby authorized and empowered, and it shall be its duty, upon request of Beneficiary, and to the extent permitted by applicable law, to exercise the power of sale contained herein and sell any part of the Realty Collateral at one or more sales, as an entirety or in parcels, at such place or places and otherwise in such manner and upon such notice as may be required by applicable law, or in the absence of any such requirement, as Trustee and/or Beneficiary may deem appropriate, and to make conveyance to the purchaser or purchasers thereof. Any sale shall be made to the highest bidder for cash at the door of the county courthouse of, or in such other place as may be required or permitted by applicable law in, the county in the state where the Realty Collateral or any part thereof is situated; provided that and if the Realty Collateral lies in more than one county, such part of the Realty Collateral may be sold at the courthouse door of any one of such counties, and the notice so posted shall designate in which county such property shall be sold. Any such sale shall be made at public outcry, on the day of any month, during the hours of such day and after such written notices thereof have been publicly posted in such places and for such time periods and after all persons entitled to notice thereof have been sent such notice, all as required by applicable law in effect at the time of such sale. The affidavit of any person having knowledge of the facts to the effect that such a service was completed shall be prima facie evidence of the fact of service. Trustor agrees that no notice of any sale, other than as required by applicable law, need be given by Trustor, Beneficiary or any other person. Trustor hereby designates as its address for the purposes of such notice the address set out on page two hereof; and agrees that such address shall be changed only by depositing notice of such change enclosed in a postpaid wrapper in a post office or official depository under the care and custody of the United States Postal Service, certified mail, postage prepaid, return receipt requested, addressed to Beneficiary or other holder of the Obligations at the address for Beneficiary set out herein (or to such other address as Beneficiary or other holder of the Obligations may have designated by notice given as above provided to Trustor and such other debtors). Any such notice or change of address of Trustor or other debtors or of Beneficiary or of other holder of the Obligations shall be effective



upon receipt. Trustor authorizes and empowers Trustee to sell the Realty Collateral in lots or parcels or in its entirety as Trustee shall deem expedient; and to execute and deliver to the purchaser or purchasers thereof good and sufficient deeds of conveyance thereto by fee simple title, with evidence of general warranty by Trustee, and the title of such purchaser or purchasers when so made by Trustee, Trustor binds itself to warrant and forever defend. Where portions of the Realty Collateral lie in different counties, sales in such counties may be conducted in any order that Trustee may deem expedient; and one or more such sales may be conducted in the same month, or in successive or different months as Trustor may deem expedient.

ARTICLE 7 - BENEFICIARY'S RIGHTS AS TO PERSONALTY AND FIXTURE COLLATERAL UPON DEFAULT

Section 7.1 Personalty Collateral. Upon the occurrence of an Event of Default, or at any time thereafter, Beneficiary may, without notice to Trustor, exercise its rights to declare all of the Obligations to be immediately due and payable, in which case Beneficiary will have all rights and remedies granted by law, and particularly by the Uniform Commercial Code, including, but not limited to, the right to take possession of the Personalty Collateral, and for this purpose Beneficiary may enter upon any premises on which any or all of the Personalty Collateral is situated and take possession of and operate the Personalty Collateral or remove it therefrom. Beneficiary may require Trustor to assemble the Personalty Collateral and make it available to Beneficiary or Trustee at a place to be designated by Beneficiary which is reasonably convenient to all parties. Unless the Personalty Collateral is perishable or threatens to decline speedily in value or is of a type customarily sold on a recognized market, Beneficiary will give Trustor reasonable notice of the time and place of any public sale or of the time after which any private sale or other disposition of the Personalty Collateral is to be made. This requirement of sending reasonable notice will be met if the notice is mailed, postage prepaid, to Trustor at the address designated above at least five (5) days before the time of the sale or disposition.

Section 7.2 Sale with Realty Collateral. In the event of foreclosure, whether judicial or non-judicial, at Beneficiary's option it may proceed under the Uniform Commercial Code as to the Personalty Collateral or it may proceed as to both Realty Collateral and Personalty Collateral in accordance with its rights and remedies in respect of the Realty Collateral.

Section 7.3 Private Sale. If Beneficiary in good faith believes that the Securities Act of 1933 or any other State or Federal law prohibits or restricts the customary manner of sale or distribution of any of the Personalty Collateral, or if Beneficiary determines that there is any other restraint or restriction limiting the timely sale or distribution of any such property in accordance with the customary manner of sale or distribution, Beneficiary may sell or may cause Trustee to sell such property privately or in any other manner it deems advisable at such price or prices as it determines in its sole discretion and without any liability whatsoever to Trustor in connection therewith. Trustor recognizes and agrees that such prohibition or restriction may cause such property to have less value than it otherwise would have and that, consequently, such sale or disposition by Beneficiary may result in a lower sales price than if the sale were otherwise held.

ARTICLE 8 - OTHER PROVISIONS CONCERNING FORECLOSURE

Section 8.1 Possession and Delivery of Collateral. It shall not be necessary for Beneficiary or Trustee to have physically present or constructively in its possession any of the Collateral at any foreclosure sale, and Trustor shall deliver to the purchasers at such sale on the date of sale the Collateral purchased by such purchasers at such sale, and if it should be impossible or impracticable for any of such purchasers to take actual delivery of the Collateral, then the title and right of possession to the Collateral shall pass to the purchaser at such sale as completely as if the same had been actually present and delivered.

Section 8.2 Beneficiary as Purchaser. Beneficiary will have the right to become the purchaser at any foreclosure sale, and it will have the right to credit upon the amount of the bid the amount payable to it out of the net proceeds of sale.

Section 8.3 Recitals Conclusive; Warranty Deed; Ratification. Recitals contained in any conveyance to any purchaser at any sale made hereunder will conclusively establish the truth and accuracy of the matters therein stated, including, without limiting the generality of the foregoing, nonpayment of the unpaid principal sum of, and the interest accrued on, the written instruments constituting part or all of the Obligations after the same have become due and payable, nonpayment of any other of the Obligations or advertisement and conduct of the sale in the manner provided herein, and appointment of any successor Trustee hereunder. Trustor ratifies and confirms all legal acts that Beneficiary and/or Trustee may do in carrying out the provisions of this instrument.

Section 8.4 Effect of Sale. Any sale or sales of the Collateral or any part thereof will operate to divest all right, title, interest, claim and demand whatsoever, either at law or in equity, of Trustor in and to the premises and the property sold, and will be a perpetual bar, both at law and in equity, against Trustor, Trustor's successors or assigns and against any and all persons claiming or who shall thereafter claim all or any of the property sold from, through or under Trustor, or Trustor's successors or assigns. Subject to applicable rights of redemption under applicable law, the purchaser or purchasers at the foreclosure sale will receive immediate possession of the property purchased; and if Trustor retains possession of the Realty Collateral, or any part thereof, subsequent to sale, Trustor will be considered a tenant at sufferance of the purchaser or purchasers, and if Trustor remains in such possession after demand of the purchaser or purchasers to remove, Trustor will be guilty of forcible detainer and will be subject to eviction and removal, forcible or otherwise, with or without process of law, and without any right to damages arising out of such removal.

Section 8.5 Application of Proceeds. The proceeds of any sale of the Collateral or any part thereof will be applied as follows:

(a) first, to the payment of all out of pocket expenses incurred by Trustee and Beneficiary in connection therewith, including, without limiting the generality of the foregoing, reasonable court costs, legal fees and expenses, fees of accountants, engineers, consultants, agents or managers and expenses of any entry or taking of possession, holding, valuing, preparing for sale, advertising, selling and conveying;

(b) second, to the payment of the Obligations; and

(c) third, any surplus thereafter remaining to Trustor or Trustor's successors or assigns, as their interests may be established to Beneficiary's reasonable satisfaction.

Section 8.6 Deficiency. Trustor will remain liable for any deficiency owing to Beneficiary after application of the net proceeds of any foreclosure sale.

Section 8.7 Waiver of One-Action Rule. Trustor, for Trustor and all who may claim through or under Trustor, to the extent that Trustor may lawfully do so under applicable law, hereby waives and agrees to forego the benefit and application of Nevada's "one-action rule", whether arising at common law or by statute, expressly including Nevada Revised Statute Section 40.430 et seq.

Section 8.8 Trustor's Waiver of Appraisal, Marshaling, Etc. Trustor agrees that Trustor will not at any time insist upon or plead or in any manner whatsoever claim the benefit of any appraisal, valuation, stay, extension or redemption law now or hereafter in force, in order to prevent or hinder the enforcement or foreclosure of this instrument, the absolute sale of the Collateral or the possession thereof by any purchaser at any sale made pursuant to this instrument or pursuant to the decree of any court of competent jurisdiction. Trustor, for Trustor and all who may claim through or under Trustor, hereby waives the benefit of all such laws and to the extent that Trustor may lawfully do so under applicable state law, waives any and all right to have the Realty Collateral marshaled upon any foreclosure of the lien hereof or sold in inverse order of alienation and, Trustor agrees that Trustor may sell the Realty Collateral as an entirety.

ARTICLE 9 - MISCELLANEOUS

Section 9.1 Discharge of Purchaser. Upon any sale made under the powers of sale herein granted and conferred, the receipt of Beneficiary will be sufficient discharge to the purchaser or purchasers at any sale for the purchase money, and such purchaser or purchasers and the heirs, devisees, personal representatives, successors and assigns thereof will not, after paying such purchase money and receiving such receipt of Beneficiary, be obliged to see to the application thereof or be in anywise answerable for any loss, misapplication or nonapplication thereof.

Section 9.2 Indebtedness of Obligations Absolute. Nothing herein contained shall be construed as limiting Beneficiary to the collection of any indebtedness of Trustor to Beneficiary only out of the income, revenue, rents, issues and profits from the Collateral or as obligating Beneficiary to delay or withhold action upon any default which may be occasioned by failure of such income or revenue to be sufficient to retire the principal or interest when due on the indebtedness secured hereby. It is expressly understood between Beneficiary and Trustor that any indebtedness of Trustor to Beneficiary secured hereby shall constitute an absolute, unconditional obligation of Trustor to pay as provided herein or therein in accordance with the terms of the instrument evidencing such indebtedness in the amount therein specified at the maturity date or at the respective maturity dates of the installments thereof, whether by acceleration or otherwise.



Section 9.3 Defense of Claims. Trustee will promptly notify Trustor and Beneficiary in writing of the commencement of any legal proceedings affecting Beneficiary's interest in the Collateral, or any part thereof, and shall take such action, employing attorneys acceptable to Beneficiary, as may be necessary to preserve Trustor's, Trustee's and Beneficiary's rights affected thereby; and should Trustor fail or refuse to take any such action, Trustee or Beneficiary may take the action on behalf of and in the name of Trustor and at Trustor's expense. Moreover, Beneficiary or Trustee on behalf of Beneficiary may take independent action in connection therewith as they may in their discretion deem proper, and Trustor hereby agrees to make reimbursement for all sums advanced and all expenses incurred in such actions plus interest at a rate equal to the maximum interest rate provided in the Credit Agreement.

Section 9.4 Termination. If all the Obligations are irrevocably and finally paid in full and the covenants herein contained are well and truly performed, the other Credit Documents are all terminated and no longer in effect and if Trustor and Beneficiary intend at such time that this instrument not secure any obligation of Trustor thereafter arising, then Beneficiary shall, upon the request of Trustor and at Trustor's cost and expense, deliver to Trustor proper instruments executed by Beneficiary evidencing the release of this instrument. Until such delivery, this instrument shall remain and continue in full force and effect.

Section 9.5 Renewals, Amendments and Other Security. Renewals, restatements, replacements and extensions of the Obligations may be given at any time, amendments may be made to the agreements with third parties relating to any part of the Obligations or the Collateral, and Beneficiary may take or hold other security for the Obligations without notice to or consent of Trustor. Trustor or Beneficiary may resort first to other security or any part thereof, or first to the security herein given or any part thereof, or from time to time to either or both, even to the partial or complete abandonment of either security, and such action will not be a waiver of any rights conferred by this instrument.

Section 9.6 Successor Trustees. Trustee may resign in writing addressed to Beneficiary or be removed at any time with or without cause by an instrument in writing duly executed by Beneficiary. In case of the resignation or removal of Trustee, a successor Trustee may be appointed by Beneficiary by instrument of substitution complying with any applicable requirements of law, and in the absence of any such requirement, without other formality than an appointment and designation in writing. Any appointment and designation will be full evidence of the right and authority to make the same and of all facts therein recited. Upon the making of any appointment and designation, all the estate and title of Trustee in all of the Realty Collateral will vest in the named successor Trustee, and the successor will thereupon succeed to all the rights, powers, privileges, immunities and duties hereby conferred upon Trustee. All references herein to Trustee will be deemed to refer to Trustee from time to time acting hereunder.

Section 9.7 Limitations on Interest. No provision of the Notes, Credit Agreement, Credit Documents or other instrument constituting or evidencing any of the Obligations or any other agreement between the parties shall require the payment or permit the collection of interest in excess of the maximum non-usurious rate which Trustor may agree to pay under applicable laws. The intention of the parties being to conform strictly to applicable usury laws now in force, the interest on the principal amount of the Notes and the interest on other amounts due



under and/or secured by this instrument shall be held to be subject to reduction to the amount allowed under said applicable usury laws as now or hereafter construed by the courts having jurisdiction, and any excess interest paid shall be credited to Trustor.

Section 9.8 Effect of Instrument. This instrument shall be deemed and construed to be, and may be enforced as, an assignment, chattel mortgage or security agreement, common law pledge, contract, deed of trust, financing statement, real estate mortgage, and as any one or more of them if appropriate under applicable state law. This instrument shall be effective as a financing statement covering minerals, As-Extracted Collateral or the like and accounts subject to Article 9 of the Uniform Commercial Code as enacted in the appropriate jurisdiction and is to be filed for record in the Office of the County Clerk or other appropriate office of each county where any part of the Collateral is situated. A carbon, photographic, or other reproduction of this Deed of Trust or of any financing statement relating to this Deed of Trust shall be sufficient as a financing statement.

Section 9.9 Unenforceable or Inapplicable Provisions. If any provision hereof or of any of the written instruments constituting part or all of the Obligations is invalid or unenforceable in any jurisdiction, whether with respect to all parties hereto or with respect to less than all of such parties, the other provisions hereof and of the written instruments will remain in full force and effect in that jurisdiction with respect to the parties as to which such provision is valid and enforceable, and the remaining provisions hereof will be liberally construed in favor of Beneficiary in order to carry out the provisions hereof. The invalidity of any provision of this instrument in any jurisdiction will not affect the validity or enforceability of any provision in any other jurisdiction.

Section 9.10 Rights Cumulative. Each and every right, power and remedy given to Beneficiary herein or in any other written instrument relating to the Obligations will be cumulative and not exclusive; and each and every right, power and remedy whether specifically given herein or otherwise existing may be exercised from time to time and as often and in such order as may be deemed expedient by Beneficiary, and the exercise, or the beginning of the exercise, of any such right, power or remedy will not be deemed a waiver of the right to exercise, at the same time or thereafter, any other right, power or remedy. A waiver by Beneficiary of any right or remedy hereunder or under applicable law on any occasion will not be a bar to the exercise of any right or remedy on any subsequent occasion.

Section 9.11 Rights Absolute. ALL RIGHTS OF TRUSTEE AND BENEFICIARY AND THE DEED OF TRUST, PLEDGE, ASSIGNMENT, CHARGE AND SECURITY INTEREST HEREUNDER, AND ALL OBLIGATIONS OF TRUSTOR HEREUNDER, SHALL BE ABSOLUTE AND UNCONDITIONAL, IRRESPECTIVE OF:

(a) ANY LACK OF VALIDITY OR ENFORCEABILITY OF ANY CREDIT DOCUMENT OR ANY OTHER AGREEMENT OR INSTRUMENT RELATING THERETO;

(b) ANY CHANGE IN THE TIME, MANNER OR PLACE OF PAYMENT OF, OR IN ANY OTHER TERM OF, ALL OR ANY OF THE OBLIGATIONS, OR ANY OTHER AMENDMENT OR WAIVER OF OR ANY CONSENT TO ANY DEPARTURE

FROM ANY CREDIT DOCUMENT, INCLUDING, WITHOUT LIMITATION, ANY INCREASE IN THE OBLIGATIONS;

(c) ANY TAKING, EXCHANGE, RELEASE OR NON-PERFECTION OF ANY OTHER COLLATERAL, OR ANY TAKING, RELEASE, AMENDMENT OR WAIVER OF OR CONSENT TO DEPARTURE FROM ANY GUARANTY, SURETY OR SUPPORT AGREEMENT FOR ALL OR ANY OF THE OBLIGATIONS;

(d) ANY MANNER OF APPLICATION OF COLLATERAL OR PROCEEDS THEREOF, TO ALL OR ANY OF THE OBLIGATIONS, OR ANY MANNER OF SALE OR OTHER DISPOSITION OF ANY COLLATERAL FOR ALL OR ANY OF THE OBLIGATIONS OR ANY OTHER ASSETS OF ANY PRINCIPAL, GUARANTOR OR SURETY;

(e) ANY CHANGE, RESTRUCTURING OR TERMINATION OF THE CORPORATE OR COMPANY STRUCTURE OR EXISTENCE OF BORROWER, TRUSTOR OR ANY AFFILIATE THEREOF; AND

(f) ANY OTHER CIRCUMSTANCE THAT MIGHT OTHERWISE CONSTITUTE A DEFENSE AVAILABLE TO, OR A DISCHARGE OF, TRUSTOR OR ANY AFFILIATE OF TRUSTOR, ANY OTHER PERSON LIABLE FOR THE OBLIGATIONS OR A THIRD PARTY GUARANTOR OR GRANTOR OF A SECURITY INTEREST.

Section 9.12 Non-Waiver. No act, delay, omission or course of dealing between Beneficiary and Trustor will be a waiver of any of Beneficiary's rights or remedies hereunder or under applicable law. No waiver, change or modification in whole or in part of this instrument or any other written instrument will be effective unless in a writing signed by Beneficiary.

Section 9.13 Beneficiary's Expenses. Trustor agrees to pay in full all expenses and reasonable attorneys' fees of Beneficiary which may have been or may be incurred by Beneficiary in connection with the collection of the Obligations and the enforcement of any of Trustor's obligations hereunder and under any documents executed in connection with the Obligations.

Section 9.14 Indemnification. Trustor shall indemnify, defend, save and hold harmless the Indemnified Parties from, and no such Indemnified Party shall be liable for, any loss, cost or damage, including without limitation attorneys', consultants' or management fees, resulting from exercise by Beneficiary or Trustee of any right, power or remedy conferred upon it by this instrument or any other instrument pertaining hereto, or from the attempt or failure of Beneficiary or Trustee to exercise any such right, power or remedy; and notwithstanding any provision hereof to the contrary, the foregoing indemnity shall in all respects continue and remain in full force and effect even though all indebtedness and other sums secured hereby may be fully paid and the lien of this instrument released.

Section 9.15 Partial Releases. In the event Trustor sells for monetary consideration or otherwise any portion of the Royalty Interests, as permitted by the Credit Agreement, Beneficiary and Trustee shall release the lien of this instrument with respect to the portion sold,



at the request of Trustor. No release from the lien of this instrument of any part of the Collateral by Beneficiary shall in anywise alter, vary or diminish the force, effect or lien of this instrument on the balance or remainder of the Collateral.

Section 9.16 Subrogation. This instrument is made with full substitution and subrogation of Beneficiary and Trustee in and to all covenants and warranties by others heretofore given or made in respect of the Collateral or any part thereof.

Section 9.17 Notice. All notices and deliveries of information hereunder shall be deemed to have been duly given if actually delivered or mailed by registered or certified mail, postage prepaid, addressed to the parties hereto at the addresses set forth above on page 1; if by mail, then as of the date of such mailing. Each party may, by written notice so delivered to the others, change the address to which delivery shall thereafter be made.

Section 9.18 Successors. This instrument shall bind and inure to the benefit of the respective successors and assigns of the parties.

Section 9.19 Joint and Several Liability. Trustor, Borrower and the other guarantors are engaged in related businesses and are integrated to such an extent that the financial strength and flexibility of each such party has a direct, tangible and immediate impact on the success of the other parties. Trustor will derive substantial and immediate direct and indirect benefit from the Credit Agreement, the Credit Documents and the transactions entered into in connection therewith. Trustor expressly waives any right to revoke, terminate or suspend this Deed of Trust and acknowledges that it entered into this Deed of Trust in contemplation of the benefits that it would receive by the Credit Agreement and the other Credit Documents.

Section 9.20 Interpretation. Article and section headings used in this instrument are intended for convenience only and shall be given no significance whatever in interpreting and construing the provisions of this instrument. As used in this instrument, "Beneficiary" and "Trustee" include their respective successors and assigns. Unless context otherwise requires, words in the singular number include the plural and in the plural number include the singular. Words of the masculine gender include the feminine and neuter gender and words of the neuter gender may refer to any gender.

Section 9.21 Inconsistencies with Related Documents. To the extent, if any, the provisions hereof are inconsistent with the provisions of the Credit Agreement, such inconsistencies shall be resolved by giving controlling effect to the Credit Agreement.

Section 9.22 Counterparts. This instrument may be executed in any number of counterparts, each of which will for all purposes be deemed to be an original, and all of which are identical except that to facilitate recordation, in particular counterparts hereof, portions of Exhibit A hereto which describe properties situated in counties other than the county in which the counterpart is to be recorded have been omitted.

Section 9.23 Acknowledgments. TRUSTOR HEREBY ACKNOWLEDGES THAT:



(a) IT HAS BEEN ADVISED BY ITS OWN LEGAL COUNSEL IN THE NEGOTIATION, PREPARATION, EXECUTION AND DELIVERY OF THIS DEED OF TRUST AND EACH OTHER CREDIT DOCUMENT;

(b) THIS DEED OF TRUST SHALL NOT BE CONSTRUED AGAINST ANY PARTY OR MORE FAVORABLY IN FAVOR OF ANY PARTY BASED UPON WHICH PARTY DRAFTED THE SAME, IT BEING AGREED AND ACKNOWLEDGED THAT ALL PARTIES CONTRIBUTED SUBSTANTIALLY TO THE NEGOTIATION AND PREPARATION OF THIS DEED OF TRUST;

(c) BENEFICIARY HAS NO FIDUCIARY RELATIONSHIP WITH OR DUTY TO TRUSTOR, AND THE RELATIONSHIP BETWEEN BENEFICIARY, ON THE ONE HAND, AND TRUSTOR, ON THE OTHER HAND, IN CONNECTION HEREWITH IS SOLELY THAT OF CREDITOR AND DEBTOR; AND

(d) THIS DEED OF TRUST DOES NOT CREATE A JOINT VENTURE OR PARTNERSHIP AMONG THE PARTIES HERETO OR FOR WHOM IT BENEFITS, AND NO JOINT VENTURE, PARTNERSHIP OR OTHER FIDUCIARY RELATIONSHIP EXISTS, OR SHALL BE DEEMED TO EXIST, AMONG BENEFICIARY AND TRUSTOR OR AMONG TRUSTEE AND TRUSTOR.

Section 9.24 Governing Law. This Deed of Trust, insofar as it pertains to Royalty Interests and Personalty Collateral located in the State of Nevada shall be governed by the laws of Nevada. This Deed of Trust shall otherwise be governed by the laws of the State in which the Collateral is located.

[Signature Pages to Follow]



Executed as of May 30, 2012.

TRUSTOR:

HIGH DESERT MINERAL RESOURCES, INC.

By: Bruce C. Kirchhoff
Name: Bruce C. Kirchhoff
Title: Vice President

ATTEST:

(Name and Title)

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

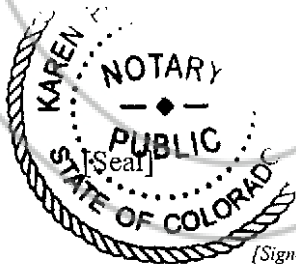
On May 30, 2012 personally appeared before me, a notary public, Bruce C. Kirchhoff, a Vice President of High Desert Mineral Resources, Inc., a Delaware corporation, who acknowledged that he executed the above instrument.

Witness my hand and official seal.

My commission expires _____

07/02/15

Karen Passwater Gross
Notary Public



[Signature Page to Third Amended and Restated Deed of Trust (Eureka County, NV - Leeville Project)]

My Commission Expires 07-02-2015

BENEFICIARY:

HSBC BANK USA, NATIONAL ASSOCIATION

By: 

Name: William S. Edge III

Title: Managing Director

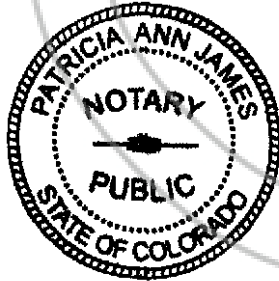
STATE OF COLORADO)
CITY AND) ss.
COUNTY OF DENVER)

On May 21, 2012 personally appeared before me, a notary public, William S. Edge III, a Managing Director of HSBC Bank USA, National Association, who acknowledged that he executed the above instrument.

Witness my hand and official seal.

My commission expires 1-27-2014.


Notary Public



[Seal]

[Signature Page to Third Amended and Restated Deed of Trust (Eureka County, NV - Leeville Project)]

**EXHIBIT A
TO
THIRD AMENDED AND RESTATED
MORTGAGE, DEED OF TRUST, SECURITY AGREEMENT,
PLEDGE AND FINANCING STATEMENT**

Part I. Royalty Interests includes and means those royalty interests owned by High Desert Mineral Resources, Inc. and created by the following instruments (the "Royalty Agreements") which create, define or otherwise pertain to the Royalty Interests, as of the effective date of the Third Amended and Restated Mortgage, Deed of Trust, Security Agreement, Pledge and Financing Agreement:

(a) With respect to the Leeville Royalty:

- (i) The Leeville Royalty was created by the Carried Interest and Operating Agreement, dated effective as of May 3, 1999 ("Leeville Agreement"), between Newmont Gold Company and High Desert, granting a 2% carried working interest, equal to a 2% Net Smelter Returns royalty, and recorded in the records of Eureka County, Nevada in Book 327 at Pages 217-249.
- (ii) By Royalty Assignment and Agreement, dated effective December 26, 2002, High Desert assigned to High Desert Gold Corporation 10% of the 2% royalty under the Leeville Agreement, resulting in High Desert retaining a 1.8% Net Smelter Returns royalty in a majority of Newmont's Leeville Project.

(b) With respect to the SJ Claims Royalty:

- (i) The SJ claims royalty was created by the Royalty Assignment, Confirmation, Amendment, and Restatement of Royalty, and Agreement, dated effective as of November 30, 1995 ("Royalty Assignment"), between Barrick Bullfrog, Barrick Goldstrike Mines Inc., and Royal Hal Co. ("RHC") and recorded in the records of Eureka County, Nevada in Book 291 at pages 001-115. The Royalty Assignment granted to RHC a 1% Net Smelter Returns royalty. RHC was merged into High Desert on September 16, 1997.
- (ii) By Royalty Assignment and Agreement, dated effective December 26, 2002, High Desert assigned to High Desert Gold Corporation 10% of the 1% royalty under the Royalty Assignment, resulting in High Desert retaining a 0.9% Net Smelter Returns royalty in the SJ Claims.

Part II. The lands, millsites and unpatented mining claims subject to the Royalty Interests include all of the fee lands, millsites and unpatented mining claims described in this Part II and any estates, minerals, royalty interests and all other interests hereafter acquired by High Desert in the lands, minerals, royalty interests and unpatented mining claims, or within the geographic boundaries of the same, by operation of law or otherwise, together with all of the interests of High Desert of any nature whatsoever now or hereafter incident or appurtenant to such lands, millsites and unpatented mining claims, including, but not limited to: (a) fee mineral and

A-1

surface interests; (b) all unsevered and unextracted minerals, mineral proceeds or mineral products in, under or attributable to the interests of High Desert; and (c) all easements, rights of way, surface leases and other privileges and rights affecting or related to the foregoing interests of High Desert or appropriate or useful in the exploration, development, handling, marketing, processing, production, storage, transportation or treatment of minerals, mineral proceeds or mineral products from any of the foregoing lands, millsites, unpatented mining claims or other interests.

(a) Leeville Royalty Properties: As described on Attachments A and B hereto, consisting of 10 pages

(b) SJ Claims Royalty Properties: As described on Appendix B hereto, consisting of 1 page.

ATTACHMENT "A"

Property

1. Patented Mining Claims. Those certain patented lode mining claims, situated in Township 35 North, Range 50 East, MDM, Eureka County, Nevada further described as

<u>Claim</u>	<u>US Patent No.</u>	<u>US Survey No.</u>
Big Six No. 3	783757	4332
Holt	881735	4422
July	935874	4528
Great Divide	945439	4393
Bald Eagle	946758	4527

Eureka County Assessor Information: Parcel No. 410-000-71;
Roll No. 03178; District 4.0.

2. Unpatented Mining Claims.

- (a) The following described unpatented lode mining claims situated in Township 35 North, Ranges 50 and 51 East, MDM, Eureka County, Nevada:

<u>Claim Name</u>	<u>Book</u>	<u>Page</u>	<u>Book</u>	<u>Page</u>	<u>BLM Serial No.</u>
BIG JIM	O	45			NMC 11196
BIG JIM NO. 1	O	46			NMC 11197
BIG JIM NO. 2	O	47			NMC 11198
BIG JIM NO. 3	O	48			NMC 11199
BIG JIM NO. 4	O	49			NMC 11200
BIG JIM NO. 5	O	50			NMC 11201
BIG JIM NO. 6	O	51			NMC 11202
BIG JIM NO. 7	O	52			NMC 11203
BIG JIM NO. 8	O	53			NMC 11204
BIG JIM NO. 9	O	54			NMC 11205
BIG JIM NO. 10	O	55			NMC 11206
BIG JIM NO. 11	O	56			NMC 11207
BIG JIM NO. 12	O	57			NMC 11208
BIG JIM NO. 13	O	58			NMC 11209
BIG JIM NO. 14	O	59			NMC 11210
BIG JIM NO. 15	O	60			NMC 11211
BIG JIM NO. 16	O	61			NMC 11212
BIG JIM NO. 17	O	62			NMC 11213
BIG JIM NO. 18	O	63			NMC 11214
BIG JIM NO. 19	O	64			NMC 11215
BIG JIM NO. 20	O	65			NMC 11216
BIG JIM NO. 21	O	66			NMC 11217

Attachment "A"

Page 1

<u>Claim Name</u>	<u>Book</u>	<u>Page</u>	<u>Book</u>	<u>Page</u>	<u>BLM Serial No.</u>
BIG JIM NO. 22	O	67			NMC 11218
BIG JIM NO. 23	O	68			NMC 11219
BIG JIM NO. 24R	428	368			NMC 913581
BIG JIM NO. 25R	428	369			NMC 913582
BIG JIM NO. 26R	428	370			NMC 913583
BIG JIM NO. 27R	428	371			NMC 913584
BIG JIM NO. 28R	428	372			NMC 913585
BIG JIM NO. 29R	428	373			NMC 913586
BIG JIM #30	71	111	428	374	NMC 72757
BIG JIM 31R	442	62			NMC 933664
BM 1R	442	80			NMC 933682
BM #6	147	79			NMC 372458
BM #7	147	80			NMC 372459
BM 9	200	175			NMC 565082
BM 10	200	176			NMC 565083
BM 11	200	177			NMC 565084
BM 12	200	178			NMC 565085
BM 13	200	179			NMC 565086
BM 14	200	180			NMC 565087
BM 15	200	181			NMC 565088
BM 16	200	182			NMC 565089
BM 17	200	183			NMC 565090
BM 18	200	184			NMC 565091
BM 19	200	185			NMC 565092
CRACKER JACK	O	23			NMC 11174
CRACKER JACK NO. 1	O	24			NMC 11175
CRACKER JACK NO. 2	O	25			NMC 11176
CRACKER JACK NO. 3	O	26			NMC 11177
CRACKER JACK NO. 4	O	27			NMC 11178
CRACKER JACK NO. 5R	428	367			NMC 913580
DON	73	368			NMC 92824
GDE-110	184	540			NMC 529076
GDE-111	184	541			NMC 529077
GDE-112	184	542			NMC 529078
GDE-113	184	543			NMC 529079
GDE 114R	442	81			NMC 933683
GDX 105	184	340			NMC 520254
GDX 106	184	341			NMC 520255
GDX 107	184	342			NMC 520256
GDX 108	184	343			NMC 520257
HD 1R	442	64			NMC 933666
HD 2R	442	65			NMC 933667
HD 3R	442	66			NMC 933668
HD 4R	442	67			NMC 933669
HD 5R	442	68			NMC 933670
HD 6R	442	69			NMC 933671
HD 7R	442	70			NMC 933672
HD 8R	442	71			NMC 933673

<u>Claim Name</u>	<u>Book</u>	<u>Page</u>	<u>Book</u>	<u>Page</u>	<u>BLM Serial No.</u>
IID 9R	442	72			NMC 933674
HD 11R	442	73			NMC 933675
HD 12R	442	74			NMC 933676
HD 13R	442	75			NMC 933677
HD 14R	442	76			NMC 933678
HD 15R	442	77			NMC 933679
HD 16R	442	78			NMC 933680
HD 17R	442	79			NMC 933681
HD 19	229	550			NMC 638621
HD 20	229	551			NMC 638622
HD 21	229	552			NMC 638623
HD 22	229	553			NMC 638624
HD 26	229	554			NMC 638625
HILL TOP	C	232	10	104	NMC 11231
HILL TOP NO. 1	C	233	10	106	NMC 11232
HILL TOP NO. 2	C	234	10	108	NMC 11233
HILL TOP FRACTION	C	428	10	110	NMC 11234
HILL TOP FRACTION NO. 1	C	429	10	112	NMC 11235
HILL TOP FRACTION NO. 2	9	484			NMC 11228
HILL TOP FRACTION NO. 3	9	486			NMC 11229
HILL TOP FRACTION 4R	442	63			NMC 933665
JOE	73	367			NMC 92823
LDX #1	124	386			NMC 312914
PAL	192	47			NMC 532013
POLAR #2	54	386			NMC 11155
POLAR #3	54	387			NMC 11156
POLAR #7	54	391			NMC 11160
POLAR #8	54	392			NMC 11161
POLAR #9	54	393			NMC 11162
POLAR #10	54	394			NMC 11163
POLAR #11	54	395			NMC 11164
POLAR #12	54	396			NMC 11165
Polar 14R	449	2			NMC 942434
POLAR #15	54	399			NMC 11168
POLAR #18	54	402			NMC 11171
RJV	62	318			NMC 13741
VENT 1	247	34			NMC 677567
VENT 2	247	35			NMC 677568
VENT 3	247	36			NMC 677569
VENT 6	249	182			NMC 679411
VENT 7	249	183			NMC 679412
VENT 8	249	184			NMC 679413
VENT 9	249	185			NMC 679414
VENT 15	277	517			NMC 705714
VENT 16	277	518			NMC 705715
VENT 19	286	468			NMC 720365
VENT 21	297	369			NMC 741389
VENT 22	313	449			NMC 778921



<u>Claim Name</u>	<u>Book</u>	<u>Page</u>	<u>Book</u>	<u>Page</u>	<u>BLM Serial No.</u>
YELLOW ROSE 9R	442	58			NMC 933660
YELLOW ROSE 10R	442	59			NMC 933661
YELLOW ROSE NO. 11	O	34			NMC 11185
YELLOW ROSE NO. 12	O	35			NMC 11186
YELLOW ROSE NO. 13	O	36			NMC 11187
YELLOW ROSE NO. 14	O	37			NMC 11188
YELLOW ROSE NO. 15	O	38			NMC 11189
YELLOW ROSE NO. 16	O	39			NMC 11190
YELLOW ROSE 17R	442	60			NMC 933662
YELLOW ROSE 18R	442	61			NMC 933663
YELLOW ROSE NO. 19	O	42			NMC 11193
YELLOW ROSE NO. 20	O	43			NMC 11194
YELLOW ROSE NO. 21	O	44			NMC 11195

Insofar and only insofar as the above described claims are within the boundaries of the Area 1 Area of Interest described herein.

- b) The following described unpatented lode mining claims situated in Township 33 North, Ranges 50 East, MDM, and Township 35 North, Ranges 51 East, MDM, Eureka County, Nevada:

<u>Claim Name</u>	<u>Book</u>	<u>Page</u>	<u>BLM Serial No.</u>
GDX 201	191	166	NMC 529717
GDX 202	191	167	NMC 529718
GDX 203	191	168	NMC 529719
GDX 204	191	169	NMC 529720
GDX 205	191	170	NMC 529721
GDX 206	191	171	NMC 529722
GDX 207	191	172	NMC 529723
GDX 208	191	173	NMC 529724
GDX 209	191	174	NMC 529725
GDX 210	191	175	NMC 529726
GDX 211	191	176	NMC 529727
GDX 212	191	177	NMC 529728
GDX 213	191	178	NMC 529729
GDX 214	191	179	NMC 529730
GDX 215	191	180	NMC 529731
GDX 216	191	181	NMC 529732
GDX 217	191	182	NMC 529733
GDX 218	191	183	NMC 529734
GDX 219	191	184	NMC 529735
GDX 220	191	185	NMC 529736
GDX 221	191	186	NMC 529737
GDX 222	191	187	NMC 529738
GDX 223	191	188	NMC 529739
GDX 224	191	189	NMC 529740
GDX 225	191	190	NMC 529741
GDX 226	191	191	NMC 529742
GDX 227	191	192	NMC 529743



GDX 228	191	193	NMC 529744
GDX 229	191	194	NMC 529745
GDX 230	191	195	NMC 529746
GDX 231	191	196	NMC 529747
GDX 232	191	197	NMC 529748
GDX 233	191	198	NMC 529749
GDX 234	191	199	NMC 529750
GDX 235	191	200	NMC 529751
GDX 236	191	201	NMC 529752
GDX 237	191	202	NMC 529753
GDX 238	191	203	NMC 529754
GDX 239	191	204	NMC 529755
GDX 240	191	205	NMC 529756
GDX 241	191	206	NMC 529757
GDX 242	191	207	NMC 529758
GDX 243	191	208	NMC 529759
GDX 244	191	209	NMC 529760
GDX 245	191	210	NMC 529761
GDX 246	191	211	NMC 529762
GDX-251	191	216	NMC 529767
GDX-252	191	217	NMC 529768
GDX-253	191	218	NMC 529769
GDX-254	191	219	NMC 529770
GDX-255	191	220	NMC 529771
GDX-256	191	221	NMC 529772
GDX-257	191	222	NMC 529773
GDX-258	191	223	NMC 529774
GDX-259	191	224	NMC 529775
GDX-260	191	225	NMC 529776
GDX 261	191	226	NMC 529777
GDX 262	191	227	NMC 529778
GDX 263	191	228	NMC 529779
GDX 264	191	229	NMC 529780
GDX 265	191	230	NMC 529781
GDX 266	191	231	NMC 529782
GDX 267	191	232	NMC 529783
GDX 268	191	233	NMC 529784
GDX 269	191	234	NMC 529785
GDX 270	191	235	NMC 529786
GDX 271	191	236	NMC 529787
GDX 272	191	237	NMC 529788
GDX 273	191	238	NMC 529789
GDX 274	191	239	NMC 529790
GDX 275	191	240	NMC 529791
GDX 276	191	241	NMC 529792
GDX 277	191	242	NMC 529793
GDX 278	191	243	NMC 529794
GDX 279	191	244	NMC 529795
GDX 280	191	245	NMC 529796



GDX 281	191	246	NMC 529797
GDX 282	191	247	NMC 529798
GDX 283	191	248	NMC 529799
GDX 284	191	249	NMC 529800
GDX 285	191	250	NMC 529801
GDX 286	191	251	NMC 529802
GDX 287	191	252	NMC 529803
GDX 288	191	253	NMC 529804
GDX 289	191	254	NMC 529805

3. The Lease. That certain Mining Lease dated September 10, 1990, by and between Drury J. Thiercoff and Frances Mae Thiercoff, lessor, and High Desert Mineral Resources, Inc., lessee, and relating to the following described unpatented lode mining claims situated in Township 35 North, Ranges 50 and 51 East, MDM, Eureka County, Nevada:

<u>Claim Name</u>	<u>Book</u>	<u>Page</u>	<u>BLM Serial No.</u>
BACK PAY	29	187	NMC 27472
BACK PAY NO. 1	29	188	NMC 27473
DIXIE LEA	29	200	NMC 27470
DIXIE LEA NO. 1	29	201	NMC 27471

4. Description of the Area 1 Area of Interest Boundary.

PARCEL 1:

A parcel of land located in Sections 1, 2, 10, 11 and 12, T 35 N, R 50 E, MDM., and Section 18, T 35 N, R 51 E, MDM., Eureka County, Nevada, more particularly described as follows:

Beginning at the corner no. 1, a point being the Northwest corner of said Section 10, the true point of beginning,

thence N 89° 51' 21" E, 2632.17 feet along the Northerly line of said Section 10 to corner no. 2, a point being the North ¼ corner of said Section 10,

thence N 89° 57' 47" E, 2633.61 feet along the Northerly line of said Section 10 to corner no. 3, a point being the Northeast corner of said Section 10,

thence N 00° 03' 47" E, 1500.44 feet along the Westerly line of said Section 2 to corner no. 4,

thence S 89° 53' 00" E, 2400.00 feet to corner no. 5,

thence S 0° 07' 00" W, 1493.45 feet to corner no. 6, a point on the Northerly line of said Section 11,

thence N 89° 56' 59" E, 252.65 feet along the said Northerly line of Section 11 to corner no. 7, a point being the North ¼ corner of said Section 11,

thence N 89° 56' 44" E, 1242.00 feet along the said Northerly line of Section 11 to corner no. 8,

thence S 0° 00' 00" W, 389.78 feet to corner no. 9,

thence S 89° 51' 38" E, 275.70 feet to corner no. 10, a point on the Northwesterly line of the Bald Eagle Lode Mining Claim, Mineral Survey No. 4527, Patent No. 946758, recorded in the office of the



Eureka County Recorder, Eureka, Nevada, in Book 20, at Page 58 of the Eureka County Deed Records,

thence N 31° 56' 05" E, 1072.41 feet along the said Northwesterly line of the Bald Eagle Lode Mining Claim to corner no. 11, a point being the most Northerly corner of said Bald Eagle Lode Mining Claim,

thence S 38° 25' 55" E, 513.30 feet along the Northeasterly line of the said Bald Eagle Lode Mining Claim to corner no. 12, a point on the Northwesterly line of the unpatented Gold \$ No. 1 Lode Mining Claim, Mineral Survey No. 4478, recorded in the said office of the Eureka County Recorder, Eureka, Nevada, as document No. 146889,

thence S 28° 03' 48" W, 153.45 feet along the Northwesterly line of the said Gold \$ No. 1 Lode Mining Claim to corner no. 13, a point on the Northwesterly line of the patented Great Divide Lode Mining Claim, Mineral Survey No. 4393, Patent No. 945439, recorded in the said office of the Eureka County Recorder, Eureka, Nevada, in Book 20, at Page 57 of Eureka County Deed Records,

thence N 31° 56' 05" E, 163.20 feet along the said Northwesterly line of the Great Divide Lode Mining Claim to corner no. 14, a point being the most Northerly corner of the said Great Divide Lode Mining Claim,

thence S 23° 44' 46" E, 564.49 feet along the Northeasterly line of the said Great Divide Lode Mining Claim to corner no. 15,

thence N 89° 57' 10" E, 555.83 feet to corner no. 16,

thence N 31° 09' 03" E, 133.20 feet to corner no. 17,

thence S 58° 14' 27" E, 179.27 feet to corner no. 18,

thence S 32° 37' 35" W, 346.42 feet to corner no. 19,

thence S 00° 00' 00" E, 430.20 feet to corner no. 20,

thence N 46° 30' 00" E, 999.33 feet to corner no. 21,

thence S 43° 30' 00" E, 268.09 feet to corner no. 22,

thence N 31° 30' 00" E, 371.23 feet to corner no. 23,

thence S 58° 30' 00" E, 17.39 feet to corner no. 24,

thence N 00° 00' 00" E, 295.21 feet to corner no. 25, a point on the Northerly line of said Section 12,

thence S 89° 53' 43" E, 924.96 feet along the said Northerly line of Section 12 to corner no. 26, a point being the North ¼ corner of said Section 12,

thence S 89° 52' 04" E, 1607.36 feet along the said Northerly line of Section 12 to corner no. 27, a point on the Northwesterly line of the patented Holt Lode Mining Claim, Mineral Survey No. 4422, Patent No. 881735, recorded in the said office of the Eureka County Recorder, Eureka, Nevada, in Book 20, at Page 55, of Eureka County Deed Records,

thence N 24° 07' 55" E, 122.63 feet along the said Northwesterly line of the Holt Lode Mining Claim to corner no. 28, a point being the most Northerly corner of said Holt Lode Mining Claim,



thence S 65° 52' 05" E, 235.00 feet along the Northeasterly line of the said Holt Lode Mining Claim to corner no. 29, a point being the most Easterly corner of said Holt Lode Mining Claim,

thence S 24° 07' 55" W, 18.00 feet along the Southeasterly line of the said Holt Lode Mining Claim to corner no. 30, a point on the said Northerly line of Section 12,

thence S 89° 52' 04" E, 513.63 feet along the said Northerly line of Section 12 to corner no. 31,

thence S 00° 00' 00" E, 381.45 feet to corner no. 32,

thence S 90° 00' 00" E, 297.43 feet to corner no. 33, a point on the Easterly line of said Section 12,

thence S 00° 08' 27" W, 318.53 feet along the said Easterly line of Section 12 to corner no. 34, a point being the Northwest corner of said Section 18,

thence S 89° 53' 47" E, 2940.86 feet along the Northerly line of said Section 18 to corner no. 35, a point being the North ¼ corner of said Section 18,

thence S 89° 55' 12" E, 2642.57 feet along the said Northerly line of Section 18 to corner no. 36, a point being the Northeast corner of said Section 18,

thence S 01° 16' 25" W, 1338.63 feet along the Easterly line of said Section 18 to corner no. 37, a point being the Northern 1/16 corner on the Easterly line of said Section 18,

thence S 89° 58' 57" W, 2643.03 feet along the North 1/16 line of said Section 18 to corner no. 38, a point being the Center-North 1/16 corner of said Section 18,

thence S 01° 17' 20" W, 1343.15 feet along the North-South ¼ Section line of said Section 18 to corner no. 39, a point being the Center ¼ corner of said Section 18,

thence S 89° 53' 06" W, 2887.53 feet along the East-West ¼ Section line of said Section 18 to corner no. 40, a point being the West ¼ corner of said Section 18,

thence S 00° 10' 32" W, 1889.37 feet along the Westerly line of said Section 18 to corner no. 41, a point being the Southeast corner of said Section 12,

thence N 89° 53' 07" W, 2668.11 feet along the Southerly line of said Section 12 to corner no. 42, a point being the South ¼ corner of said Section 12,

thence N 89° 56' 59" W, 2644.99 feet along the said Southerly line of Section 12 to corner no. 43, a point being the Southwest corner of said Section 12,

thence N 00° 04' 40" E, 661.31 feet along the Westerly line of said Section 12 to corner no. 44, a point being the Southeast corner of the NE1/4 SE1/4 SE1/4 of said Section 11,

thence S 89° 57' 39" W, 450.83 feet along the Southerly line of the said NE1/4 SE1/4 SE1/4 Section 11 to corner no. 45,

thence N 11° 00' 00" E, 479.04 feet to corner no. 46,

thence S 78° 50' 13" E, 13.17 feet to corner no. 47,

thence N 11° 12' 04" E, 1500.00 feet to corner no. 48,

thence N 78° 43' 45" W, 118.88 feet to corner no. 49,



thence N 46° 30' 00" E, 220.26 feet to corner no. 50,
thence N 43° 30' 00" W, 599.02 feet to corner no. 51,
thence S 47° 00' 00" W, 235.34 feet to corner no. 52,
thence S 00° 01' 27" E, 341.02 feet to corner no. 53,
thence N 78° 43' 45" W, 48.63 feet to corner no. 54,
thence N 76° 52' 35" W, 585.47 feet to corner no. 55,
thence S 12° 15' 22" W, 771.81 feet to corner no. 56,
thence S 11° 13' 14" W, 749.49 feet to corner no. 57,
thence S 78° 50' 13" E, 187.77 feet to corner no. 58,
thence S 47° 58' 04" W, 263.08 feet to corner no. 59,
thence S 00° 07' 36" W, 644.62 feet to corner no. 60,
thence N 90° 00' 00" W, 2249.57 feet to corner no. 61,
thence S 00° 00' 00" E, 120.00 feet to corner no. 62,
thence N 90° 00' 00" W, 1370.68 feet to corner no. 63,
thence S 00° 07' 00" W, 387.09 feet to corner no. 64, a point on the Southerly line of said Section 11,
thence S 89° 57' 53" W, 130.16 feet along the said Southerly line of said Section 11 to corner no. 65, a
point being the Southeast corner of said Section 10,
thence S 89° 56' 29" W, 2632.89 feet along the Southerly line of said Section 10 to corner no. 66, a point
being the South ¼ corner of said Section 10,
thence N 89° 55' 16" W, 2636.46 feet along the Southerly line of said Section 10 to corner no. 67, a point
being the Southwest corner of said Section 10,
thence N 00° 07' 43" E, 2638.34 feet along the Westerly line of said Section 10 to corner no. 68, a point
being the West ¼ corner of said Section 10,
thence N 00° 06' 45" E, 2639.59 feet along the Westerly line of said Section 10 to corner no. 1, the point
of beginning.

PARCEL 2:

A parcel of land located in Section 2, T35N, R50E, MDM, Eureka County, Nevada, being all of the
Patented July Lode Mining Claim, Mineral Survey No. 4528, Patent No. 935874, patented April 7,
1924, recorded in the office of the Eureka County Recorder, Eureka, Nevada, in Book 20 at Page
54 of Eureka County, Deed Records, and more particularly described as follows:

Commencing at the South ¼ corner of Section 33, T36N, R50E, MDM, thence S 87° 38' 40" E, 794.93 feet
to the Northwest corner of the said patented July Lode Mining Claim, a point being corner no. 1,
the true point of beginning.

ATTACHMENT "B"

Relocated Unpatented Lode Mining Claims. The following described unpatented lode mining claims situated in Township 35 North, Ranges 50 and 51 East, MDM, Eureka County, Nevada:

<u>Claim Name</u>	<u>Book</u>	<u>Page</u>	<u>BLM Serial No.</u>
CRACKER JACK NO. 5R	428	367	NMC 913580
BIG JIM NO. 24R	428	368	NMC 913581
BIG JIM NO. 25R	428	369	NMC 913582
BIG JIM NO. 26R	428	370	NMC 913583
BIG JIM NO. 27R	428	371	NMC 913584
BIG JIM NO. 28R	428	372	NMC 913585
BIG JIM NO. 29R	428	373	NMC 913586
YELLOW ROSE 9R	442	58	NMC 933660
YELLOW ROSE 10R	442	59	NMC 933661
YELLOW ROSE 17R	442	60	NMC 933662
YELLOW ROSE 18R	442	61	NMC 933663
BIG JIM 31R	442	62	NMC 933664
HILL TOP FRACTION 4R	442	63	NMC 933665
HD 1R	442	64	NMC 933666
HD 2R	442	65	NMC 933667
HD 3R	442	66	NMC 933668
HD 4R	442	67	NMC 933669
HD 5R	442	68	NMC 933670
HD 6R	442	69	NMC 933671
HD 7R	442	70	NMC 933672
HD 8R	442	71	NMC 933673
HD 9R	442	72	NMC 933674
HD 11R	442	73	NMC 933675
HD 12R	442	74	NMC 933676
HD 13R	442	75	NMC 933677
HD 14R	442	76	NMC 933678
HD 15R	442	77	NMC 933679
HD 16R	442	78	NMC 933680
HD 17R	442	79	NMC 933681
BM 1R	442	80	NMC 933682
GDE 114R	442	81	NMC 933683
Polar 14R	449	2	NMC 942434

Attachment "B"



0220483

Book: 532 06/04/2012
Page: 199 Page: 35 of 36

Appendix B

Description of SJ Patented Claims

The SJ patented lode mining claims, situated in Eureka County, Nevada are described as follows:

S. J. # 1, S. J. # 2, S. J. # 3, S. J. # 4, S. J. # 5, S. J. # 6, S. J. # 7, S. J. # 8, S. J. # 9, S. J. # 10, S. J. # 11, S. J. # 12, S. J. # 13, and S. J. # 14 lode mining claims designated and described as:

Mineral Survey No. 5061, within Section 24, Township 36 North, Range 49 East, and within Section 19, Township 36 North, Range 50 East, Mount Diablo Meridian, in the Lynn Mining District, Eureka County, Nevada, the said claims being more particularly described in the official field notes and depicted on the official plat; but excluding and excepting the POST No. 1, POST No. 5, lode mining claims of M.S. 5059; and the Bazza # 1, Bazza # 2, Bazza # 3, Bazza # 4, Bazza # 5, Bazza # 6, Bazza # 7, lode mining claims of M.S. 5060; and further excluding and excepting that portion of Section 19 within State Selection 2, State Selection 9 and Patent No. 1227092; and that portion of Section 24 within State Selection 2; aggregating 228.289 acres.

Appendix B