

APN #: N/A (conveyance of an interest in minerals)

RECORDED AT THE REQUEST OF, AND
WHEN RECORDED, RETURN TO:

Barrick Gold US Inc.
Attention: Robert L. Brock C.P.L., Regional Land Manager
460 West 50 North, Suite 500
Salt Lake City, Utah 84101
Email: bbrock@barrick.com

Mail Tax Statement to: N/A

DOC# 231699

08/02/2016

11:58AM

Official Record

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STEWART TITLE ELKO

Eureka County - NV

Sara Simmons - Recorder

Page: 1 of 19 Fee: \$32.00

Recorded By LH RPTT: \$0.00

Book- 0593 Page- 0071



0231699

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Affirmation Statement: The undersigned affirms that this document does not contain any social security numbers or other personal information of any person (Per NRS 239B.030).

NET SMELTER RETURNS ROYALTY DEED

FOR GOOD AND VALUABLE CONSIDERATION, the receipt and sufficiency of which are hereby expressly acknowledged, by this Net Smelter Returns Royalty Deed (this "Royalty Deed") BARRICK GOLD U.S. INC., a California corporation ("Grantor"), does hereby agree to pay to Thomas P. Connolly and Volina L. Connolly, Co-Trustees of the Thomas and Volina Connolly Family Trust dated November 2, 2004, as Amended and Restated December 17, 2012 ("Royalty Holder"), a Net Smelter Returns Royalty equal to the Royalty Percentage of the Net Smelter Returns, each as hereinafter defined and computed, with respect to production from the Property. (Grantor and Royalty Holder are referred to individually as a "Party" and collectively as the "Parties").

ARTICLE I. DEFINITIONS & EXHIBITS

As used herein, the following terms shall have the meanings assigned to them as follows:

1.1 "Affiliate" means any Person that directly or indirectly Controls, is Controlled by, or is under common Control with, Grantor.

1.2 "Allowable Deductions" means the following, in each case determined without duplication:

(a) all costs, tolling charges, representation expenses, metal losses, umpire charges, expenses, penalties, fees and other expenses and charges of any nature whatsoever that are paid or incurred by Grantor and/or its Affiliates for or in connection with smelting, refining, beneficiation processes, mineral treatment or other procedures whether deducted from the sales revenue and/or are charged against Grantor and/or its Affiliates to produce Refined Products after the Raw Products or Intermediate Products leave the Mine and Mill;

(b) all costs, expenses and charges of any nature whatsoever that are paid or incurred by Grantor and its Affiliates and whether deducted from the sales revenue and/or are charged against the Grantor and/or its Affiliates for or in connection with transportation (including insurance, shipping, freight, stockpiling, storage, warehousing, handling, port, demurrage, delay and forwarding expenses and transaction taxes) of Products away from the Mine and Mill to a smelter or refinery or other place of mineral treatment or beneficiation and from there to the place or places of storage and sale to the ultimate purchaser;

(c) sales, use, gross receipts, customs duties, severance, valid third party royalties (excluding any royalties under this Royalty Deed), value added taxes and other taxes and governmental charges, if any, payable with respect to the existence, severance, production, removal, sale, processing, transportation, or disposition of Products that are paid or incurred by the Grantor and/or its Affiliates with respect to the Products, but excluding any taxes:

- (i) based on the gross or net income of Grantor and/or its Affiliates;
- (ii) any business or franchise taxes of Grantor and its Affiliates; and
- (iii) any taxes based on the value of the Property and any improvements thereon including any ad valorem taxes and Nevada Net Proceeds of Minerals Taxes;

(d) costs and fees of sales, insurance, consignment, agency fees and sales brokerage, and any discounts or rebates given to customers for off-specification or damaged product that are paid and/or incurred by the Grantor and its Affiliates with respect to Products shipped from the Mine and Mill; and

(e) all Permitted Treatment Costs.

1.3 "Control" means the possession, directly or indirectly, of the power to direct or cause the direction of management and policies through ownership of voting securities, contract, voting trust or otherwise.

1.4 "Deemed Receipts" shall mean the following:

(a) Where the Grantor or its Affiliates produce or have produced any Refined Products through any smelting or refining arrangements or any other transactions that result in the return to, or credit to the account of, Grantor or its Affiliates of:

- (i) refined copper meeting the good delivery requirements of the London Metal Exchange ("LME") for Grade "A" Copper Cathode or High Grade Copper meeting the COMEX division of the New York Mercantile Exchange ("COMEX") requirements for delivery (each, "Refined Copper");
- (ii) fine gold bullion of .995 or better ("Gold Bullion"); and/or
- (iii) silver bullion of .999 or better ("Silver Bullion");



(iv) lead bullion meeting the good delivery requirements of the LME (minimum purity of 99.970%) or the COMEX ("**Lead Bullion**"); and/or

(v) other Products produced from Intermediate Products through subsequent smelting and/or refining and the outturned metal from which meets the relevant specifications for Refined Products that have prices regularly quoted on the London Metals Exchange ("**Other Refined Products**") and in each case produced from Raw Products and/or Intermediate Products produced from the Property

then notwithstanding anything in this Royalty Deed to the contrary, the term "Deemed Receipts" for such Refined Products shall be deemed to mean the net number of pounds avoirdupois of Refined Copper and/or troy ounces of Gold Bullion and/or Silver Bullion, and/or the net number of pounds avoirdupois of Lead Bullion and/or net number of pounds avoirdupois or other relevant unit of measure for Other Refined Products, as the case may be, returned to, or credited to the account of, Grantor and/or its Affiliates by the applicable smelter, refinery or other treatment facility in a calendar quarter, multiplied by:

- (A) for Refined Copper, the average of the LME Settlement Price for Grade "A" Copper Cathode in the case of return of LME Grade "A" Copper Cathode or of the COMEX most nearby spot price in the case of return of COMEX High Grade Copper or the equivalent, in each case for the calendar quarter in which such Refined Copper is returned or credited to the account of the Grantor or its Affiliates by such smelter, refinery or other treatment facility;
- (B) for Gold Bullion, the average London Bullion Market Association P.M. Gold Fixing for the calendar quarter in which such bullion is so returned or credited;
- (C) for Silver Bullion, the average London Bullion Market Association Silver Fixing for the calendar quarter in which such bullion is so returned or credited;
- (D) for Lead Bullion, the average of the LME Settlement Price for lead in the case of LME lead bullion or the COMEX most nearby spot price in the case of return of COMEX lead or the equivalent, in each case for the calendar quarter in which such Refined Lead is returned or credited to the account of the Grantor or its Affiliates by such smelter, refinery or other treatment facility; and
- (E) for Other Refined Products, the average London Metals Exchange prices for such Other Refined Product for the calendar quarter in which such Other Refined Product is so returned or credited.



In the event of any insurance proceeds payable to the Grantor and/or its Affiliates for any loss or damage to the Intermediate Products prior to receipt at the relevant refinery, smelter or other treatment facility, such insurance proceeds shall be included as revenue in lieu of Deemed Receipts.

(b) The average price for the calendar quarter shall be determined by dividing the sum of the applicable daily prices posted during the relevant calendar quarter by the number of days that prices were posted. The posted price shall be obtained, in the case of LME Grade "A" copper cathode or COMEX Grade Copper, LME Lead Bullion or COMEX Lead Bullion or Other Refined Products, from *Platt's Metals Alert* weekly monthly averages for the applicable period or *Metal Bulletin*, but corrected to the official quotations of COMEX or the London Metal Exchange in the event of printing errors, and for other prices, *The Wall Street Journal*, Reuters, or other reliable source selected by the Grantor.

(c) If the LME Settlement Price for Grade "A" Copper Cathode, or the COMEX most nearby spot price for High Grade Copper, the London Bullion Brokers P.M. Gold Fixing or the London Bullion Brokers Silver Fixing, the LME Settlement Price for Lead Bullion or the COMEX most nearby spot price for Lead Bullion or other relevant LME prices, as the case may be, ceases to be published, the Parties shall agree upon a similar alternative method for determining the average daily spot market price for Refined Copper, Gold Bullion, Silver Bullion, Lead Bullion or Other Refined Products, as the case may be, or upon failure to so agree, the average of the daily LME settlement prices during such period, as reasonably determined by the Grantor, shall be used.

(d) In the case where an Intermediate Product is distributed to an Affiliate of the Grantor and such Intermediate Product is converted by such Affiliate or a third Person on behalf of such Affiliate to a Refined Product meeting the standards for determining Deemed Receipts as set forth in this subsection, then for purposes of calculating Deemed Receipts such Refined Product shall be deemed produced, and the Deemed Receipts received, by the Grantor in the calendar quarter in which the Refined Product is made available to the Affiliate by the smelter or refinery.

1.5 "GAAP" shall mean generally accepted accounting principles set forth in the opinions and pronouncements of the Accounting Principles Board of the American Institute of Certified Public Accountants and statements and pronouncements of the Financial Accounting Standards Board, from time to time, applied on a consistent basis.

1.6 "Grantor" shall mean the Person identified as Grantor in the introductory clause of this Royalty Deed, and its successors and assigns.

1.7 "Intermediate Products" shall mean concentrates (including leachates, precipitates, and other concentrates), doré, and other intermediate products, if any, produced by the Mine and Mill from Raw Products, but shall not include cathode or other Refined Products.

1.8 "Liabilities" shall mean any and all loss and expense, including legal fees and other legal expense, by reason of liability imposed or claimed to be imposed by law upon a Person



for (a) sickness, disease, infection, or bodily injuries, including death resulting therefrom, or (b) property damage.

1.9 **"Mine and Mill"** shall mean the Grantor's mine and mill facility on, or appurtenant to the Property in which Raw Products and/or Intermediate Products are produced by the Grantor.

1.10 **"Net Smelter Returns"** shall be the Receipts less the Allowable Deductions pertaining to such Receipts, in each case for the applicable calendar quarter.

1.11 **"Net Smelter Returns Royalty"** means the production royalty to be paid pursuant to this Royalty Deed calculated by the amount of Net Smelter Returns for the applicable period, multiplied by the Royalty Percentage for the applicable period.

1.12 **"Permitted Treatment Costs"** means the costs and charges incurred by Grantor for the production of Refined Products from Intermediate Products in refineries, smelters, electrowinning facilities and similar facilities owned by the Grantor or its Affiliates, as such costs and charges are established on an arms-length basis based on the costs and charges including without limitation treatment charges, penalties, metals losses, and other costs and deductions that would be made by such treatment facilities pursuant to the then generally prevailing world terms for the production of Refined Products from such Intermediate Products supplied by a non-Affiliated third party having like kind, quantity, quality and grade and with appropriate adjustments for freight, and as the same is agreed by the Parties on an annual basis, or if the same cannot be agreed by the Parties in advance, as established on an annual basis pursuant to the Referee Procedures in Section 4.4 below.

1.13 **"Person"** shall mean an individual, corporation, trust, partnership, limited liability company, joint venture, unincorporated organization, firm, estate, governmental authority or any agency or political subdivision thereof, or other entity.

1.14 **"Physical Product Receipts"** shall mean revenues received by the Grantor for any Raw Products, Intermediate Products, or Refined Products sold by the Grantor, excluding revenues for any Products described in the definition of "Deemed Receipts", including any and all other minor metals sold from ore mined from the Property, such as molybdenum, tin, etc. that are not sufficiently refined to meet either the definition of Refined Products or other LME good delivery standards. The amount of such revenues shall be determined as follows:

(a) If Raw Products or Intermediate Products are sold to a smelter, refinery or other purchaser (other than the Grantor or Affiliates of the Grantor) or are distributed to an Affiliate but are not converted by or for such Affiliate into Refined Products meeting the requirements in the definition of "Deemed Receipts" as provided above, then the amount of Physical Product Receipts with respect to such Raw Products or Intermediate Products shall equal the amount of net revenues actually received by the Grantor from the physical sale of the payable metals in such Products to the smelter, refiner or other purchaser of Products, including any bonuses, premiums, and subsidies. In the case where such Raw Products or Intermediate Products are distributed in kind to an Affiliate of the Grantor, and then are sold without further processing by or for such Affiliate, such sale shall be deemed to be a sale by the Grantor for the purposes of



making the calculations in this subsection and the revenues from such sale shall be deemed to have been received by the Grantor.

(b) If Raw Products or Intermediate Products are distributed to an Affiliate in any transaction that is not covered by either Section 1.14(a) above or the definition of Deemed Receipts, such as in the case where the Affiliate consumes such Raw Products or Intermediate Products in its own operations, then in such event the revenues attributed to the Grantor with respect to such Products shall be the fair market value price that would otherwise be received from a third Party in an arm's length transaction for the sale of such Raw Products and/or Intermediate Products. Such fair market value shall be reasonably determined by the Grantor on the basis of world terms from custom smelters in the Americas, Asia or Europe, to which such Products would otherwise be shipped and processed, for like kind, quantity, quality and grade of such Products, on an annual basis.

In lieu of setting the fair market value price for such Products based on the above, the Grantor or the Royalty Holder may elect, by notice in writing to the Grantor, to establish such price by reference to the provisions of Section 4.4 of this Agreement.

1.15 **"Products"** shall mean Raw Products, Intermediate Products and Refined Products produced from ores extracted, mined and removed from the Property, it being the intent that all commercially salable metallic products produced from ores mined from the Property and that generate revenues to the Grantor shall be included in this Royalty Deed, including without limitation, all salable precious metals, copper, zinc, lead, molybdenum, and other metallic products produced and sold from the Property, and that the sales of the same shall be covered either as Deemed Receipts or Physical Product Receipts. Products shall not include any material mined and removed from the Property for use by Grantor for roads, foundations, concrete or other construction or industrial uses relating to the Property or material that is processed that did not originate from the Property, and shall not include any material that is not recovered for commercial sale from ores extracted from the Property.

1.16 **"Property"** shall mean the Property described in **Exhibit 1** and depicted on **Exhibit 2** including any renewals, extensions, replacements or improvements thereon made from time to time by Grantor, such term also includes include any real property interest hereafter acquired from any third Person inside the boundaries of the Property.

1.17 **"Raw Products"** shall mean ore produced from the Property in the form of run of mine ore, direct shipment ore and other similar crude or raw ore produced from the Property without further processing other than crushing.

1.18 **"Receipts"** shall be the sum of Physical Product Receipts and Deemed Receipts for the applicable calendar quarter. Receipts shall not include any revenue or losses from any Trading Activities.

1.19 **"Refined Products"** shall mean Gold Bullion, Silver Bullion, cathode and other Refined Copper, Lead Bullion and Other Refined Products produced from Intermediate Products through refining and/or smelting or equivalent treatment operations.

1.20 **"Royalty Deed"** shall mean this Net Smelter Returns Royalty Deed.



1.21 **"Royalty Holder"** shall mean the Person identified as Royalty Holder in the introductory clause of this Royalty Deed, and its shall be the Person or entity entitled to receive the Net Smelter Returns payment provided for in this Agreement.

1.22 **"Royalty Percentage"** shall mean 3% of the Net Smelter Returns for any applicable calendar quarter.

1.23 **"Submission Period"** is defined in Section 4.4(c).

1.24 **"Trading Activities"** shall mean any and all price hedging and price protection activities undertaken by Grantor or its Affiliates with respect to any Products, raw materials, interest rates or currency exchanges including without limitation, any forward sale and/or purchase contracts, spot-deferred contracts, option contracts, derivative contracts, speculative purchases and sales of forward, futures and option contracts, both on and off commodity exchanges. Such Trading Activities, and the profits and losses generated thereby, shall not, in any manner, be taken into account in the calculation of royalties due to Royalty Holder, whether in connection with the determination of price, the date of sale, or the date any royalty payment is due. The Royalty Holder acknowledges that Grantor and its Affiliates engaging in Trading Activities may result in Grantor and its Affiliates realizing from time to time fewer or more profits for Products than does Royalty Holder, since Royalty Holder's royalty is established by published prices, in the case of metals described in the definition of Deemed Receipts and the sales price of the physical commodity to be delivered, in the case of other Physical Product Receipts. Similarly, Royalty Holder shall not be obligated to share in any losses generated by any such Trading Activities with respect to the sales of any Refined Copper, Gold Bullion or Silver Bullion or Lead Bullion or any other Refined Products.

1.25 **"Transfer"** shall mean any sale, grant, assignment, conveyance, encumbrance, pledge, hypothecation, abandonment or other transfer.

1.26 The following Exhibits attached hereto are incorporated herein and form part of this Agreement:

Exhibit 1 The Property

Exhibit 2 Map of the Property

ARTICLE II. COMPUTATION AND PAYMENT OF NET SMELTER RETURNS

2.1 **Computation.** To compute the Net Smelter Returns Royalty, the Grantor shall multiply the Net Smelter Returns by the applicable Royalty Percentage in each case for the immediately preceding calendar quarter. The Net Smelter Returns Royalty shall be proportionately reduced based on the Royalty Holder's ownership of the mineral estate with respect to the Property.

2.2 **Payments.** When Net Smelter Returns Royalty payments are due and owing under this Royalty Deed, the Grantor shall pay to the Royalty Holder a payment equal to the Net Smelter Returns Royalty computed under Section 2.1 within forty-five (45) days after the end of the calendar quarter for which such computation is made, and shall deliver with such payment a copy of the calculations used in connection with such payment. Any overpayments or underpayments shall be corrected in the next calendar quarter following determination of such adjustment.



ARTICLE III. ACCOUNTING MATTERS

3.1 **Accounting Principles.** All Receipts and Allowable Deductions shall be determined in accordance with GAAP as applied by the Grantor. Receipts and Allowable Deductions shall be determined by the accrual method.

ARTICLE IV. AUDITS AND DISPUTES

4.1 **Audit.** The Royalty Holder, upon written notice, shall have the right to have an independent firm of certified public accountants audit the records that relate to the calculation of the Net Smelter Returns Royalty within six (6) years after receipt of a payment under Section 2.2 hereof. Any calculation not so audited shall be deemed final and shall not thereafter be subject to audit or challenge absent fraud or mistake.

4.2 **Disputes.** The Royalty Holder shall be deemed to have waived any right it may have had to object to a payment made for any calendar quarter, unless it provides notice in writing of such objection within six (6) years after receipt of final payment for the calendar quarter.

4.3 **Arbitration.**

(a) In the event that any dispute arising out of or relating to this Royalty Deed or its breach, termination or validity, except for the matters to be resolved in Section 4.4 below which shall be exclusive for those disputes, then shall such claim, controversy or dispute, upon written notice by either Party to the other, be finally settled by arbitration administered under the rules then pertaining of the American Arbitration Association ("AAA").

(b) The arbitration shall be heard by a panel of three (3) independent and impartial arbitrators all of whom shall be selected from a list of neutral arbitrators having, as appropriate, mining, base metals, precious metals, and/or and concentrates markets expertise, supplied by AAA. From such list, each Party shall select one (1) arbitrator, and the arbitrators so selected shall select a third. The panel shall designate one (1) among them to serve as chair. The arbitration proceedings shall be conducted in Salt Lake City, Utah.

4.4 **Referee Procedures.** The following procedures ("Referee Procedures") shall exclusively apply to any disagreement between the Parties with respect to the fair market value of a Product in determining "Physical Product Receipts" or in the Permitted Treatment Charges and shall be in lieu of the arbitration procedures in Section 4.3.

(a) Any Person appointed as a referee shall be independent of either of the Parties, shall be of sound commercial background and with knowledge of the precious metals, base metals and/or concentrates markets, as appropriate. Each party shall prepare a list of five (5) names of such experts within 30 days after a party gives notice of a dispute regarding establishment of such fair market value and shall submit such names to the other Party. No Person who has been an employee of either Party hereto or any of their respective Affiliates during the two years preceding the appointment shall be eligible to act as a referee.

(b) The Parties shall attempt to agree on a single suitable referee from the lists described in subsection 4.4(a) within ten business days after both Parties have submitted such

lists to the other Party. If the Parties are unable to agree on the appointment of the single referee within such ten business days, then each Party shall appoint one referee and a third (3rd) referee shall be appointed by agreement of the first two referees. If either Party fails to appoint its respective referee within ten business days after such initial ten business day period, such referee shall be appointed by the AAA in the city designated under Section 4.3 above and the costs for such appointment shall be paid by the Party failing to appoint such referee. If the two referees fail to agree on the third referee within 15 business days after the appointment of the second referee, such third referee shall be appointed by the AAA and the costs of such appointment shall be paid equally by the Parties.

(c) Each Party shall submit its respective position as to the commercial terms to the referee(s) and to the other Party within ten business days after the referee(s) has (have) been appointed. The parties shall then have a further ten business days to review the other's submission and to submit a written rebuttal to the referee(s) (the "Submission Period"). To the maximum extent practical, the terms submitted by each Party shall be based on the world terms for equivalent products of like kind, quantity, quality and grade (or appropriately adjusted to deemed equivalents) as determined at the time of such negotiations by reference to then current international transactions and agreements for the sale of similar products between major mines and custom smelters located in Asia, the Americas and Europe under other long term contracts with a duration of at least 12 months. Consideration shall not be given to contracts between buyers and sellers of concentrates in which one party is a majority owner of or is able to exercise Control over the other, or to terms or special elements contained in a contract that are the product of the financing arrangements for the particular mine or smelter involved. Contracts of like kind, quantity, quality and grade shall be referenced, insofar as possible, and any applicable adjustments shall be shown. Consideration shall, however, be given to the quantity of precious metals contained in such Products and to the lack or presence of, deleterious and penalty elements and applicable allowances and adjustments for freight.

(d) Within 20 business days after expiry of the Submission Period, the referee(s) shall determine any such issue by selecting one of such two positions advanced by the Parties. Any decision of the single referee, or a majority of the three referees, as applicable, made in accordance with this Royalty Deed may be challenged under the arbitration procedures in Section 4.3 above, if the same is made within 30 days after the date of such decision. If the same is not challenged, the decision of the referee(s) shall be final and binding on the Parties.

(e) The decision of the referee(s) (or arbitrator if such matter is ultimately decided by an arbitrator pursuant to Section 4.3 above) shall govern for the calendar quarter in question provided, however, at the request of either Party, the referee may establish a methodology for establishing the fair market value of such Products for the calendar year, in which case such methodology shall be used for the entire calendar year, but in each case, shall apply retroactively to the period for which the Parties were to have reached agreement. Additionally, the Referees may agree upon a methodology for determining the fair market value for the following calendar years, but not to exceed two additional calendar years.



ARTICLE V. GENERAL

5.1 **Records.** Grantor shall keep accurate records of tonnage, volume of Products, analyses of Products, weight, moisture, assays of payable metal content and other records, as appropriate, related to the computation of Net Smelter Returns hereunder.

5.2 **Right to Inspect.** The Royalty Holder or its authorized representative may, on upon reasonable notice to the Grantor, but not more than once per calendar quarter, enter upon all surface and subsurface portions of the Property for the purpose of inspecting the Property, all improvements thereto and operations thereon, and may inspect and copy all records and data pertaining to the computation of its interest, including without limitation such records and data which are maintained electronically. The Royalty Holder or its authorized representative shall enter the Property at the Royalty Holder's own risk and may not unreasonably hinder operations on or pertaining to the Property. The Royalty Holder shall indemnify and hold harmless the Grantor and its Affiliates (including without limitation direct and indirect parent companies), and its or their respective directors, officers, shareholders, employees, agents and attorneys, from and against any Liabilities which may be imposed upon, asserted against or incurred by any of them by reason of injury to the Royalty Holder or any of their agents or representatives caused by the Royalty Holder's exercise of its rights herein, including any injury or death resulting from the simple negligence of the Grantor or its Affiliates on the Property. Upon written request to the Grantor given at least 90 days prior to each January 1, the Royalty Holder shall also have the right to be represented at all weighing, sampling, moisture determination and assaying during the relevant annual period, but the failure to be present shall be deemed to be a waiver in each case.

5.3 Notices.

(a) All notices and other required communications (herein "Notices") to the parties shall be in writing, and shall be addressed respectively as follows:

If to Grantor:

Barrick Gold U.S. Inc.
Regional Land Manager
460 West 50 North, Suite 500
Salt Lake City, Utah 84101

If to Royalty Holder:

Thomas and Volina Connolly
HC 66, Box 60
Crescent Valley, NV 89821

(b) All Notices shall be given (i) by personal delivery, or (ii) by electronic communication, with a confirmation sent by express courier return receipt requested, or (iii) by express courier return receipt requested or by express courier. All Notices shall be effective and shall be deemed delivered (i) if by personal delivery, on the date of delivery if delivered during normal business hours, and, if not delivered during normal business hours, on the next business day following delivery, (ii) if by electronic communication, on the next business day following actual receipt of the electronic communication, and (iii) if solely by express courier, on the next business day after actual receipt. A Party may change its address by Notice to the other Party.

5.4 **Payments.** All payments to be made to the Royalty Holder, as its interests may appear, under this instrument shall be made when due by bank check or wire transfer in immediately available funds to a bank account as designated by the Royalty Holder in writing from



time to time. Provided, however, that the Grantor shall not be deemed to be in default under this instrument and the time for making such payment shall be extended, if, at the time such payment is otherwise due, wire transfer facilities are not available for any reason, so long as the Grantor makes payment as soon as practicable after wire transfer facilities become available. Provided further, that Grantor shall be entitled to rely on wire transfer instructions purported to be provided by the Royalty Holder and shall not be responsible for any payment made to an incorrect wire transfer account by reason of such reliance and Grantor shall not be required to inquire into the scope of authority of the person purporting to act on behalf of the Royalty Holder. If any dispute arises with respect to a proper payment, Royalty Holder may make such payment by depositing the same into an escrow account pending resolution of the dispute, and such deposit shall toll any interest charges for late payment. Any payment not otherwise made when due shall bear interest at an annual rate of interest equal to the Prime Rate plus 2%, which shall accrue from the date due until the date paid.

5.5 Confidentiality.

(a) Except as provided in Section 5.5(b) all information and data provided to the Royalty Holder under the terms of this Royalty Deed shall not be disclosed by the Royalty Holder to any third Party or the public without the prior written consent of the Grantor, which consent shall not be unreasonably withheld.

(b) The consent required by Section 5.5(a) shall not apply to a disclosure:

(i) By the Royalty Holder to a potential successor of all or any significant portion of its interests under this Royalty Deed, or to a potential successor by consolidation or merger, or to a proposed joint venture or partnership in which such Royalty Holder may become a participating partner or venturer;

(ii) To the Royalty Holder's Affiliates, trustees, agents, representatives, consultants, family members, attorneys and accountants that have a bona fide need to be informed (but subject to the obligations of confidentiality herein);

(iii) To a governmental agency or to the public which the disclosing Affiliate believes in good faith is required by applicable Law or the rules of any stock exchange; and

(iv) Made in connection with litigation or arbitration involving a Party where such disclosure is required by the applicable tribunal or is, on the advice of counsel for such Party, necessary for the prosecution of the case, but subject to prior notification to the other Party to enable such Party to seek appropriate protective orders.

(c) Prior to any disclosure described in Subsections 5.5(b)(i) or 5.5(b)(ii) above, such third Party shall first agree in writing to protect the confidential information from further disclosure to the same extent as the Parties are obligated under this Section 5.5 and a copy of such written agreement shall be provided to Grantor.

(d) Notwithstanding anything contained in this Agreement to the contrary, a Party shall not disclose pursuant to this Agreement any geological, engineering or other data to any third Party without disclosing the existence and nature of any disclaimers which accompany such data and the requirements of applicable law or regulation or rules of the applicable stock exchange for public reporting, as the case may be.



5.6 Commingling. The Grantor shall have the right to commingle ore, concentrates, minerals and other material mined and removed from the Property from which Products are to be produced, with ore, concentrates, minerals and other material mined and removed from other lands and properties; provided, however, that the Grantor shall calculate from representative samples the average grade thereof and other measures as are appropriate, and shall weigh (or calculate by volume) the material before commingling. In obtaining representative samples, calculating the average grade of the ore and average recovery percentages, the Grantor may use any procedures accepted in the mining and metallurgical industry which it believes suitable for the type of mining and processing activity being conducted and, in the absence of fraud, its choice of such procedures shall be final and binding on the Royalty Holder. In addition, comparable procedures may be used by the Grantor to apportion among the commingled materials all penalty and other charges and deductions, if any, imposed by the smelter, refiner, or purchaser of such material.

5.7 Change in Ownership of Right to Net Smelter Returns Payments. No change or division in the ownership of the Net Smelter Returns Royalty, however accomplished, shall enlarge the obligations or diminish the rights of Grantor. The Royalty Holder covenants that any change in ownership of the Net Smelter Returns Royalty shall be accomplished in such a manner that Grantor shall be required to make payments and give notice to no more than one Person, and upon breach of this covenant, Grantor and its Affiliates may retain all payments otherwise due in escrow until the breach has been cured. No change or division in the ownership of the Net Smelter Returns Royalty shall be binding on Grantor until a certified copy of the recorded instrument evidencing the change or division in ownership has been received by Grantor. Grantor covenants to take any actions reasonably requested by Royalty Holder in order to facilitate the proper recording of this Royalty Deed.

5.8 New Government Royalties. If any new royalty or payment in the nature thereof, is imposed by any federal, state or local governmental entity, the Parties will negotiate in good faith an equitable allocation of such royalty burden, so that the total royalty burden on the Property will not be materially increased over the percentages established in this Royalty Deed.

5.9 Assignment and Transfer. Grantor shall be free to transfer all or any portion of its interest in the Property so long as such transfer is expressly made subject to the Royalty. If Grantor transfers all or any portion of its interest in the Property, Grantor shall be relieved of all liability for payment of the Royalty with respect to the Property transferred for any Royalty that may thereafter arise with respect to such transferred interest.

5.10 No Implied Covenants. Grantor shall have the sole and exclusive control of all operations on or for the benefit of the Property, and may carry out such operations on the Property as it may, in its sole discretion, determine to be warranted. The timing, nature, manner and extent of any exploration, development, mining or processing operations carried out or in connection with the Property shall be within the sole discretion of Grantor and there shall be no implied covenant to begin or continue any such operations. The Grantor shall not be required to mine or market in its mining operations any Products, Raw Products, leachates, precipitates, concentrates or other materials, minerals, or Products that cannot be mined or shipped at a reasonable profit to Grantor.

5.11 Real Property Interest. It is the intent of the Parties that the Net Smelter Returns Royalty provided in this Royalty Deed shall attach to:



- (i) any amendments, relocations, adjustments, resurvey, additional locations or conversions of any mining claims comprising the Property; and
- (ii) any renewal, amendment or other modification or extensions of any leases of any real property interests comprising the Property.

Royalty Holder shall have a security interest in as-extracted collateral (as defined in Section 104.9102(1)(f) of the Nevada Revised Statutes, as amended from time to time) with respect to the Products, but only to the extent of the Net Smelter Returns Royalty. This Royalty Deed constitutes a financing statement filed as a fixture filing pursuant to 104.9502(3)(b) of the Nevada Revised Statutes, as amended time to time, covering the as-extracted collateral relating to the Products and the Property, but only to the extent of the Net Smelter Returns Royalty. To the extent allowed by applicable law, the Net Smelter Returns Royalty shall be a real property interest (before and after severance of the Products) that runs with the Property and shall be applicable to the Grantor and its successors and assigns of the Property. The Parties agree to execute and file such additional agreements, forms and documentation as may be necessary to protect Royalty Holder's royalty as an interest in the land or to provide Royalty Holder with a security interest for payment of such royalty.

5.12 **Governing Law.** This Deed shall be construed and enforced in accordance with the laws of the State of Nevada, without regard to any conflict of laws provisions.

[SIGNATURE PAGES FOLLOW]



IN WITNESS WHEREOF, Grantor has executed this Net Smelter Return Royalty Deed and the same has been accepted by the Royalty Holder on August 2, 2016.

GRANTOR:

BARRICK GOLD U.S. INC., a California corporation

By: Paul D. Judd

Name: Paul D. Judd

Title: CFO & Tax Director

STATE OF Utah)
COUNTY OF Salt Lake)
SS.

The foregoing instrument was acknowledged before me this 29th day of July, 2016, by Paul D. Judd, the CFO & Tax Director of BARRICK GOLD U.S. INC., a California corporation.

My Commission Expires: Sep 2, 2019

Notary Public LaAnn Singleton-Wood
Residing At: Salt Lake City, UT



ROYALTY HOLDER:

THE THOMAS AND VOLINA CONNOLLY
FAMILY TRUST dated November 2, 2004, as
Amended and Restated December 17, 2012



Thomas P. Connolly, Co-Trustee


Volina L. Connolly, Co-Trustee

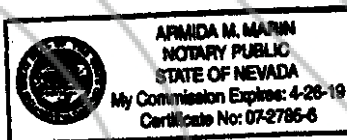
State of Nevada)
County of Elko) :SS

The foregoing instrument was acknowledged before me this 15th day of July, 2016, by Thomas P. Connolly, Co-Trustee of the Thomas and Volina Connolly Family Trust dated November 2, 2004, as Amended and Restated December 17, 2012.

My Commission Expires: 4-26-19

Notary Public 
Residing At: Nevada Elko

State of Nevada)
County of Elko) :SS



The foregoing instrument was acknowledged before me this 15th day of July, 2016, by Volina L. Connolly, Co-Trustee of the Thomas and Volina Connolly Family Trust dated November 2, 2004, as Amended and Restated December 17, 2012.

My Commission Expires: 4-26-19

Notary Public 
Residing At: Nevada, Elko

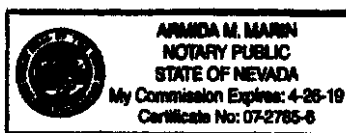


EXHIBIT "1"
LEGAL DESCRIPTION

The land referred to herein is situated in the State of Nevada, County of Eureka, described as follows:

PARCEL 1:

TOWNSHIP 24 NORTH, RANGE 48 EAST, M.D.B.&M.

Section 13: W1/2SW1/4; SE1/4SW1/4;

Section 14: NE1/4SE1/4;

Section 15: N1/2NW1/4; SE1/4NW1/4; SW1/4NE1/4;

TOWNSHIP 25 NORTH, RANGE 48 EAST, M.D.B.&M.

Section 24: SE1/4; E1/2SW1/4;

TOWNSHIP 24 NORTH, RANGE 48 1/2 EAST, M.D.B.&M.

Section 13: SE1/4NW1/4; S1/2NE1/4; SE1/4;

Section 24: N1/2NE1/4;

TOWNSHIP 25 NORTH, RANGE 48 1/2 EAST, M.D.B.&M.

Section 25: E1/2SW1/4; SE1/4; Lots 3 and 4;

Section 36: N1/2NE1/4;

TOWNSHIP 24 NORTH, RANGE 49 EAST, M.D.B.&M.

Section 18: Lots 2, 3, 4; E1/2SW1/4;

Section 19: NE1/4NW1/4; Lot 1;

PARCEL 2:

TOWNSHIP 24 NORTH, RANGE 48 EAST, M.D.B.&M.

Section 10: W1/2NE1/4;

PARCEL 3:

TOWNSHIP 24 NORTH, RANGE 48 EAST, M.D.B.&M.

Section 13: S1/2SW1/4SE1/4;

Section 24: N1/2NW1/4NE1/4;

EXCEPTING FROM S1/2SW1/4SE1/4 of Section 13 and N1/2NW1/4NE1/4 of Section 24, Township 24 North, Range 48 East, M.D.B.&M., all the geothermal steam and associated resources in and under said land, reserved by the United States of America, in patent recorded



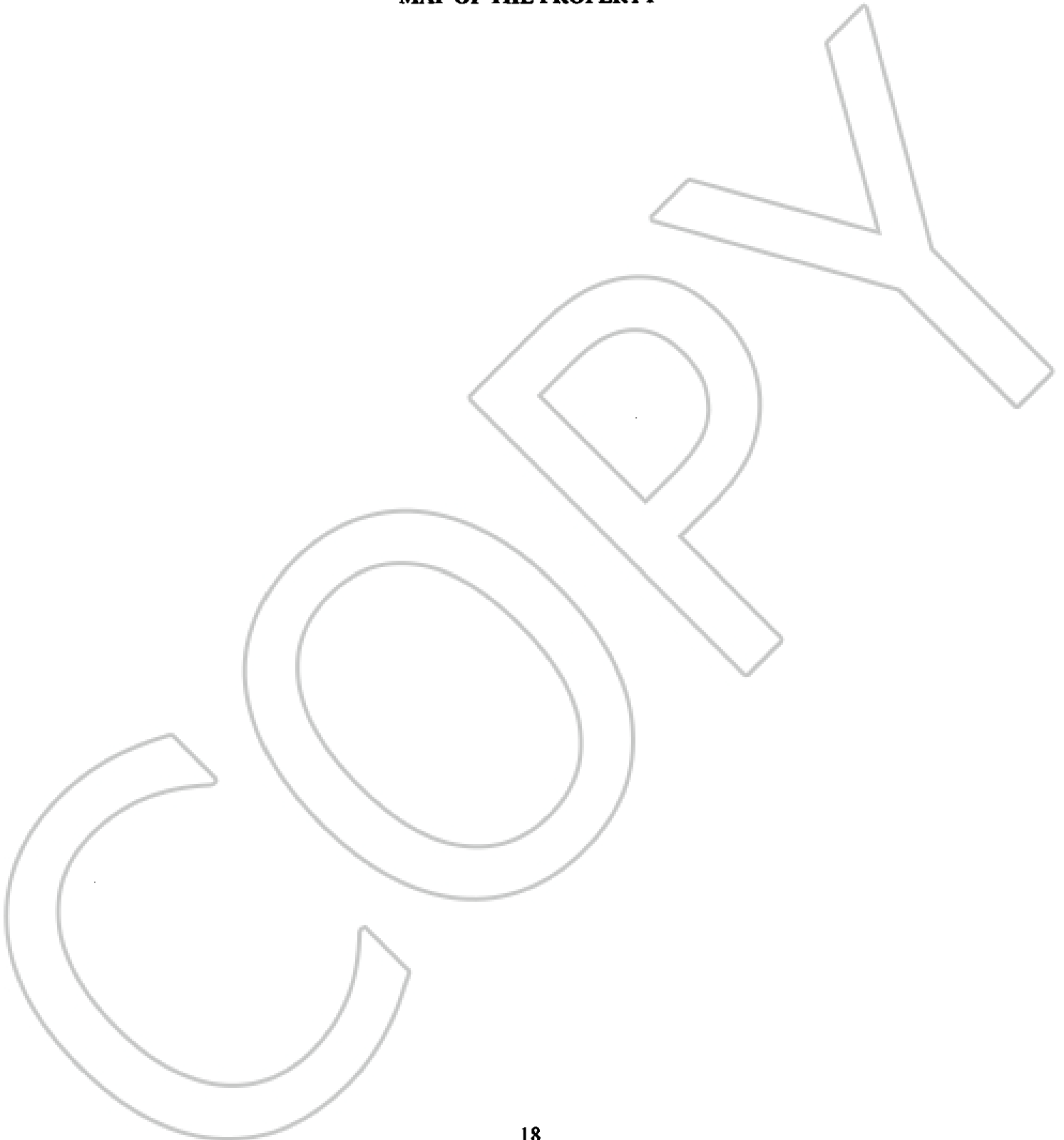
November 7, 1974, in Book 50, Page 246, Official Records of Eureka County, Nevada.

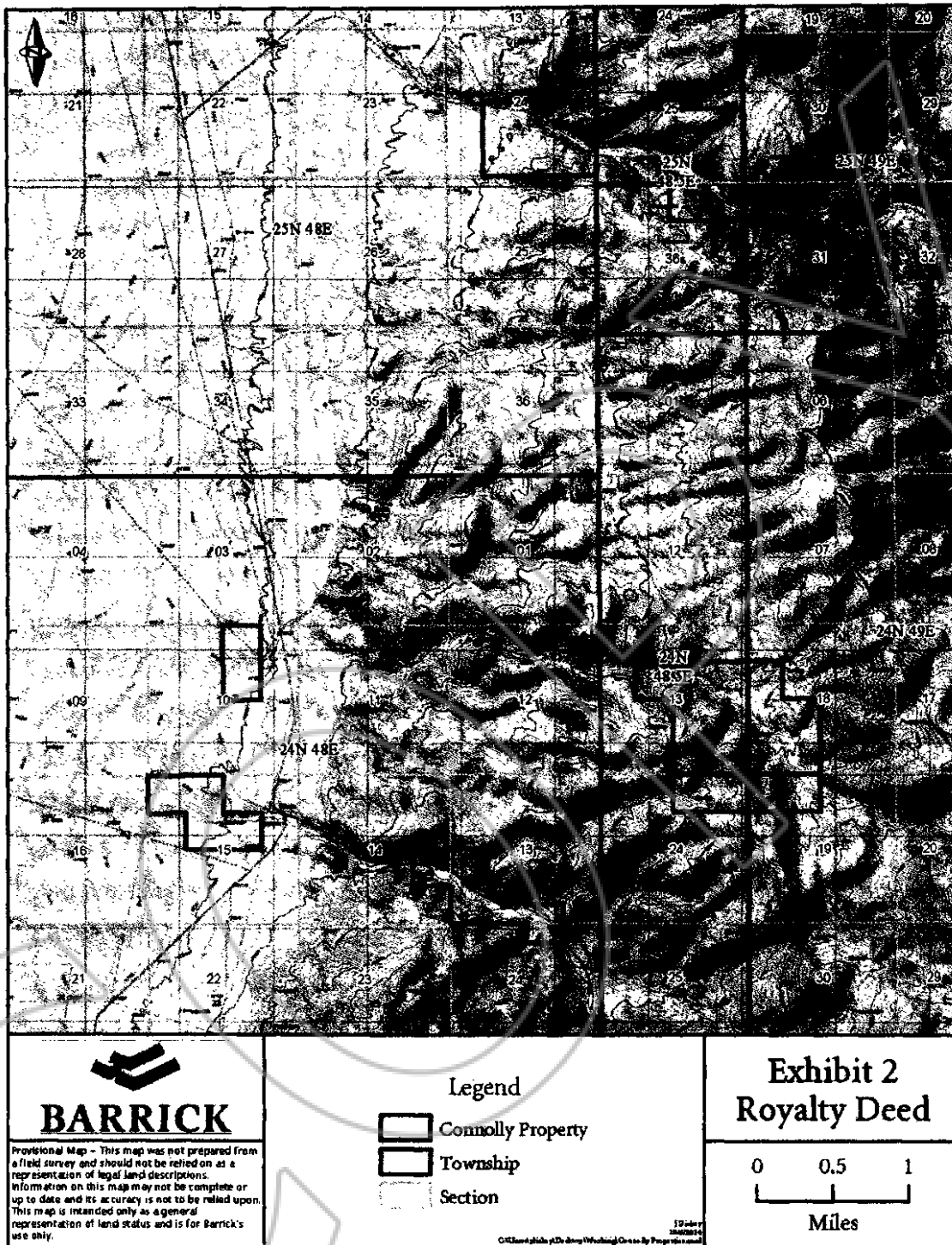
FURTHER EXCEPTING FROM Parcels 1 and 2, an undivided 50% interest into any and all mineral rights, oil or gas owned by the seller, in and under said land reserved by Walter E. Baumann and Jeanette Baumann, in deed recorded May 5, 1977, in Book 59, Page 60, Official Records of Eureka County, Nevada.

FURTHER EXCEPTING FROM Parcels 1, 2 and 3, an undivided one-half interest in and to all coal, oil, gas and minerals of every kind and nature whatsoever and geothermal rights, lying in and under said land as reserved in deed recorded August 9, 1988, in Book 182, Page 150, Official Records of Eureka County, Nevada



EXHIBIT 2
MAP OF THE PROPERTY





STATE OF NEVADA
DECLARATION OF VALUE

DOC# DV-231699

08/02/2016

11:58AM

FOR

Official Record

Requested By
DocuStewart Title ELKO

Book Eureka County - NV

Date of Sara Simmons - Recorder

Notes: Page: 1 of 1 Fee: \$32.00
Recorded By LH PRRT: \$0.00

1. Assessor Parcel Number(s)

- a) N/A
b) _____
c) _____
d) _____

2. Type of Property

- a) ☐ Vacant Land b) ☐ Single Family Res.
c) ☐ Condo/Townhouse d) ☐ 2-4 Plex
e) ☐ Apartment Bldg. f) ☐ Commercial/Industrial
g) ☐ Agricultural h) ☐ Mobile Home
i) ☒ Other: Royalty Deed ONLY

3. a. Total Value/Sales Price of Property

\$0.00

b. Deed in Lieu of Foreclosure Only (Value of Property)

c. Transfer Tax Value

\$0.00

d. REAL PROPERTY TRANSFER TAX DUE:

\$0.00

4. If Exemption Claimed:

a. Transfer Tax Exemption, per NRS 375.090, Section: _____

b. Explain Reason for Exemption: _____

5. Partial Interest: Percentage being transferred: 100 %

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: [Signature]

Capacity: Grantor

Barrick Gold U.S. Inc.

Signature: [Signature]

Capacity: Grantee

Thomas P. Connolly, Co-Trustee of The Thomas and Volina Connolly Family Trust dated November 2, 2004, as Amended and Restated December 17, 2012

SELLER (GRANTOR) INFORMATION

(REQUIRED)

Print Name: Barrick Gold U.S. Inc.

Address: 460 West 50 North, Suite 500

City/ST/Zip: Salt Lake City, UT 84101

BUYER (GRANTEE) INFORMATION

(REQUIRED)

Print Name: Thomas P. Connolly, Co-Trustee et ux

Address: HC 66, Box 60

City/ST/Zip: Crescent Valley, NV 89821

COMPANY/PERSON REQUESTING RECORDING (required if not Seller or Buyer)

Company Name: Stewart Title Company

Escrow No.: 01415-13452

Address: 810 Idaho Street

City: Elko

State: NV

Zip: 89801

(AS A PUBLIC RECORD THIS FORM MAY BE RECORDED/MICROFILMED)