

APN – n/a royalty only

Recorded at the request of  
and when recorded return to:  
Thomas P. Erwin  
Erwin & Thompson LLP  
241 Ridge Street  
Suite 210  
Reno, Nevada 89501

**DOC# 231014**

03/24/2016

03:28PM

**Official Record**

Requested By  
HARRIS, THOMPSON & FAILLERS

**Eureka County - NV**

**Sara Simmons - Recorder**

Page: 1 of 30 Fee: \$68.00

Recorded By LH RPTT: \$0.00

Book- 0589 Page- 0208



0231014

The undersigned affirms that this document  
does not contain the personal information of any person.

**Royalty Deed First Supplement  
Eureka County, Nevada**

This Royalty Deed First Supplement (this "Deed") is made by and between Klondex Gold & Silver Mining Company, a Nevada corporation, as grantor (the "Grantor") and Franco-Nevada U.S. Corporation, a Delaware corporation, as grantee (the "Grantee").

**Recitals**

A. Grantor and Grantee are parties to the Royalty Deed dated February 12, 2014, recorded in the Office of the Lander County Recorder on February 12, 2014 (the "Royalty Deed"), Document 270173, Book 655, Page 302, pursuant to which Grantor granted to Grantee a mineral production royalty in certain lands, mineral leases, and unpatented mining claims situated in Lander County, Nevada and certain other Subject Lands, all as described in the Royalty Deed (collectively the "Royalty").

B. Pursuant to the Royalty Deed, Grantor is obligated to include in the Royalty acquisitions of property interests within the area of interest defined in the Royalty Deed.

C. Grantor has acquired certain property interests in Eureka County, Nevada (collectively the "Acquired Interests") in the area of interest defined in the Royalty Deed and the parties desire to have Grantor grant to Grantee the Royalty in the Acquired Interests and to include the description of the Acquired Interests in the description of the properties subject to the Royalty Deed. Capitalized terms used, but not defined, in this Deed shall have the meaning given to them in the Royalty Agreement (defined below).

Now, therefore, for good and valuable consideration, the receipt and sufficiency of which the parties acknowledge, Grantor, for itself and its successors and assigns, grants and conveys to Grantee, and its successors and assigns, and agrees to pay to Grantee, and its successors and assigns, a perpetual royalty in the amount of 2.5% of Net Smelter Returns from Minerals produced from the Acquired Interests described in Exhibit A attached to and by this reference incorporated in this Deed, payable in accordance with the provisions of the Royalty Agreement among Grantor, Klondex Mines Ltd., and Grantee dated February 12, 2014 (as amended, modified, supplemented or restated, the "Royalty Agreement").

Grantor, for itself and its successors and assigns, grants the Royalty to Grantee, and its successors and assigns, in the Acquired Interests on the terms and conditions in the Royalty Agreement and the

Royalty Deed, which terms are incorporated by reference in this Deed. A copy of the Royalty Deed marked as Exhibit B is attached to this Deed.

This Deed supplements the Royalty Deed, and this Deed, the Royalty Deed, and the Royalty Agreement are to be read together and have effect so far as practicable as though the provisions of the Royalty Deed and this Deed are contained in one document. The Royalty Agreement and the Royalty Deed, as supplemented by this Deed, remain fully effective.

Effective as of March 1, 2016.

Klondex Gold & Silver Mining Company

By Barry Dahl  
Barry Dahl, Treasurer

STATE OF NEVADA,        )  
  )ss.  
COUNTY OF WASHOE.    )

This Royalty Deed First Supplement was acknowledged before me on March 22 2016, by Barry Dahl, as the Treasurer of Klondex Gold & Silver Mining Company.

Karen J. Stowell  
Notary Public



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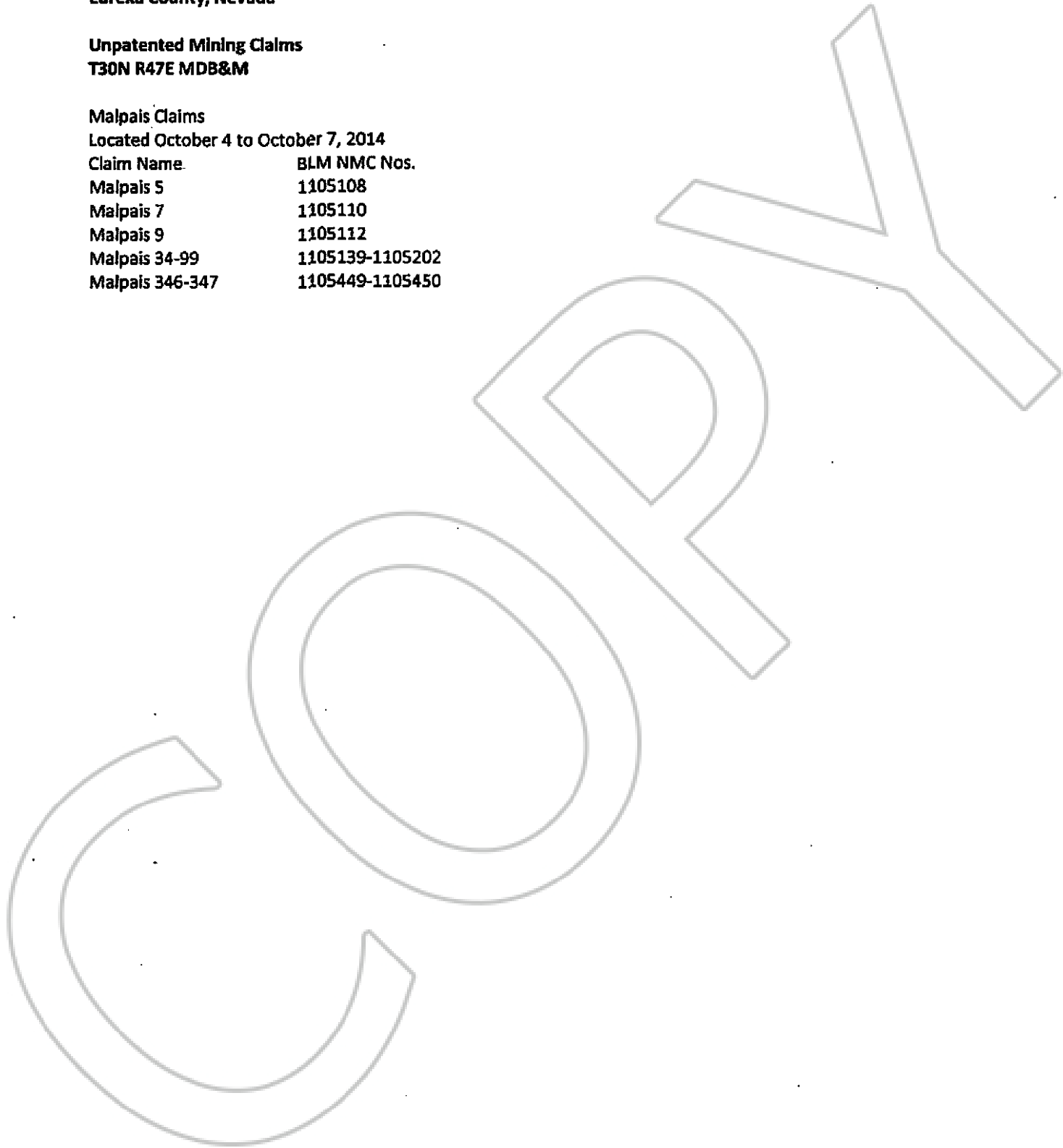
**Royalty Deed First Supplement  
Exhibit A Description of Acquired Interests  
Eureka County, Nevada**

**Unpatented Mining Claims  
T30N R47E MDB&M**

**Malpais Claims**

**Located October 4 to October 7, 2014**

<b>Claim Name</b>	<b>BLM NMC Nos.</b>
Malpais 5	1105108
Malpais 7	1105110
Malpais 9	1105112
Malpais 34-99	1105139-1105202
Malpais 346-347	1105449-1105450



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**Exhibit B**

**Royalty Deed**

**See attached copy of Royalty Deed.**

COPY



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DOC # 0270173

02/12/2014 10:55 AM

Official Record

Recording requested by THOMAS P ERWIN PC

Lander County - NV

Idonna Trevino - Recorder

Fee: \$54.00 Page 1 of 26

RPTT: Recorded By: DK

Book- 655 Page- 0302



0270173

APN: N/A - Mineral Royalty

Recording requested by and when  
recorded return to:

Lionel Sawyer & Collins  
50 W. Liberty Street, Suite 1100  
Reno, Nevada 89501  
Attn: Laura K. Granier

The undersigned affirm that this document does not contain the personal information of  
any person.

**ROYALTY DEED**

This ROYALTY DEED is executed this 12th day of February, 2014, between Klondex Gold & Silver Mining Company, a Nevada corporation ("Klondex Gold"), as grantor, and Franco-Nevada U.S. Corporation, a Delaware corporation ("Franco"), as grantee.

WHEREAS, Klondex Gold, an indirect wholly-owned subsidiary of Klondex Mines Ltd., a British Columbia corporation, owns and has the right to develop, operate and mine the Fire Creek Project located in Lander County, Nevada (the "Project").

WHEREAS, Klondex Gold owns 484 unpatented lode mining claims, 1,118 acres of private fee land, 239 acres of mineral leases and 270 acres with options to purchase, for a total of 11,307 acres located in Lander County, Nevada that are described more particularly in Exhibit A (the "Property").

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which Klondex Gold acknowledges, Klondex Gold hereby grants and conveys to Franco, and agrees to pay Franco, a perpetual royalty in the amount of 2.5% of Net Smelter Returns (the "Royalty") on the Property and any after acquired lands within the boundaries of Township 30 North, Range 47 East (the "Subject Lands") created by the Royalty Agreement between Klondex Gold and Klondex Mines Ltd. and Franco dated February 12, 2014, (the "Royalty Agreement") the material terms of which are summarized below. Capitalized terms used herein and not otherwise defined shall have the meanings set forth in the Royalty Agreement. The provisions of the Royalty Agreement are incorporated into this Deed by this reference, and this deed is not intended to amend or supercede the Royalty Agreement in any manner. Further information regarding the Royalty Agreement may be obtained from Lionel Sawyer & Collins, 50 West



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Liberty Street, Suite 1100, Reno, Nevada 89501, to the attention of Laura K. Granier (Phone: 775-788-8666).

**I. GRANT OF NET SMELTER RETURN ROYALTY**

1.1 **Grant.** Klondex Gold, for itself and its successors and assigns, hereby grants and conveys to Franco and its successors and assigns, and agrees to pay to Franco and its successors and assigns, the Royalty, consisting of a perpetual royalty in the amount of 2.5% of Net Smelter Returns, payable on a monthly basis, from Minerals produced from the Property and Subject Lands, determined in accordance with the provisions of the Royalty Agreement (the material terms of which are summarized below).

1.1.1 **Area of Interest.** If, at any time and from time to time, any Klondex Entity holds or hereafter acquires all or any portion of the Property or the Subject Lands for which the creation, grant and conveyance of the Royalty is not operative or effective in any respect, Klondex Gold shall, at its cost and expense, promptly create, grant and convey (or cause to be created, granted and conveyed) the equivalent Royalty to Franco in respect of such portion of the Property or Subject Lands, and promptly execute and deliver (or cause to be executed and delivered) all further instruments and documents (including an amended Royalty Deed reflecting such additional property interest in form and substance satisfactory to Franco), and take (or cause to be taken) all further action, that may be necessary or desirable, or that Franco may reasonably request (including recording such amended Royalty Deed), in order to create, grant, convey, record or otherwise evidence such Royalty. Such Royalty and any credits/payments on account thereof shall be held in trust for Franco until such Royalty has been created, granted and conveyed to Franco and credits/payments made to Franco as contemplated by this deed and Section 3(b) of the Royalty Agreement.

1.2 **Calculation of Net Smelter Returns & Definitions.**

1.2.1 **Net Smelter Returns.** For any given calendar month, Net Smelter Returns, means the amount determined by the following formula:  $(A \times B) - C$  where "A" is the Monthly Production; "B" is (i) in the case of gold, the Monthly Average Gold Price; (ii) in the case of silver, the Monthly Average Silver Price, or (iii) in the case of other Minerals, the Monthly Average COMEX Price; and, "C" is Allowable Deductions.



**1.2.2 Allowable Deductions.** For the purposes of calculating Net Smelter Returns, "Allowable Deductions" shall mean the following Deductions (without duplication), but only if and to the extent actually incurred and paid by the Klondex Entities in respect of the Monthly Production:

- (a) in the case of Precious Metals shipped from the Property or Subject Lands in the form of doré:
- (i) charges and costs, if any, for transportation and insurance of doré from the Klondex Entities' final mill or other final processing plant to places where such doré is refined (including loading, freight, insurance, security, surveyor fees, handling fees, port fees, demurrage, and forwarding expenses incurred by reason of or in the course of transportation); and
  - (ii) charges imposed by the refiner for refining doré into Refined Gold or Refined Silver, as applicable;

and, for greater certainty, no deductions of the type referred to in this provision shall be applicable in the case of Precious Metals which are shipped from the Property or Subject Lands other than in the form of doré;

- (b) in the case of Minerals other than Precious Metals shipped from the Property or Subject Lands:
- (i) subject to Section 1.2.3 below, charges and costs, if any, for transportation and insurance of Minerals to places where such Minerals are smelted or refined or beneficiated by another final process instead of conventional smelting or refining processes (including loading, freight, insurance, security, surveyor fees, handling fees, port fees, demurrage, and forwarding expenses incurred by reason of or in the course of transportation); and
  - (ii) costs and charges for smelting or refining or other final beneficiation process performed instead of conventional smelting or refining processes; and

- (c) in the case of cash payments, actual selling, marketing and brokerage costs of Refined Gold, Refined Silver or other Minerals, as applicable,



provided that if Minerals are processed on or off the Property or Subject Lands in facilities owned or controlled, in whole or in part, by a Klondex Entity, Allowable Deduction will not include any Deductions that are in excess of those that would have been incurred and have been deductible under the Royalty Agreement or this deed had such processing been carried out at facilities not owned or controlled by a Klondex Entity then offering comparable services for comparable products on prevailing terms.

- 1.2.3 **Toll Milling.** For greater certainty, if the Klondex Entities ship Minerals other than Precious Metals for processing or beneficiation at a facility not owned or controlled by a Klondex Entity prior to final treatment as contemplated in Section 1.2.2(b)(ii), no deductions for toll milling, other processing or transportation of the Minerals to the toll milling or other facility will apply.
- 1.2.4 **Provisional Settlement.** Where the Klondex Entities receive any payment for Monthly Production from a Payor on a provisional basis, the amount of the Royalty payable shall be based on the gross number of ounces of Precious Metals or quantity of other Minerals credited by such provisional settlement, but shall be adjusted as between Klondex Gold and Franco to account for the quantity of Precious Metals or other Minerals established by final settlement with the Payor.
- 1.2.5 **"Klondex Entities"** means Klondex Mines Ltd., Klondex Gold and any entities or organizations controlled directly or indirectly by either Klondex Mines Ltd. or Klondex Gold.
- 1.2.6 **"Minerals"** means any and all metals, minerals and mineral rights of every nature and kind, including metals, precious metals, base metals, gems, diamonds, industrial minerals, commercially valuable rock, aggregate, clays, and diatomaceous earth, hydrocarbons, oil, gas, and other materials in whatever form or state which are mined, excavated, extracted, recovered in soluble solution or otherwise recovered or produced from the Property or Subject Lands.
- 1.2.7 **"Monthly Average COMEX Price"** means, for any given calendar month, the monthly average of the daily COMEX settlement price for a given commodity (other than gold or silver) as quoted in United States dollars by COMEX (a division of CME Group, Inc.) (or any successor thereto) for such month, calculated by dividing the sum of all such quotations during such month by the number of such quotations.
- 1.2.8 **"Monthly Average Gold Price"** means, for any given calendar month, the monthly average of the London p.m. fix for gold as quoted in United States dollars by the London Bullion Market Association (or any successor metals







exchange) for such month, calculated by dividing the sum of all such quotations during such month by the number of such quotations.

1.2.9 "Monthly Average Silver Price" means, for any given calendar month, the monthly average of the London p.m. fix for silver as quoted in United States dollars by the London Bullion Market Association (or any successor metals exchange) for such month, calculated by dividing the sum of all such quotations during such month by the number of such quotations.

1.2.10 "Monthly Production" means the gross number of contained ounces of Precious Metals and the contained quantity of other Minerals in any shipment delivered to and paid for by a smelter, refiner, processor, purchaser or other recipient of Monthly Production, provided such entity is not a Klondex Entity, during any given calendar month, provided that if delivery and payment are not made in the same calendar month, the Precious Metals and/or other Minerals shall be deemed to be part of Monthly Production in the calendar month in which the later of delivery and payment occurs.

1.2.11 "Payor" means the smelter, refiner, processor, purchaser or other recipient of Monthly Production, provided such entity is not a Klondex Entity.

1.2.12 "Precious Metals" means gold and silver contained in the Minerals.

1.2.13 "Property" means the lands set forth in Exhibit A, any after acquired lands within the Subject Lands, and all assets, improvements, and rights of any kind related to or necessary for development and/or operation of the Project.

1.2.14 "Refined Gold" means marketable metal bearing material in the form of gold bars or coins that is refined to a minimum 995 parts per 1,000 fine gold.

1.2.15 "Refined Silver" means marketable metal bearing material in the form of silver bars or coins that is refined to a minimum 999 parts per 1,000 fine silver.

1.3 In Kind Credits. In-kind credits of the Royalty relating to gold and silver shall be made as an in-kind credit in the form of Refined Gold and Refined Silver as set forth under the Royalty Agreement.

**II. RIGHTS & OBLIGATIONS WITH RESPECT TO ROYALTY**

2.1 Nature of Non-Participating Royalty Interest. It is agreed and it is the intention of the parties that the term "non-participating" royalty as used herein shall be construed in its technical sense so that the Royalty herein granted and conveyed by Klondex Gold to Franco shall be payable only from actual





production and sale of minerals from the Property and the Subject Lands. Franco shall have all of the rights and incidents of ownership of a non-participating Royalty owner, which incidents are covenants running with the Property and Subject Lands and include, by way of example, but not by way of limitation, the following: (a) the ownership of the non-participating Royalty which is a vested interest in real property; (b) the right to receive, free of expense other than those deductible in the calculation of Net Smelter Returns, the Royalty; and (c) the obligation of Klondex Gold, its successors or assigns, to pay the Royalty and hold any accrued but unpaid Royalties in trust for Franco. Franco, however, shall not have or claim any incidents of the fee simple ownership in the Property or Subject Lands, which incidents include, by way of example, but not by way of limitation, the following: (a) the right to enter, explore, develop or mine the Property, (b) the right to execute leases, operating agreements, or similar instruments with respect to the Property or Subject Lands, (c) the right to share in bonus payments made as the consideration for the execution of leases or other instruments, (d) the right to share in delay rental or advance or minimum royalty payments made under the terms of leases or other instruments; and (e) the right to participate in any manner in the decisions concerning, or the conduct of, operations on the Property or Subject Lands.

- 2.2 **Payment of Royalties.** Franco shall receive payments of the Royalty to the extent relating to Precious Metals as an in-kind credit in the form of Refined Gold and Refined Silver, as the case may be, by way of credit in metal or physical allocation to the metal account specified by Franco for such purpose, within the time periods set forth in and otherwise in accordance with Section 5 of the Royalty Agreement, unless Franco, at its option, elects to receive all or a portion of the Royalty on Precious Metals as a cash payment. If Franco wishes to receive all or a portion of the Royalty on Precious Metals as a cash payment for a particular month, Franco shall give written notice thereof to Klondex Gold at least 30 days prior to the commencement of such month, and, in such case, Klondex Gold shall pay the Royalty on Precious Metals, or the applicable portion thereof, in cash within 10 days of the last day of such month. The Royalty other than on Precious Metals shall be paid in cash within 10 days of the last day of each calendar month. The cash payments shall be made by wire transfer to an account to be designated by Franco and notified to Klondex Gold at least three business days prior to the payment date. For greater certainty, Franco shall not be responsible for, and all Royalty payments shall be made free of, any Deductions, all of which shall be for the account of Klondex Gold, except as specifically provided for in Sections 3, 4 and 5 of the Royalty Agreement.



**2.3 Late Charge.** If the credit/payment of the Royalty in respect of Monthly Production in a particular month is not made within 30 days after the last day of such month, Franco may give Klondex Gold written notice of such default. Unless Franco shall have received such credit/payment within five days of receipt of such notice:

(a) an additional cash sum equal to 12% of the amount of the delinquent payment (the "late charge") shall be payable to Franco, plus interest on the delinquent credit/payment and the late charge at the rate of 12% per annum, which shall accrue from the day the delinquent credit/payment was due to the date of credit/payment of the Royalty, late charge and accrued interest in full; and

(b) Franco shall have the right to record a lien against the Property and/or a prejudgment writ of attachment for additional security against unpaid royalties.

**2.4 Compliance with Applicable Laws.** Klondex Gold shall comply, and shall cause all operations and activities conducted at, on or in respect of the Fire Creek Project to comply with all applicable laws, authorizations, regulations, rules, and terms and conditions thereof.

**2.5 Books and Records; Audits; Inspections.**

**2.5.1 Books and Records.** Klondex Gold shall ensure that the Klondex Entities each keep true, complete and accurate books and records of all material operations and activities with respect to the Property or Subject Lands, including the mining, treatment, processing, refining, transportation and sale of Minerals and in which complete entries will be made, in accordance with GAAP applied on a consistent basis, reflecting all material financial transactions of each of the Klondex Entities relating to the Property or Subject Lands. "GAAP" means generally accepted accounting principles for publicly accountable enterprises at the relevant time determined with reference to The Handbook of the Canadian Institute of Chartered Accountants, as amended from time to time, which for certainty, for financial periods beginning on or after January 1, 2011, are International Financial Reporting Standards.

**2.5.2 Audits.** Upon not less than three business days' notice, Franco and its authorized representatives shall be entitled, at its own cost and expense, to perform audits or other reviews and examinations of the books and records of the Klondex Entities relevant to the payment of the Royalty and to otherwise confirm compliance by the Klondex Entities with the terms of the Royalty Agreement and this deed.





Klondex Gold shall ensure that the Klondex Entities each provide Franco with complete access to all the Klondex Entities' books and records at the Klondex Entities' offices during usual business hours. If any such audits reveal a material breach of any provision of this deed or the Royalty Agreement or that credits/payments on account of the Royalty for any calendar year have been underpaid by more than 3%, Klondex Gold shall reimburse Franco for its costs and expenses incurred in such audit.

- 2.5.3 **Inspections.** At reasonable times and with the prior consent of Klondex Gold (not to be unreasonably withheld or delayed), Franco and its authorized representatives shall have a right of access to all surface and subsurface portions of the Property, to any mill, smelter, concentrator or other processing facility owned or operated by any Klondex Entity that is used to process Minerals and to any related operations of the Klondex Entities for the purpose of enabling Franco to monitor compliance by the Klondex Entities with the terms of this deed and the Royalty Agreement and/or to comply with the obligations of Franco or any of its affiliates under National Instrument 43-101 (or any other applicable Canadian and/or US securities laws and/or stock exchange rules and policies governing the disclosure obligations of Franco or any of its affiliates), as determined by Franco acting reasonably. Franco and its authorized representatives shall have the further right to: (i) inspect and take copies of all records and data, whether maintained physically or electronically, pertaining to the Property or Subject Lands, mill, smelter, concentrator, other processing facilities and related operations; (ii) take samples from the Property or any stockpile of Minerals, any mill, smelter, concentrator or other processing facility and any Payor for purposes of assay verification; and (iii) weigh, or to cause the Klondex Entities to weigh, all trucks transporting Minerals from the Property to any mill, smelter, concentrator or other processing facility that is used to process Minerals prior to dumping of such ore and immediately following such dumping.

### III. MISCELLANEOUS

- 3.1 **Maintenance of Property.** Klondex Gold shall at all times do or cause to be done all things necessary to maintain the Property and Subject Lands in good standing, including paying or causing to be paid all taxes owing in respect thereof, performing or causing to be performed all required assessment work thereon, paying or causing to be paid all claim, permit and license maintenances fees in respect thereof, paying or causing to be paid all rents and other payments in respect of leased properties forming a part thereof, and otherwise maintaining the Property in accordance with applicable laws.





- 3.2 Abandonment of Property.** Klondex Gold shall not abandon any patented or unpatented claims comprising part of the Property or Subject Lands or any other interest in the Property or Subject Lands unless it first complies with this Section 3.2 and Section 10(d) of the Royalty Agreement (provided that in the case of leased properties, Klondex Gold shall only be required to comply with this Section 3.2 and Section 10(d) of the Royalty Agreement to the extent permitted under the applicable lease or sublease). If Klondex Gold wishes to abandon any of the patented or unpatented claims comprising part of the Property or Subject Lands or any other interest in the Property or Subject Lands ("Abandonment Property"), Klondex Gold shall first give notice of such intention to Franco at least 90 days in advance of the proposed date of abandonment. If, not less than 10 days before the proposed date of abandonment, Franco provides Klondex Gold written notice that Franco wishes to acquire the Abandonment Property, Klondex Gold shall, without additional consideration, convey the Abandonment Property in good standing by quit claim deed, without warranty, to Franco or an assignee thereof, and shall thereafter have no further obligation to maintain title to the Abandonment Property. If Franco does not give such notice to Klondex Gold within the prescribed period of time, Klondex Gold may abandon the Abandonment Property and shall thereafter have no further obligation to maintain title to the Abandonment Property; provided, however, that if any Klondex Entity reacquires a direct or indirect interest in any of the Abandonment Property at any time following such abandonment, the production of Minerals from such property shall be subject to the Royalty, this deed and the Royalty Agreement. Klondex Gold shall give prompt written notice to Franco of any such reacquisition.
- 3.3 Royalty and Stream Interests.** Klondex Gold shall not, without Franco's prior written consent, create, grant, convey or otherwise agree to any royalty or stream interest, or enter into any agreements that are similar to a royalty agreement or a stream agreement, in each case in respect of all or any portion of the Property or Subject Lands, except as expressly permitted by and subject to the terms and conditions set forth in Section 12 of the Royalty Agreement. If Klondex Gold receives a bona fide written offer (a "Third Party Offer") from any person or entity dealing at arm's length with the Payor to purchase a new or existing royalty or stream interest (the "Offered Interest") in all or any portion of the Property or Subject Lands for cash consideration, which the Payor either wishes to accept or has accepted conditional on and subject to Franco's right of first refusal pursuant to Section 12 of the Royalty Agreement, the Payor shall promptly give written notice of the Third Party Offer (the "Notice of Offer") to Franco and comply with Section 12 of the Royalty Agreement. The Notice of Offer must contain a copy of the Third Party Offer, disclose the identity and address of the person or entity



making the Third Party Offer (the "Third Party Offeror") and provide reasonably sufficient evidence to establish that the Third Party Offeror has the power and capacity, including the financial capacity, to complete the purchase of the Offered Interest. Upon the Notice of Offer being given, Franco will have the right to purchase all, but not less than all, of the Offered Interest at the same price and upon the same terms and conditions as are contained in the Third Party Offer.

- 3.4 **Further Assurances.** Franco, Klondex Gold and their successors and assigns shall, upon the reasonable request of the other, take all steps and execute all documents to effectuate the intent of this instrument, including but not limited to the execution and recording of documents that will evidence the fact that the non-participating royalty interest granted and conveyed herein exists and continues in full force beyond the time patents are issued for any of the unpatented mining claims subject to the Royalty.
- 3.5 **Successors and Assigns.** The rights, titles, privileges and obligations under this instrument shall inure to the benefit of and be binding upon the parties and their respective successors and assigns.
- 3.6 **Rule Against Perpetuities.** If an arbitrator, court or tribunal of competent jurisdiction determines that the term of this deed or the Royalty Agreement violates the rule against perpetuities, the rule against unreasonable restraints on the alienation of property or any other similar rule, then the term or violating provision(s) of the Royalty granted under this deed and the Royalty Agreement shall automatically be amended only to the extent required by law to coincide with the maximum term or scope permitted by the rule against perpetuities, the rule against unreasonable restraints on the alienation of property or any other similar rule, as applicable, and this Agreement shall not be terminated solely as a result of such violation. The parties hereto irrevocably release and waive the applicability of the rule against perpetuities to the Royalty. Each of the parties agrees and covenants, for itself and its successors and assigns, that it will not commence any action or arbitration proceeding to declare the Royalty ineffective, invalid or void based on the rule against perpetuities, and that it will not in any action or arbitration proceeding commenced by the other party, or its successors and assigns, as applicable, assert as an affirmative defense against any claim for relief for enforcement of this Agreement that this Agreement is ineffective, invalid or void based on the rule against perpetuities.

Executed as of the date set forth above.

[Signatures appear on following page]

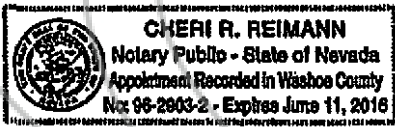


**KLONDEX GOLD & SILVER MINING COMPANY**

By: [Signature]  
Name: Paul Hunt  
Title: President / CEO

STATE OF Nevada )  
 ) SS.  
COUNTY OF Washoe )

This instrument was acknowledged before me on February 9, 2014 by Paul Hunt, who did declare that he/she is the President / CEO of KLONDEX GOLD & SILVER MINING COMPANY, and that he/she was duly authorized to and did execute this document on behalf of said company for the purposes therein stated.



Cheri R. Reimann  
Notary Public  
My Commission Expires: 6/11/2016

FRANCO-NEVADA U.S. CORPORATION

By: Jeffery D. Jenkins  
Name: Jeffery D. Jenkins  
Title: Director of Finance - US Operations

STATE OF Colorado )  
 ) SS.  
COUNTY OF Douglas )

This instrument was acknowledged before me on February 7<sup>th</sup>, 2014 by Jeffery D. Jenkins, who did declare that he/she is the Director of Finance of FRANCO-NEVADA U.S. CORPORATION and that he/she was duly authorized to and did execute this document on behalf of said company for the purposes therein stated.

REBECCA CHAVEZ  
NOTARY PUBLIC  
STATE OF COLORADO  
MY COMMISSION EXPIRES 01-28-16

Rebecca Chavez, Notary Public  
My Commission Expires: 01-28-2016





**EXHIBIT A**

**PATENTED CLAIMS, FEE LAND, UNPATENTED CLAIMS, MINING LEASES AND WATER RIGHTS**

**DESCRIPTION OF FIRE CREEK PROPERTY**

**Title to Properties**

484 Unpatented Lode Mining Claims Owned by Klondex Gold & Silver Mining Company

Located in Sections 2, 10, 14, 16, 20, 22, 24, 26, 28, 30, 31, 32, 34 and 36, T30N R47E; and Section 36, T31N R47E; MDM; Lander County, Nevada

<u>BLM Serial #</u>	<u>Claim Name &amp; #</u>	<u>Loc Date</u>	<u>DOC; Book; Page</u>
NMC429292	WOOD TICK # 2	7/18/1987	144804;295;528
NMC429294	WOOD TICK # 4	7/18/1987	144806;295;530
NMC429296	WOOD TICK # 6	7/18/1987	144808;295;532
NMC429298	WOOD TICK # 8	7/18/1987	144810;295;534
NMC429300	WOOD TICK # 10	7/18/1987	144812;295;536
NMC429302	WOOD TICK # 12	7/18/1987	144814;295;538
NMC429304	WOOD TICK # 14	7/18/1987	144816;295;540
NMC429306	WOOD TICK # 16	7/18/1987	144818;295;542
NMC429308	WOOD TICK # 18	7/18/1987	144820;295;544
NMC429310	WOOD TICK # 20	7/18/1987	144822;295;546
NMC429312	WOOD TICK # 22	7/18/1987	144824;295;548
NMC429314	WOOD TICK # 24	7/19/1987	144826;295;550
NMC429316	WOOD TICK # 26	7/19/1987	144828;295;552
NMC429318	WOOD TICK # 28	7/18/1987	144830;295;554
NMC429320	WOOD TICK # 30	7/18/1987	144832;295;556
NMC429322	WOOD TICK # 32	7/19/1987	144834;295;558
NMC429324	WOOD TICK # 34	7/19/1987	144836;295;560
NMC429326	WOOD TICK # 36	7/19/1987	144838;295;562
NMC429328	WOOD TICK # 38	7/21/1987	144840;295;564
NMC429330	WOOD TICK # 40	7/21/1987	144842;295;566
NMC429332	WOOD TICK # 42	7/21/1987	144844;295;568
NMC429334	WOOD TICK # 44	7/21/1987	144846;295;570
NMC429336	WOOD TICK # 46	7/21/1987	144848;295;572
NMC429338	WOOD TICK # 48	7/21/1987	144850;295;574
NMC429340	WOOD TICK # 50	7/21/1987	144852;295;576
NMC429342	WOOD TICK # 52	7/21/1987	144854;295;578
NMC588642	G 1	1/23/1990	163499
NMC588643	G 2	1/23/1990	163500
NMC588644	G 3	1/23/1990	163501
NMC588645	G 4	1/23/1990	163502
NMC588646	G 5	1/23/1990	163503
NMC588647	G 6	1/23/1990	163504





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NMC588650	G 9	1/23/1990	163507
NMC588651	G 10	1/23/1990	163508
NMC588652	G 11	1/23/1990	163509
NMC588653	G 12	1/23/1990	163510
NMC588654	G 13	1/23/1990	163511
NMC588655	G 14	1/23/1990	163512
NMC588656	G 15	1/23/1990	163513
NMC588657	G 16	1/23/1990	163514
NMC636760	DEB # 2	12/13/1991	171442;403/94
NMC636762	DEB # 4	12/13/1991	171444;403/94
NMC642589	REVENGE 2	12/16/1991	172707
NMC642591	REVENGE 4	12/17/1991	172709
NMC642593	REVENGE 6	12/17/1991	172711
NMC642595	REVENGE 8	1/26/1992	172713
NMC642597	REVENGE 10	12/18/1991	172715
NMC642599	REVENGE 12	12/18/1991	172717
NMC642601	REVENGE 14	12/18/1991	172719
NMC642603	REVENGE 16	2/6/1992	172721
NMC642605	REVENGE 18	2/6/1992	172723
NMC642607	REVENGE 20	12/16/1991	172725
NMC642609	REVENGE 22	1/9/1992	172727
NMC642611	REVENGE 24	2/13/1992	172729
NMC642613	REVENGE 26	2/13/1992	172731
NMC642615	REVENGE 28	1/26/1992	172733
NMC654400	K 1	6/25/1992	176394
NMC654401	K 2	6/25/1992	176395
NMC654402	K 3	6/25/1992	176396
NMC654403	K 4	6/25/1992	176397
NMC654404	K 5	6/25/1992	176398
NMC654405	K 6	6/25/1992	176399
NMC654406	K 7	6/25/1992	176400
NMC654407	K 8	6/25/1992	176401
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NMC654409	K 10	6/25/1992	176403
NMC654410	K 11	6/25/1992	176404
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NMC654412	K 13	6/25/1992	176406
NMC654413	K 14	6/25/1992	176407
NMC654414	K 15	6/25/1992	176408
NMC654415	K 16	6/25/1992	176409
NMC654416	K 17	6/25/1992	176410
	Amended	8/17/1992	177514
NMC654417	K 18	6/25/1992	176411



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NMC654420	K 21		6/26/1992 176414
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		Amended	8/17/1992 177517
NMC654422	K 23		6/26/1992 176416
NMC654423	K 24		6/26/1992 176417
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NMC654424	K 25		6/26/1992 176418
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		Amended	8/17/1992 177521
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NMC677355	ALAN 4		2/15/1993 183755
NMC677356	ALAN 5		2/15/1993 183756
NMC677357	ALAN 6		2/15/1993 183757
NMC677358	ALAN 7		2/15/1993 183758
NMC677359	ALAN 8		2/15/1993 183759
NMC677360	ALAN 9		2/15/1993 183760
NMC677361	ALAN 10		2/15/1993 183761
NMC677362	ALAN 11		2/15/1993 183762
NMC677363	ALAN 12		2/15/1993 183763
NMC677364	ALAN 13		2/15/1993 183764
NMC677365	ALAN 14		2/15/1993 183765;392;701
NMC689348	N 2		11/17/1993 187015;403;45
NMC689350	N 4		11/17/1993 187017
NMC689352	N 6		11/17/1993 187019
NMC689354	N 8		11/17/1993 187021
NMC689356	N 10		11/17/1993 187023
NMC689358	N 12		11/17/1993 187025
NMC689360	N 14		11/17/1993 187027
NMC689362	N 16		11/17/1993 187029
NMC689364	N 18		11/17/1993 187031
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NMC689368	N 22		11/18/1993 187035
NMC689370	N 24		11/18/1993 187037
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NMC689386	TL 8	11/10/1993	187054
NMC689388	TL 10	11/10/1993	187056
NMC689390	TL 12	11/10/1993	187058
NMC689392	TL 14	11/10/1993	187060
NMC689394	TL 16	11/10/1993	187062
NMC689396	TL 18	11/10/1993	187064;40394
NMC703411	TL 20	6/21/1994	190187;409;652
NMC703413	TL 22	6/21/1994	190189;409;654
NMC703415	TL 24	6/21/1994	190191;409;656
NMC703417	TL 26	6/21/1994	190193;409;658
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NMC725846	FCRA 2	9/28/1995	195571;422;372
NMC725847	FCRA 3	9/28/1995	195572;422;373
NMC725848	FCRA 4	9/28/1995	195573;422;374
NMC725849	FCRA 5	9/28/1995	195574;422;375
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NMC725852	FCRA 8	9/28/1995	195577;422;378
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NMC725854	FCRA 10	9/28/1995	195579;422;380
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NMC725858	FCRA 14	9/28/1995	195583;422;384
NMC725859	FCRA 15	9/28/1995	195584;422;385
NMC725860	FCRA 16	9/28/1995	195585;422;386
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NMC810917	T 3	10/13/1999	213998;470;448
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NMC810919	T 5	10/13/1999	214000;470;450
NMC810920	T 6	10/13/1999	214001;470;451
NMC810921	T 7	10/13/1999	214002;470;452
NMC810922	T 8	10/13/1999	214003;470;453
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NMC858206	T 18	9/24/2003	229505
NMC858207	T 19	9/23/2003	229506
NMC858208	T 20	9/23/2003	229507
NMC858209	T 21	9/23/2003	229508
NMC858210	T 22	9/23/2003	229509
NMC858211	T 23	9/23/2003	229510
NMC858212	T 24	9/23/2003	229511
NMC858213	T 25	9/23/2003	229512
NMC858214	T 26	9/23/2003	229513
NMC858215	T 27	9/24/2003	229514
NMC858216	T 28	9/24/2003	229515
NMC858217	T 29	9/24/2003	229516
NMC858218	T 30	9/24/2003	229517
NMC858219	T 31	9/24/2003	229518
NMC858220	T 32	9/24/2003	229519
NMC858221	T 33	9/24/2003	229520
NMC858222	T 34	9/24/2003	229521
NMC858223	T 35	9/24/2003	229522
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NMC858226	HONDO 3	9/20/2003	229422
NMC858227	HONDO 5	9/20/2003	229423
NMC858228	HONDO 7	9/20/2003	229424
NMC858229	HONDO 9	9/20/2003	229425
NMC858230	HONDO 11	9/20/2003	229426
NMC858231	HONDO 13	9/20/2003	229427
NMC858232	HONDO 15	9/20/2003	229428
NMC858233	HONDO 18	9/20/2003	229429
NMC858234	HONDO 20	9/20/2003	229430
NMC858235	HONDO 22	9/20/2003	229431
NMC858236	HONDO 24	9/20/2003	229432
NMC858237	HONDO 26	9/20/2003	229433
NMC858238	HONDO 28	9/20/2003	229434
NMC858239	HONDO 30	9/20/2003	229435
NMC858240	HONDO 32	9/20/2003	229436
NMC858241	HONDO 157	9/20/2003	229437
NMC858242	HONDO 158	9/20/2003	229438
NMC858243	DEB 1	9/22/2003	229477
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NMC858249	REVENGE 7	9/23/2003	229483
NMC858250	REVENGE 9	9/23/2003	229484
NMC858251	REVENGE 11	9/22/2003	229485
NMC858252	REVENGE 13	9/22/2003	229486
NMC858253	REVENGE 15	9/22/2003	229487
NMC858254	REVENGE 17	9/22/2003	229488
NMC858255	REVENGE 19	9/22/2003	229489
NMC858256	REVENGE 21	9/22/2003	229490
NMC858257	REVENGE 23	9/22/2003	229491
NMC858258	REVENGE 25	9/22/2003	229492
NMC858259	REVENGE 27	9/22/2003	229493
NMC858260	REVENGE 29	9/23/2003	229494
NMC858261	REVENGE 30	9/23/2003	229495
NMC858262	REVENGE 31	9/23/2003	229496
NMC858263	FC 1	9/21/2003	229440
NMC858264	FC 2	9/21/2003	229441
NMC858265	FC 3	9/21/2003	229442
NMC858266	FC 4	9/21/2003	229443
NMC858267	FC 5	9/21/2003	229444
NMC858268	FC 6	9/21/2003	229445
NMC858269	FC 7	9/21/2003	229446
NMC858270	FC 8	9/21/2003	229447
NMC858271	FC 9	9/21/2003	229448
NMC858272	FC 10	9/21/2003	229449
NMC858273	FC 11	9/21/2003	229450
NMC858274	FC 12	9/21/2003	229451
NMC858275	FC 13	9/21/2003	229452
NMC858276	FC 14	9/21/2003	229453
NMC858277	FC 15	9/21/2003	229454
NMC858278	FC 16	9/21/2003	229455
NMC858279	FC 17	9/21/2003	229456
NMC858280	FC 18	9/21/2003	229457
NMC858281	WHAT IF 29	9/21/2003	229458
NMC858282	WHAT IF 30	9/21/2003	229459
NMC858283	WHAT IF 31	9/21/2003	229460
NMC858284	WHAT IF 32	9/21/2003	229461
NMC858285	WHAT IF 33	9/21/2003	229462
NMC858286	WHAT IF 34	9/21/2003	229463
NMC858287	WHAT IF 35	9/21/2003	229464
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NMC858293	FC 41	9/21/2003	229470
NMC858294	FC 42	9/21/2003	229471
NMC858295	FC 43	9/21/2003	229472
NMC858296	FC 44	9/21/2003	229473
NMC858297	FC 45	9/21/2003	229474
NMC858298	FC 46	9/21/2003	229475
NMC858346	T 38	10/5/2003	229833
NMC858347	T 39	10/5/2003	229834
NMC858348	T 40	10/5/2003	229835
NMC858349	T 41	10/5/2003	229836
NMC858350	T 42	10/5/2003	229837
NMC858351	T 43	10/5/2003	229838
NMC858352	T 44	10/5/2003	229839
NMC858353	T 45	10/5/2003	229840
NMC858354	T 46	10/5/2003	229841
NMC858355	T 47	10/5/2003	229842
NMC858356	T 48	10/5/2003	229843
NMC858357	T 49	10/5/2003	229844
NMC858358	T 50	10/5/2003	229845
NMC858359	T 51	10/5/2003	229846
NMC858360	T 52	10/5/2003	229847
NMC858361	T 53	10/5/2003	229848
NMC858362	T 54	10/5/2003	229849
NMC858363	T 55	10/5/2003	229850
NMC858364	T 56	10/5/2003	229851
NMC858365	T 57	10/5/2003	229852
NMC858366	T 58	10/5/2003	229853
NMC858367	T 59	10/5/2003	229854
NMC858368	T 60	10/5/2003	229855
NMC858369	T 61	10/6/2003	229856
NMC858370	T 62	10/6/2003	229857
NMC858371	T 63	10/6/2003	229858
NMC858372	T 64	10/6/2003	229859
NMC858373	T 65	10/6/2003	229860
NMC858374	T 66	10/6/2003	229861
NMC858375	T 67	10/6/2003	229862
NMC858376	T 68	10/6/2003	229863
NMC858377	T 69	10/6/2003	229864
NMC858378	T 70	10/6/2003	229865
NMC858379	T 71	10/6/2003	229866
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NMC883203	FCXX 5	11/24/2004	234693
NMC883204	FCXX 6	11/24/2004	234694
NMC883205	FCXX 7	11/24/2004	234695
NMC883206	FCXX 8	11/24/2004	234696
NMC883207	FCXX 9	11/24/2004	234697
NMC883208	FCXX 10	11/24/2004	234698
NMC883209	FCXX 11	11/24/2004	234699
NMC883210	FCXX 12	11/24/2004	234700
NMC883211	FCXX 13	11/24/2004	234701
NMC883212	FCXX 14	11/24/2004	234702
NMC883213	FCXX 15	11/24/2004	234703
NMC883214	FCXX 16	11/24/2004	234704
NMC883215	FCXX 17	11/24/2004	234705
NMC883216	FCXX 18	11/24/2004	234706
NMC883217	FCXX 19	11/24/2004	234707
NMC883218	FCXX 20	11/24/2004	234708
NMC883219	FCXX 21	11/24/2004	234709
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NMC883221	FCXX 23	11/24/2004	234711
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NMC883225	FCXX 27	11/24/2004	234715
NMC883226	FCXX 28	11/24/2004	234716
NMC883227	FCXX 29	11/24/2004	234717
NMC883228	FCXX 30	11/24/2004	234718
NMC883229	FCXX 31	11/24/2004	234719
NMC883230	FCXX 32	11/24/2004	234720
NMC883231	FCXX 33	11/24/2004	234721
NMC883232	FCXX 34	11/24/2004	234722
NMC883233	FCXX 35	11/24/2004	234723
NMC883234	FCXX 36	11/24/2004	234724
NMC883235	FCXX 37	11/24/2004	234725
NMC883236	FCXX 38	11/24/2004	234726
NMC883237	FCXX 39	11/24/2004	234727
NMC883238	FCXX 40	11/24/2004	234728
NMC941456	CH 1	9/19/2006	245941
NMC941457	CH 2	9/19/2006	245942
NMC941458	CH 3	9/19/2006	245943
NMC941459	CH 4	9/19/2006	245944
NMC941460	CH 5	9/19/2006	245945
NMC941461	CH 6	9/19/2006	245946
NMC941462	CH 7	9/19/2006	245947
NMC941463	CH 8	9/19/2006	245948
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NMC941468	CH 13	9/19/2006	245953
NMC941469	CH 14	9/19/2006	245954
NMC941470	CH 15	9/19/2006	245955
NMC941471	CH 16	9/19/2006	245956
NMC941472	CH 17	9/19/2006	245957
NMC941473	CH 18	9/19/2006	245958
NMC941474	HONDO 2	10/4/2006	245960
NMC941475	HONDO 4	10/4/2006	245961
NMC941476	HONDO 6	10/4/2006	245962
NMC941477	HONDO 8	10/4/2006	245963
NMC941478	HONDO 10	10/4/2006	245964
NMC941479	HONDO 12	10/4/2006	245965
NMC941480	HONDO 14	10/4/2006	245966
NMC941481	HONDO 16	10/4/2006	245967
NMC941482	HONDO 17	10/4/2006	245968
NMC941483	HONDO 19	10/4/2006	245969
NMC941484	HONDO 21	10/4/2006	245970
NMC941485	HONDO 23	10/4/2006	245971
NMC941486	HONDO 25	10/4/2006	245972
NMC941487	HONDO 27	10/4/2006	245973
NMC941488	HONDO 29	10/4/2006	245974
NMC941489	HONDO 31	10/4/2006	245975
NMC941490	HONDO 155	10/4/2006	245976
NMC941491	HONDO 156	10/4/2006	245977
NMC941492	N 1	9/11/2006	245979
NMC941493	N 3	9/11/2006	245980
NMC941494	N 5	9/12/2006	245981
NMC941495	N 7	9/12/2006	245982
NMC941496	N 9	9/12/2006	245983
NMC941497	N 11	9/11/2006	245984
NMC941498	N 13	9/11/2006	245985
NMC941499	N 15	9/12/2006	245986
NMC941500	N 17	9/12/2006	245987
NMC941501	N 19	9/11/2006	245988
NMC941502	N 21	9/11/2006	245989
NMC941503	N 23	9/11/2006	245990
NMC941504	N 25	9/11/2006	245991
NMC941505	N 27	9/11/2006	245992
NMC941506	N 29	9/12/2006	245993
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NMC941512	TL 9	9/13/2006	246000
NMC941513	TL 11	9/13/2006	246001
NMC941514	TL 13	9/13/2006	246002
NMC941515	TL 15	9/13/2006	246003
NMC941516	TL 17	9/13/2006	246004
NMC941517	TL 19	9/14/2006	246005
NMC941518	TL 21	9/14/2006	246006
NMC941519	TL 23	9/14/2006	246007
NMC941520	TL 25	9/14/2006	246008
NMC941521	TL 27	9/14/2006	246009
NMC941522	TL 28	9/14/2006	246010
NMC941523	TL 29	9/14/2006	246011
NMC941524	TL 30	9/14/2006	246012
NMC941525	TL 31	9/14/2006	246013
NMC941526	TWE 1	10/10/2006	246015
NMC941527	TWE 2	10/10/2006	246016
NMC941528	TWE 3	10/10/2006	246017
NMC941529	TWE 4	10/10/2006	246018
NMC941530	TWE 5	10/10/2006	246019
NMC941531	TWE 6	10/10/2006	246020
NMC941532	TWE 7	10/10/2006	246021
NMC941533	TWE 8	10/10/2006	246022
NMC941534	TWE 9	10/10/2006	246023
NMC941535	TWE 10	10/10/2006	246024
NMC941536	TWE 11	10/10/2006	246025
NMC941537	TWE 12	10/10/2006	246026
NMC941538	TWE 13	10/10/2006	246027
NMC941539	TWE 14	10/10/2006	246028
NMC941540	TWE 15	10/10/2006	246029
NMC941541	TWE 16	10/10/2006	246030
NMC941542	TWE 17	10/10/2006	246031
NMC941543	TWE 18	10/10/2006	246032
NMC941544	TWE 19	9/20/2006	246033
NMC941545	TWE 20	9/20/2006	246034
NMC941546	TWE 21	9/20/2006	246035
NMC941547	TWE 22	9/20/2006	246036
NMC941548	TWE 23	9/20/2006	246037
NMC941549	TWE 24	9/20/2006	246038
NMC941550	TWE 25	9/20/2006	246039
NMC941551	TWE 26	9/20/2006	246040
NMC941552	TWE 27	9/20/2006	246041
NMC941553	TWE 28	9/20/2006	246042
NMC941554	TWE 29	9/20/2006	246043
NMC941555	TWE 30	9/20/2006	246044
NMC941556	TWE 31	9/20/2006	246045





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NMC941557	TWE 32	9/20/2006	246046
NMC941558	TWE 33	9/20/2006	246047
NMC941559	TWE 34	9/20/2006	246048
NMC941560	TWE 35	9/20/2006	246049
NMC941561	TWE 36	9/20/2006	246050
NMC941562	WT 1	10/31/2006	246052
NMC941563	WT 3	10/31/2006	246053
NMC941564	WT 5	10/31/2006	246054
NMC941565	WT 7	10/31/2006	246055
NMC941566	WT 9	10/31/2006	246056
NMC941567	WT 11	10/31/2006	246057
NMC941568	WT 13	10/31/2006	246058
NMC941569	WT 15	10/31/2006	246059
NMC941570	WT 17	10/31/2006	246060
NMC941571	WT 19	11/7/2006	246061
NMC941572	WT 21	11/7/2006	246062
NMC941573	WT 23	11/7/2006	246063
NMC941574	WT 25	11/7/2006	246064
NMC941575	WT 27	11/7/2006	246065
NMC941576	WT 29	10/31/2006	246066
NMC941577	WT 31	10/31/2006	246067
NMC941578	WT 33	10/31/2006	246068
NMC941579	WT 35	10/31/2006	246069
NMC941580	WT 37	11/1/2006	246070
NMC941581	WT 39	11/1/2006	246071
NMC941582	WT 41	11/1/2006	246072
NMC941583	WT 43	11/1/2006	246073
NMC941584	WT 45	11/1/2006	246074
NMC941585	WT 47	11/1/2006	246075
NMC941586	WT 49	11/1/2006	246076
NMC941587	WT 51	11/1/2006	246077
NMC941588	WT 53	11/1/2006	246078
NMC941589	WT 54	11/1/2006	246079
NMC941590	WT 55	11/1/2006	246080
NMC941591	WT 56	11/8/2006	246081
NMC941592	WT 57	11/8/2006	246082
NMC941593	WT 58	11/8/2006	246083
NMC941594	WT 59	11/8/2006	246084
NMC941595	WT 60	11/8/2006	246085
NMC941596	WT 61	11/8/2006	246086
NMC941597	WT 62	11/8/2006	246087
NMC941598	WT 63	11/8/2006	246088
NMC941599	WT 64	11/8/2006	246089
NMC941600	WT 65	11/8/2006	246090
NMC941601	WT 66	11/8/2006	246091
NMC941602	WT 67	11/8/2006	246092
NMC941603	WT 68	11/8/2006	246093





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NMC941604	WT 69	11/8/2006	246094
NMC941605	WT 70	11/8/2006	246095
NMC941606	WT 71	11/8/2006	246096
NMC941607	WT 72	11/8/2006	246097
<i>Total 484 Claims</i>			

**Summary of Fire Creek Exploration Project Fee Holdings**

<u>APN</u>	<u>Legal Description</u>	<u>Royalty</u>	<u>Acres</u>
<b>Section 9 T30N R47E MDB&amp;M</b>			
007-110-01	NW1/4	N/A	160
007-110-13	E1/2 NE 1/4 NE1/4, SE1/4 NE1/4, SE1/4 SW1/4 NE1/4	N/A	70
<b>Section 15 T30N R47E MDB&amp;M</b>			
007-140-01	N1/2 NW1/4	N/A	80
007-140-03	SW1/4 NW1/4	N/A	40
007-140-05	SW1/4 NE1/4	N/A	40
007-140-12	SE1/4 SW1/4	N/A	40
007-140-14	Lots 1 & 2, also described as S1/2 SE1/4	N/A	65.39
007-140-15	SE1/4 NE1/4 SW1/4	N/A	10
007-140-19	S1/2 NW1/4 NE1/4	N/A	20
007-140-20	N1/2 NW1/4 NE1/4	N/A	20
007-140-21	NW1/4 NE1/4 SW1/4	N/A	10
007-140-22	NE1/4 NE1/4 SW1/4	N/A	10
007-140-23	SW1/4 NE1/4 SW1/4	N/A	10
007-140-25	NW1/4 NE1/4 NE1/4	N/A	10
<b>Section 23 T30N R47E MDB&amp;M</b>			
007-160-06	E1/2 SE1/4 NE1/4	N/A	20
007-160-08	N1/2 NE1/4 SE1/4	N/A	20
007-160-09	SE1/4 NE1/4 SE1/4	N/A	10
007-160-16	N1/2 SE1/4 NW1/4	5% NSR	20
007-160-17	N1/2 NW1/4 SW1/4	N/A	20
007-160-18	NW1/4 NW1/4	N/A	40
007-160-19	NE1/4 NW1/4	N/A	40
007-160-20	NE1/4 SW1/4 NW1/4	N/A	10
007-160-21	S1/2 SE1/4 NW1/4	N/A	20
007-160-22	NE1/4 NE1/4 SW1/4	N/A	10
007-160-25	W1/2 SW1/4 NW1/4, NE1/4 SW1/4 NW1/4	5% NSR	30
007-160-26	NW1/4 NE1/4 SW1/4	N/A	10
007-160-27	NW1/4, SW1/4 SE1/4, SE1/4 NW1/4 SE1/4	N/A	20
007-160-28	SW1/4 NE1/4 SE1/4 NW1/4 SE1/4 SE1/4	N/A	20



APN	Legal Description	Royalty	Acres
<b>Section 21 T30N R47E MDB&amp;M</b>			
007-610-01	NW1/4	N/A	160
<b>Section 33 T30N R47E MDB&amp;M</b>			
007-640-06	S1/2 NW1/4	N/A	80
29 Fee Parcels			1095.39

**Summary of Fire Creek Exploration Project Leased Fee Holdings**

APN	Description	Lessor	Royalty	Expiration	Acres
<b>Section 15 T30N R47E MDB&amp;M</b>					
007-140-04	SE1/4 NW1/4	Third Party Lessor	4% NSR	(2)	40
007-140-06	SE1/4 NE1/4	Third Party Lessor	4% NSR	(2)	40
007-140-10	NE1/4 SE1/4, E1/2 NW1/4 SE1/4	Third Party Lessor	2.5% NSR	(2)	60
007-140-07	N2NW4SW4	Third Party Lessor	3.0% NSR & 0.5% wheelage royalty <sup>(1)</sup>	31-Jul-33	20
007-140-09	W2NW4SE4	Third Party Lessor	3.0% NSR & 0.5% wheelage royalty <sup>(1)</sup>	31-Jul-33	20
<b>Section 19 T30N R47E MDB&amp;M</b>					
007-160-04	SW4NE4	Third Party Lessor	3.0% NSR & 0.5% wheelage royalty <sup>(1)</sup>	31-Jul-33	40
007-160-24	NE4NW4SE4	Third Party Lessor	3.0% NSR & 0.5% wheelage royalty <sup>(1)</sup>	31-Jul-33	10
<b>Section 19 T30N R47E MDB&amp;M</b>					
007-060-69	Parcel 1 of the Sharp Hospital Map recorded in the Office of the Lander County Recorder in Book 375, Official Records, Page 170	Third Party Lessor	3.0% NSR & 0.5% wheelage royalty <sup>(1)</sup>	31-Jul-33	9.28
8 Leased Fee Parcels					239.28

**Water Rights**

All Water Rights and Certificates issued from Nevada Division of Water Resources have been issued to Klondex Gold & Silver Mining Company, unless otherwise noted.

Water Right Application number 74990-T filed November 2, 2006, Corrected Application filed December 27, 2006; this is a temporary permit and will revert back to 28637 on expiration.





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Water Right Application number 77002 filed April 30, 2008, Approval of State Engineer granted November 16, 2009, Proof of Beneficial Use due November 16, 2014.

Water Right Application number 28637 filed August 28, 1974, Certificate 10558 granted January 28, 1983. This permit was issued to L. E. Gilbert.

Water Right Application number 77003 filed April 30, 2008, Approval of State Engineer granted November 16, 2009, Proof of Beneficial Use due November 16, 2014.

Water Right Application number 75129 filed November 28, 2006 with a new priority date of September 17, 2009, Certificate 18863 granted September 26, 2012.



231014

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**STATE OF NEVADA  
DECLARATION OF VALUE**

**DOC# DV-231014**

03/24/2016

03:28PM

**Official Record**

Requested By  
**HARRIS, THOMPSON & FAILLERS**

**Eureka County - NV**

**Sara Simmons - Recorder**

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Fee: \$68.00

Recorded By LH

PRTT: \$0.00

Notes: \_\_\_\_\_

**1. Assessor Parcel Number (s)**

a) n/a royalty only on mineral rights

b) \_\_\_\_\_

c) \_\_\_\_\_

d) \_\_\_\_\_

**2. Type of Property:**

- |  |                                      |                             |                 |
|--|--------------------------------------|-----------------------------|-----------------|
| a) <input type="checkbox"/>            | Vacant Land                          | b) <input type="checkbox"/> | Single Fam Res. |
| c) <input type="checkbox"/>            | Condo/Twnhse                         | d) <input type="checkbox"/> | 2-4 Plex        |
| e) <input type="checkbox"/>            | Apt. Bldg.                           | f) <input type="checkbox"/> | Comm'l/Ind'l    |
| g) <input type="checkbox"/>            | Agricultural                         | h) <input type="checkbox"/> | Mobile Home     |
| i) <input checked="" type="checkbox"/> | Other royalty only on mineral rights |                             |                 |

**3. Total Value/Sales Price of Property:**

\$ n/a

Deed in Lieu of Foreclosure Only (value of property) \$ n/a

Transfer Tax Value: \$ 0.00

Real Property Transfer Tax Due: \$ 0.00

**4. If Exemption Claimed:**

a. Transfer Tax Exemption, per NRS 375.090, Section: NRS 375.010(1)(b)(8) - not a Deed

b. Explain Reason for Exemption: \_\_\_\_\_

5. Partial Interest: Percentage being transferred: n/a %

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 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 *Thomas P. Erwin* Capacity Attorney for grantee  
Signature *Sara Simmons* Capacity Attorney for grantor

**SELLER (GRANTOR) INFORMATION BUYER (GRANTEE) INFORMATION**

(REQUIRED)	(REQUIRED)
Print Name: <u>Klondex Gold &amp; Silver Mining Company</u>	Print Name: <u>Franco Nevada U.S. Corporation</u>
Address: <u>Suite 600-595 Howe Street</u>	Address: <u>1745 Shea Center Drive, Suite 400</u>
City: <u>Vancouver, British Columbia</u>	City: <u>Highlands Ranch</u>
State: <u>Canada</u> Zip: <u>V6C 2T5</u>	State: <u>CO</u> Zip: <u>80129</u>

**COMPANY/PERSON REQUESTING RECORDING**

(REQUIRED IF NOT THE SELLER OR BUYER)  
Print Name: Thomas P. Erwin, Erwin & Thompson LLP Escrow # \_\_\_\_\_  
Address: 241 Ridge Street, Suite 210  
City: Reno State: NV Zip: 89501

(AS A PUBLIC RECORD THIS FORM MAY BE RECORDED)