

Assessor's Parcel No.: N/A (unpatented mining claims)

**DOC# 231101**

04/14/2016

11:48AM

When recorded return to:

Fennemore Craig, P.C.  
300 E. Second St, Suite 1510  
Reno, NV 89501  
Attention: Colleen A. Dolan

**Official Record**

Requested By  
THOMAS P. ERWIN P.C.

**Eureka County - NV**

**Sara Simmons - Recorder**

Page: 1 of 8 Fee: \$46.00

Recorded By LH RPTT: \$0.00

Book- 0590 Page- 0052



0231101

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

**SECOND AMENDMENT OF DEED OF TRUST, ASSIGNMENT OF LEASES  
AND RENTS  
AND SECURITY AGREEMENT  
Hot Springs, Eureka County**

This Second Amendment of Deed of Trust, Assignment of Leases and Rents and Security Agreement ("Second Amendment") is made among Klondex Gold & Silver Mining Company ("Trustor"), and Franco-Nevada GLW Holdings Corp., as Collateral Agent ("Beneficiary").

**RECITALS**

A. Pursuant to the terms of a Gold Purchase Agreement dated February 11, 2014 between Klondex Mines Ltd., as seller ("Seller"), and Franco-Nevada GLW Holdings Corp., as buyer (in such capacity, "Buyer") (as amended, restated, renewed, extended, supplemented or otherwise modified from time to time, the "Purchase Agreement"), Seller agreed to sell and deliver to Buyer gold in the aggregate value of \$33,763,640. Trustor has guaranteed the Delivery Obligations (as defined in the Purchase Agreement, and other obligations of Seller under the Purchase Agreement (collectively, the "Purchase Agreement Obligations") pursuant to the terms of a guarantee dated February 11, 2014 (the "Purchase Agreement Guarantee").

B. Pursuant to the Senior Secured Facility Agreement dated February 11, 2014 between Seller, as borrower, the loan parties thereto, Royal Capital Management Corp. ("RCM"), as security agent and the lenders party thereto, as lenders (as amended, restated, renewed, extended, supplemented or otherwise modified from time to time, the "Facility Agreement"), the Lenders (as defined in the Facility Agreement) agreed to provide certain credit facilities to Seller in the aggregate amount of C\$25,000,000. Trustor guaranteed the Obligations, as defined in the Facility Agreement and other obligations of Seller under the Facility Agreement (collectively, the "Facility Agreement

Obligations”) pursuant to the terms of a guarantee dated February 11, 2014 (the “Facility Agreement Guarantee”).

C. The Purchase Agreement Guarantee and the Facility Agreement Guarantee are secured by the Deed of Trust, Assignment of Leases and Rents and Security Agreement dated February 10, 2014 (the “Original Deed of Trust”) which was recorded in the Office of the Eureka County Recorder on February 10, 2014, Document 0226972.

D. Seller paid and performed in full the Facility Agreement Obligations and RCM, as security agent for the Lenders, as defined in the Facility Agreement, discharged and released Trustor’s obligations to RCM and the Lenders, as defined in the Facility Agreement, under the Facility Agreement Guarantee. In connection therewith, the parties entered into the First Amendment of Deed of Trust, Assignment of Leases and Rents and Security Agreement (the “First Amendment” and together with the Original Deed of Trust, the “Deed of Trust”) in order to evidence the release and discharge of such Facility Agreement Obligations from the benefit of the Deed of Trust, which was recorded in the Office of the Eureka County Recorder.

E. Pursuant to the Senior Revolving Facility Agreement dated March 23, 2016 between Seller, as borrower, the loan parties thereto, Investec Bank PLC, as a lender and hedge counterparty, and as security agent (in such capacity, the “Investec Security Agent”), and the parties thereto, as lenders (as amended, restated, renewed, extended, supplemented or otherwise modified from time to time, the “Investec Facility Agreement”), the Lenders (as defined in the Investec Facility Agreement) agreed to provide certain credit facilities to Seller in the aggregate amount of \$25,000,000. Trustor has guaranteed the Obligations, as defined in the Investec Facility Agreement and other obligations of Seller under the Investec Facility Agreement (collectively, the “Investec Facility Agreement Obligations”) pursuant to the terms of a guarantee dated March 23, 2016 (the “Investec Facility Agreement Guarantee”).

F. Trustor has agreed that the Investec Facility Agreement Guarantee will be secured by the Deed of Trust and the Beneficiary has consented thereto.

G. The parties desire to amend the Deed of Trust to provide that the Investec Facility Agreement Guarantee and Trustor’s obligations thereunder and under the Investec Facility Agreement shall be secured by the Deed of Trust and that the lien and security interest granted under the Deed of Trust shall extend to and be for the benefit of the Lenders as defined in the Investec Facility Agreement.

H. The Purchase Agreement, the Purchase Agreement Guarantee, the other documents and instruments contemplated by the foregoing, and the Purchase Agreement Obligations remain outstanding and remain in full force and effect, and the foregoing remain subject to and secured by the Deed of Trust.

I. Pursuant to an Intercreditor Agreement, as defined in the Investec Facility Agreement, Beneficiary shall act as collateral agent under the Deed of Trust.



231101

Book: 590 04/14/2016  
Page: 53 2 of 8

In consideration of the foregoing recitals, and other good and valuable consideration, the receipt and sufficiency of which the parties acknowledge, the parties agree as follows.

1. Recital B of the Deed of Trust is replaced with Recital E of this Second Amendment.

2. Section 1.04(b)(ii) of the Deed of Trust is amended to read as follows:

Trustor's guarantee of the Investec Facility Agreement  
Obligations and other obligations pursuant to the Investec  
Facility Agreement Guarantee.

3. The Deed of Trust is amended to provide that effective on the date of this Second Amendment (a) the term "Facility Agreement" shall mean the Investec Facility Agreement, (b) the term "Facility Agreement Obligations" shall mean the Investec Facility Agreement Obligations, (c) the term "Facility Agreement Guarantee" shall mean the Investec Facility Agreement Guarantee, and (d) the term "Security Agent" shall mean the Investec Security Agent.

4. Trustor represents and warrants that each of the Recitals set forth above is true and correct. The parties acknowledge that the Recitals are a material part of this Second Amendment.

5. Subject to the terms and conditions of this Second Amendment, the Deed of Trust is hereby amended to the extent necessary to give effect to the provisions of this Second Amendment and to incorporate the provisions of this Second Amendment into the Deed of Trust. The Deed of Trust, together with this Second Amendment, are to be read together and have effect so far as practicable as though the provisions of the Deed of Trust and the relevant provisions of this Second Amendment are contained in one document.

6. Trustor hereby ratifies, approves, confirms, and continues the Deed of Trust and acknowledges and confirms that the Deed of Trust remains in full force and effect continually from and as of its effective date. All Liens (including any liens and security interests) created, extended, or renewed by the Deed of Trust are hereby confirmed, ratified, extended and continued by this Second Amendment.

7. This Second Amendment amends, ratifies, confirms and continues the Deed of Trust. Nothing contained in this Second Amendment shall be deemed or construed to (a) be a repayment, satisfaction, discharge, or novation of the Purchase Agreement Obligations or any part thereof or (b) release, waive, terminate, reconvey, discharge, novate, or in any way limit or impair any lien, security interest, encumbrance, or other Lien granted or given under the Deed of Trust or otherwise to secure the Purchase Agreement Obligations.

8. This Second Amendment shall be governed by the laws of Nevada.



9. All references to the Deed of Trust in this Second Amendment or elsewhere are deemed to refer to the Deed of Trust as amended, confirmed, ratified and continued by this Second Amendment.

10. As and when requested to do so by Beneficiary from time-to-time, Trustor shall promptly deliver to Beneficiary all filings, confirmations, ratifications, amendments, and other documents and certificates reasonably requested by Beneficiary for the purpose of confirming, maintaining, continuing, protecting, or perfecting the Deed of Trust, the Liens (including the liens and security interests) granted in the Deed of Trust, and the rights and remedies of the Beneficiary under the Deed of Trust.

11. The execution, delivery and effectiveness of this Second Amendment shall not operate as a waiver, or be deemed to operate as a waiver, of any rights, powers or remedies of Beneficiary or Trustee under the Deed of Trust or constitute a waiver of any provision of the Deed of Trust, nor shall this Second Amendment operate as or constitute consent to, or waiver of, any prior or existing default, event of default (including any Event of Default), or breach of any provision of any instrument, or otherwise limit, diminish, prejudice, or waive any right or remedy that Trustee or Beneficiary may have with respect hereto and thereto.

12. The Beneficiary hereby reserves all of its rights, powers, and remedies under the Deed of Trust, the Purchase Agreement, and all other instruments executed in conjunction with the Purchase Agreement.

13. Any provision of this Second Amendment which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

14. This Second Amendment shall bind and inure to the benefit of the parties and their respective successors and assigns.

15. This Second Amendment may be executed in any number of counterparts, each of which will for all purposes be deemed to be an original.

Dated effective March 23, 2016

[signatures on next page]



231101

Book: 590 04/14/2016  
Page: 55 4 of 8

Klondex Gold & Silver Mining Company

By

Barry Dahl

Name: Barry Dahl

Title: Treasurer

Franco-Nevada GLW Holdings Corp.

By

Name:

Title:



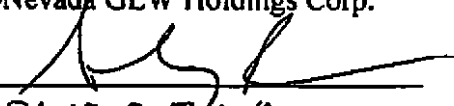
231101

Book: 590 04/14/2016  
Page: 56 5 of 8

Klondex Gold & Silver Mining Company

By \_\_\_\_\_  
Name:  
Title:

Franco-Nevada GLW Holdings Corp.

By   
Name: SANDIP RANA  
Title: CHIEF FINANCIAL OFFICER



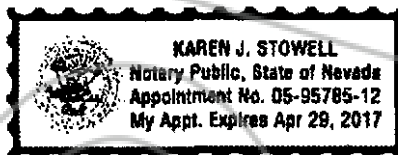
231101

Book: 590 04/14/2016  
Page: 57 6 of 8

STATE OF Nevada )  
 ) ss.  
COUNTY OF Washoe )

This instrument was acknowledged before me on March 22, 2016 by  
Barry Dahl as Treasurer of Klondex Gold & Silver Mining  
Company.

Karen J. Stowell  
NOTARY PUBLIC  
My commission expires 4/29/2017



STATE OF \_\_\_\_\_ )  
 ) ss.  
COUNTY OF \_\_\_\_\_ )

This instrument was acknowledged before me on \_\_\_\_\_, 2016 by  
\_\_\_\_\_ as \_\_\_\_\_ of Franco-Nevada GLW Holdings Corp.

\_\_\_\_\_  
NOTARY PUBLIC  
My commission expires \_\_\_\_\_



STATE OF \_\_\_\_\_ )  
 ) ss.  
COUNTY OF \_\_\_\_\_ )

This instrument was acknowledged before me on \_\_\_\_\_, 2016 by  
\_\_\_\_\_ as \_\_\_\_\_ of Klondex Gold & Silver Mining  
Company.

\_\_\_\_\_  
NOTARY PUBLIC  
My commission expires \_\_\_\_\_

<sup>CITY</sup>  
STATE OF Toronto )  
 ) ss.  
<sup>PROVINCE</sup>  
COUNTY OF Ontario )

This instrument was acknowledged before me on March 23, 2016 by  
SANDIP RANA as CEO of Franco-Nevada GLW Holdings Corp.

  
NOTARY PUBLIC  
My commission expires N/A



231101

Book: 590 04/14/2016  
Page: 59 8 of 8