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Recording requested By
DORSEY & WHITNEY

Eureka County - NV

Mike Rebaleati - Recorder

Fee: \$46.00

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RPTT:

Recorded By: FES

Book- 533 Page- 0052

APN# 009-300-01,009-300-05

Recording Requested by:

Name: Dorsey & Whitney LLP

Address: 136 S. Main St., Suite 1000

City/State/Zip: Salt Lake City, UT 84101-1655

Mail Tax Statements to:

Name: _____

Address: _____

City/State/Zip: _____



0220639

Please complete Affirmation Statement below:

I the undersigned hereby affirm that this document submitted for recording contains the social security number of a person or persons as required by law:

Signature (Print name under signature)

Title

ROYALTY DEED

(Insert Title of Document Above)

Only use the following section if one item applies to your document

This document is being re-recorded to _____

-OR-

This document is being recorded to correct document # _____, and is correcting _____

If legal description is a metes & bounds description, furnish the following information:

Legal description obtained from _____ (Document Title), Book _____
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-OR-

If Surveyor, please provide name and address:

This page added to provide additional information required by NRS 111.312 Sections 1-4.
(Additional recording fee applies)

Exhibit 2
to
Amendment to Windfall Mining Lease and Option

ROYALTY DEED

THIS ROYALTY DEED ("Deed") dated effective as of April 1, 2012 ("Effective Date") is from BH MINERALS USA, INC., a Colorado corporation ("Grantor"), whose address is 1112 River Street, Elko, Nevada 89801 to AMERICAN INNOVATIVE MINERALS, LLC, a Nevada limited liability company ("Grantee"), whose address is 3716 East Idaho Street, Suite A, Elko, Nevada 89801. Grantor and Grantee are referred to herein individually as a "Party" and collectively as the "Parties."

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound, Grantor and Grantee agree as follows:

1. Grant of Royalty. Grantor grants to Grantee a net smelter royalty of One Percent (1%) of the Net Smelter Returns of the production of Minerals (as defined below) mined or extracted from the patented mining claims and unpatented mining claims described on **Exhibit A** ("Property"), which royalty shall run with the land and burden the Property, including any extensions, renewals, amendments or relocations thereof ("Royalty").

2. Royalty Calculation.

A. Definitions. For purposes of calculating payment of the Royalty, the below terms shall have the following meanings:

i. "Gold Production" means the quantity of refined gold outturned to Grantor's account by an independent third party refinery for gold produced from the Property during a calendar month on either a provisional or final settlement basis.

ii. "Minerals" shall mean all metallic and non-metallic substances including concentrates containing minerals, which are produced from the Property, excluding coal, oil and gas and other hydrocarbons and any sand and gravel produced from the Property.

iii. "Monthly Average Gold Price" means the average London Bullion Market Association Afternoon Gold Fix, calculated by dividing the sum of all such prices reported for the calendar month by the number of days for which such prices were reported during that month. If the London Bullion Market Association Afternoon Gold Fix ceases to be published, all such references shall be replaced with references to prices of gold for immediate sale in another established market selected by Grantor, as such prices are published in Metals Week magazine.

iv. "Monthly Average Silver Price" means the average New York Silver Price as published daily by Handy & Harmon in the Wall Street Journal, calculated by dividing the sum of all such prices reported for the calendar month by the number of days in such calendar month for which such prices were reported. If the Handy & Harmon quotations cease to be published, all such references shall be replaced with references to prices of silver for immediate sale in another established market selected by Grantor as published in Metals Week magazine.

v. "Net Smelter Returns" means the Value of all Minerals, less all costs, charges and expenses paid or incurred by Grantor with respect to smelting and refining of such Minerals, including without limitation (i) charges for treatment in the smelting and refining processes (including handling, processing, interest and provisional settlement fees, sampling, assaying and representation costs, penalties and other processor deductions); (ii) actual costs of transportation (including freight,



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insurance, security, transaction taxes, handling, port, demurrage, delay and forwarding expenses incurred by reason of or in the course of such transportation) of Minerals to the place of treatment, including any costs incurred by Grantor for transportation of such Minerals from the Property to the place of sale; and (iii) actual sales and brokerage costs, if applicable, on Minerals for which the Royalty is payable.

vi. "*Silver Production*" means the quantity of refined silver outturned to Grantor's account by an independent third-party refinery for silver produced from the Property during the calendar month on either a provisional or final settlement basis.

vii. "*Value*," for the purpose of calculating Royalty as defined herein, shall be determined on a calendar month basis and have the following meanings with respect to the following Minerals:

a. Gold.

(1) If Grantor sells unprocessed gold ores, or gold dore or gold concentrates produced from Minerals, then Value shall be equal to the proceeds received by Grantor from such sales. Grantor shall have the right to sell such unprocessed gold ores, gold dore and gold concentrates to an affiliated party, except that such sales shall be considered, solely for the purpose of determining Value, to have been sold at prices and on terms no less favorable than those that would have been obtained from an unaffiliated third party in similar quantities and under similar circumstances.

(2) If Grantor produces refined gold (meeting the specifications of the London Bullion Market Association) from Minerals, and if paragraph 2.A.vii.a.(1) above is not applicable, then for purposes of determining Value, the refined gold shall be deemed to have been sold at the Monthly Average Gold Price for the month in which it was refined. The Value shall be determined by multiplying Gold Production during the calendar month by the Monthly Average Gold Price.

b. Silver.

(1) If Grantor sells unprocessed silver ores, silver dore or silver concentrates produced from Minerals, then Value shall be equal to the proceeds received by Grantor during the calendar month from such sales. Grantor shall have the right to sell such unprocessed silver ores, silver dore and silver concentrates to an affiliated party, provided that such sales shall be considered, solely for the purpose of determining Value, to have been sold at prices and on terms no less favorable than those that would have been obtained from an unaffiliated third party in similar quantities and under similar circumstances.

(2) If Grantor produces refined silver (meeting the specifications for refined silver subject to the New York Silver Price published by Handy & Harmon in the Wall Street Journal) from Minerals, and if paragraph 2.A.viii.b.(1) above is not applicable, the refined silver shall be deemed to have been sold at the Monthly Average Silver Price for the month in which it was refined. The Value shall be determined by multiplying Silver Production during the calendar month by the Monthly Average Silver Price.

c. All Other Minerals.

(1) If Grantor sells unprocessed ores, dore or concentrates of any Minerals other than gold or silver, then Value shall be equal to the amount of proceeds received by Grantor from such sales. Grantor shall have the right to sell such unprocessed ores, dore or concentrates to an affiliated party, provided that such sales shall be considered, solely for the purpose of determining

Value, to have been sold at prices and on terms no less favorable than those that would have been obtained from an unaffiliated third party in similar quantities and under similar circumstances.

(2) If Grantor produces refined or processed metals from Mineral other than refined gold or refined silver, and if paragraph 2.A.viii.c.(1) above is not applicable, then Value shall be equal to the amount of the proceeds received by Grantor from the sale of such refined or processed metals. Grantor shall have the right to sell such refined or processed metals to an affiliated party, provided that such sales shall be considered, solely for purposes of determining Value, to have been sold at prices and on terms no less favorable than those that would have been obtained from an unaffiliated third party in similar quantities and under similar circumstances.

B. Payment Procedures.

i. *Accrual of Obligation.* Grantor's obligation to pay the Royalty shall accrue upon the sale of unrefined metals, dore, concentrates, ores or other Minerals products or, if refined metals are produced, upon the outturn of refined metals meeting the requirements of the specified published price to Grantor's account.

ii. *Futures or Forward Sales, Etc.* Except as provided in paragraphs 2.A.vii.a.(1), 2.A.vii.b.(1) and 2.A.vii.c. above (with respect to sales of unprocessed gold and silver and sales of Minerals other than gold and silver), Value shall be determined irrespective of any actual arrangements for the sale or other disposition of Minerals by Grantor, specifically including but not limited to forward sales, futures trading or commodities options trading, and any other price hedging, price protection, and speculative arrangements that may involve the possible delivery of gold, silver or other metals produced from Minerals.

iii. *Sampling and Commingling.* All Minerals for which a Royalty is payable shall be measured, sampled and analyzed in accordance with sound mining and metallurgical practices. After such measurement, Grantor may mix or commingle Minerals with ores from properties other than the Property.

iv. *Monthly Calculations and Payments.* The Royalty shall be determined on a calendar month basis. The Royalty shall be paid on or before the last business day of the calendar month immediately following the last day of the calendar month in which same accrued.

v. *Statements.* At the time of payment of the Royalty, Grantor shall submit to Grantee a statement showing in reasonable detail the quantities and grades of refined gold, silver or other metals or dore, concentrates or ores produced and sold or deemed sold by Grantor in the preceding calendar month; the Monthly Average Gold Price and Monthly Average Silver Price, as applicable; costs and other deductions, and other pertinent information in reasonable detail to explain the calculation of the Royalty payment with respect to such calendar month.

vi. *Inventories and Stockpiles.* No Royalty shall be due with respect to stockpiles of ores or concentrates unless and until such ores or concentrates are actually sold.

vii. *Final Settlement.* All Royalty payments shall be considered final and in full satisfaction of Grantor's obligations with respect thereto, unless Grantee gives Grantor written notice describing a specific objection to the calculation thereof within sixty (60) days after receipt by Grantee of the monthly statement provided for in paragraph 2.B.v. If Grantee objects to a particular monthly statement, it shall have the right, for a period of thirty (30) days after Grantor's receipt of such objection, upon reasonable notice and at a reasonable time, to have Grantor's accounts and records relating to the calculation of the Royalty payment with respect to the calendar month in question audited by an independent certified public accountant. If such audit determines that there has been a deficiency or an

excess in the payment made to Grantee, such deficiency or excess shall be resolved by adjusting the next monthly Royalty payment due Grantee. Grantee shall pay all costs of such audit. All books and records used by Grantor to calculate the Royalty due hereunder shall be kept in accordance with generally accepted accounting principles.

viii. Transfer or Encumbrance of Royalty. Grantee may transfer, pledge, mortgage, charge or otherwise encumber all or any part of its right, title and interest in and to the Royalty, except that Grantor shall be under no obligation to make its payments to such assignee, transferee, pledgee or other third party until it has received written notice signed by Grantee concerning the assignment, transfer or pledge, together with copies of the documentation evidencing such assignment, transfer or pledge.

3. Additional Property. In the event that Grantor locates any unpatented mining claims that cover that certain wedge of land bound by the Hiero 98, 99, 102 and Sadie 11 and 12 unpatented mining claims, such located unpatented mining claims shall be included in the Property hereunder and shall be subject to the Royalty, provided that the Royalty shall not cover or burden any senior lands that overlap or conflict with the Silverado 3, 12, 13, 17, 59-64, 148-149, 164 unpatented mining claims located in Eureka County, Nevada.

4. Notices. All notices and other communications required or permitted to be given under this Deed shall be in writing and shall be deemed to have been duly given and to be effective on the date such communications are received by personal delivery, by facsimile transmission (with telephonic confirmation of receipt), by nationally recognized overnight courier or three (3) business days after the date on which the same is deposited with the United States Postal Service as registered or certified mail, postage prepaid, return receipt requested, addressed to the Parties at the addresses specified in this Deed or at such other address as the Party to whom the notice is sent has designated to the other Party in writing:

To Grantor

BH MINERALS USA, INC.
1112 River Street
Elko, Nevada 89801
Fax No.: 208-664-4860

To Grantee:

AMERICAN INNOVATIVE MINERALS,
LLC
3716 East Idaho Street, Suite A
Elko, Nevada 89801
Fax No.: 775-771-8837

5. Miscellaneous.

A. Assignments. Grantor may assign any or all of its interest in the Property, provided that any such assignment shall be subject to this Deed and the Royalty granted hereunder. Grantee may transfer or assign its interest in this Deed. Each assignee of Grantor or Grantee shall agree in writing to be bound by the terms and conditions of this Deed.

B. Governing Law; Jurisdiction. This Deed shall be governed by and interpreted in accordance with the laws of the United States of America and the State of Nevada. THE PARTIES WAIVE ANY RIGHT TO TRIAL BY JURY IN ANY ACTION AT LAW OR IN EQUITY OR IN ANY OTHER PROCEEDING BASED ON OR PERTAINING TO THIS DEED.

C. Entire Agreement. This Deed embodies the entire agreement and understanding among the Parties hereto and supersedes all prior agreements and undertakings, whether oral or written, relative to the subject matter hereof.

D. Binding. This Deed shall enure to the benefit of and be binding upon the Parties hereto and their respective successors, permitted assigns, administrators and legal representatives.

E. Unenforceability of Provisions. If any one or more of the provisions contained herein should be held to be invalid, unenforceable or illegal in any respect in any jurisdiction, the validity, legality and enforceability of such provision shall not in any way be affected or impaired thereby in any other jurisdiction and the validity, legality and enforceability of the remaining provisions contained herein shall not in any way be affected or impaired thereby.

F. Waiver. The failure of either Grantor or Grantee to insist on the strict performance of any provision of this Deed or to exercise any right, power or remedy upon a breach hereof shall not constitute a waiver of any provision of this Deed or limit Grantor's or Grantee's right thereafter to enforce any provision or exercise any right hereunder. A waiver of any provision of this Deed shall not be effective unless in writing and signed by the party against whom it is to be enforced.

G. Amendment. No modification or amendment of this Deed shall be valid unless made in writing and duly executed by Grantor and Grantee.

H. Recording. This Deed shall be recorded.

I. Counterparts. This Deed may be executed in counterparts which may be delivered by facsimile. Each executed counterpart shall be deemed to be an original and all such counterparts when read together constitute one and the same instrument.

J. Third Party Beneficiaries. This Deed is exclusively for the benefit of Grantee, its successors and permitted assigns, with respect to the obligations of Grantor under this Deed, and for the benefit of Grantor, and its respective successors and permitted assigns, with respect to the obligations of Grantee, under this Deed, and this Deed shall not be deemed to confer upon or give to any other third party any remedy, claim, liability, reimbursement or other right.



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IN WITNESS WHEREOF, the Grantor and Grantee have hereunder executed this Royalty Deed as of the Effective Date.

BY THE GRANTOR:

BH MINERALS USA, INC.

By: [Signature]
Name PAUL E. DIRCKSEN
Title PRESIDENT-CEO

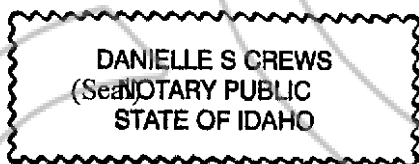
BY THE GRANTEE:

AMERICAN INNOVATIVE MINERALS, LLC

By: [Signature]
Name Alan Branham
Title President & CEO (Manager)

STATE OF Idaho)
) ss.
COUNTY OF Kootenai)

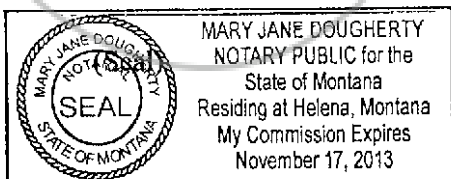
This Royalty Deed was acknowledged before me on this 20 day of March, 2012, by Paul Dircksen as grantor of BH Minerals USA, Inc., a Colorado corporation, who duly acknowledged to me that he executed the same on behalf of the company.



[Signature]
Danielle S. Crews
[Type or Print Name]
Notary Public
My commission expires 5/14, 2016.

STATE OF Montana)
) ss.
COUNTY OF Lewis & Clark)

This Royalty Deed was acknowledged before me on this 12 day of March, 2012, by Alan Branham as owner of American Innovative Minerals, LLC, a Nevada limited liability company, who duly acknowledged to me that he executed the same on behalf of the company.



[Signature]
Mary Jane Dougherty
[Type or Print Name]
Notary Public
My commission expires 11/17, 2013.

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**Exhibit A
to
Royalty Deed
PROPERTY**

Secret Canyon Patented Mining Claims

The patented mining claims described below located in Eureka County, Nevada.

| Claim Name | Parcel | Mining District | Survey # | Patent # |
|-----------------|-------------|-----------------|----------|----------|
| Killington | 009 300 001 | Secret Canyon | 291 | 16279 |
| Water Jacket | 009 300 001 | Secret Canyon | 285 | 8639 |
| Oswego | 009 300 001 | Secret Canyon | 294 | 11372 |
| Brick Top | 009 300 005 | Secret Canyon | 133 | 3282 |
| Mineral Bluff | 009 300 005 | Secret Canyon | 293 | 11372 |
| Volk & Piantoni | 009 330 005 | Eureka | 283 | 6317 |

Hiero Unpatented Mining Claims

The unpatented mining claims described below located in Eureka County, Nevada.

| Claim Name | Eureka County | | BLM: NMC |
|------------|---------------|------|-------------|
| | Book | Page | |
| Hiero 8 | 365 | 228 | 851539 |
| Hiero 10 | 365 | 230 | 851541 |
| Hiero 12 | 365 | 232 | 851543 |
| Hiero 18 | 365 | 238 | 851549 |
| Hiero 19 | 365 | 239 | 851550 |
| Hiero 20 | 365 | 240 | 851551 |
| Hiero 21 | 365 | 241 | 851552 |
| Hiero 22 | 365 | 242 | 851553 |
| Hiero 27 | 365 | 247 | 851558 |
| Hiero 28 | 365 | 248 | 851559 |
| Hiero 29 | 365 | 249 | 851560 |
| Hiero 30 | 365 | 250 | 851561 |
| Hiero 83 | 381 | 384 | 868176 |
| Hiero 85 | 381 | 386 | 868178 |
| Hiero 88 | 381 | 389 | 868181 |
| Hiero 89 | 381 | 390 | 868182 |
| Hiero 93 | 381 | 394 | 868186 |
| Hiero 96 | 381 | 397 | 868189 |
| Hiero 98 | 381 | 399 | 868191 |
| Hiero 102 | 381 | 403 | 868195 |

PROVIDED HOWEVER that the Royalty granted under this Royalty Deed shall not cover or burden any senior lands that overlap or conflict with the Silverado 3, 12, 13, 17, 59-64, 148-149, 164 unpatented mining claims located in Eureka County, Nevada.

STATE OF NEVADA
DECLARATION OF VALUE FORM

DOC # DV-220639
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DORSEY & WHITNEY

Eureka County - NV
Mike Rebaleati - Recorder

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1. Assessor Parcel Number(s)

- a) 009 300 001
b) 009 300 005
c)
d)

2. Type of Property:

- a) ☒ Vacant Land b) ☐ Single Fam. Res.
c) ☐ Condo/Twnhse d) ☐ 2-4 Plex
e) ☐ Apt. Bldg f) ☐ Comm'l/Ind'l
g) ☐ Agricultural h) ☐ Mobile Home
Other

FOR RECOR

Book: Page:
Date of Recording:
Notes:

3. Total Value/Sales Price of Property

Deed in Lieu of Foreclosure Only (value of property) \$ 1.00
Transfer Tax Value: \$ 0
Real Property Transfer Tax Due \$ 0

4. If Exemption Claimed:

- a. Transfer Tax Exemption per NRS 375.090, Section
b. Explain Reason for Exemption:

5. Partial Interest: Percentage being transferred: %

The undersigned declares and acknowledges, under penalty of perjury, pursuant to NRS 375.060 and NRS 375.110, that the information provided is correct to the best of their information and belief, and can be supported by documentation if called upon to substantiate the information provided herein. Furthermore, the parties agree that disallowance of any claimed exemption, or other determination of additional tax due, may result in a penalty of 10% of the tax due plus interest at 1% per month. Pursuant to NRS 375.030, the Buyer and Seller shall be jointly and severally liable for any additional amount owed.

Signature Capacity Secretary, BH Minerals USA, Inc.

Signature Capacity

**SELLER (GRANTOR) INFORMATION
(REQUIRED)**

Print Name: BH Minerals USA, Inc.
Address: 1112 River Street
City: Elko
State: Nevada Zip: 89801

**BUYER (GRANTEE) INFORMATION
(REQUIRED)**

Print Name: American Innovative Minerals, LLC
Address: 3716 East Idaho Street, Suite A
City: Elko
State: Nevada Zip: 89801

COMPANY/PERSON REQUESTING RECORDING (required if not seller or buyer)

Print Name: Escrow #:
Address:
City: State: Zip:

AS A PUBLIC RECORD THIS FORM MAY BE RECORDED/MICROFILMED