

AFTER RECORDING, RETURN TO
AND SEND ANY TAX NOTICES TO:
Royalty Consolidation Company, LLC
c/o Elko Mining Group LLC
230 S. Rock Blvd., Suite 30
Reno, NV 89502

APN: N/A (royalty only)

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

DOC# 232611

02/08/2017

01:28PM

Official Record

Requested By

PARR BROWN GEE AND LOVELESS

Eureka County - NV

Lisa Hoehne - Recorder

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Fee: \$23.00

Recorded By CH

RPTT: \$0.00

Book- 0599 Page- 0168



0232611

ROYALTY DEED

(Dry Hills)

This Royalty Deed ("Deed") is made effective as of February 8, 2017, by and between CLOVER NEVADA II LLC, a Nevada limited liability company ("Payor"), and ROYALTY CONSOLIDATION COMPANY, LLC, a Nevada limited liability company whose address for purposes of this Deed is c/o Elko Mining Group LLC, 230 South Rock Boulevard, Suite 30, Reno, Nevada 89502 ("Payee"). Payor and Payee are collectively referred to herein as the "Parties" and individually as a "Party."

Recitals

A. On June 29, 2015 (the "Closing Date"), Clover Nevada LLC, a Nevada limited liability company ("Original Grantor"), acquired the Property (as defined below) pursuant to the Order of the United States Bankruptcy Court for the District of Delaware, Case No. 15-10503-MFW, in respect of Allied Nevada Gold Corp., *et al.* dated June 18, 2015 approving the sale of the Property (amongst other certain assets, as more particularly set forth therein) and the Asset Purchase Agreement dated as of April 27, 2015 attached thereto and all schedules, appendixes, exhibits and attachments thereto.

B. Following the Closing Date, Original Grantor agreed to grant (the "Intended Grant") the Royalty (as defined below) to a subsidiary of its ultimate parent, Waterton Precious Metals Fund II Cayman, LP ("Fund II").

C. Pursuant to a Deed effective as of November 23, 2016, Original Grantor conveyed to Payor all of its right, title and interest in and to the Property, at which time Payee was aware of the Intended Grant.

D. Payee, a subsidiary of Fund II, desires, and Payor has agreed to execute, deliver and record, this Deed in order to memorialize the Intended Grant and to evidence the intentions of Original Grantor and Payee.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties, incorporating the Recitals set forth above, agree as

follows:

1. Grant of Production Royalty. Payor does hereby grant and convey to Payee a perpetual Net Smelter Returns production royalty (the "Royalty") equal to four percent (4.0%) (the "Royalty Rate") on any and all production and sale of minerals from the real property described in **Exhibit A** hereto (the "Property"), which Royalty shall be payable in accordance with the provisions of **Exhibit B** hereto. The Property is located in Eureka County, Nevada. The Royalty shall run with the Property and shall be binding upon and inure to the benefit of the Parties and their respective successors in interest.

2. Royalty Reduction Option. Payor shall have the option (the "Royalty Reduction Option"), exercisable by written notice to Payee (or Payee's successors) at any time prior to the third anniversary of this Deed, to reduce the Royalty Rate to: (a) two percent (2.0%), in exchange for payment to Payee of Four Million United States Dollars (US\$4,000,000) in immediately available funds; or (b) three percent (3.0%), in exchange for payment to Payee of Two Million United States Dollars (US\$2,000,000) in immediately available funds (as applicable, the "Reduced Royalty Rate"). Any such reduction shall be effective upon Payee's receipt of such notice and payment. Any and all royalties accruing under this Deed after such notice and payment shall be calculated and paid in accordance with the Reduced Royalty Rate. Except for the reduction in the Royalty Rate, all other provisions of this Deed shall remain the same if and after the Royalty Reduction Option is exercised by Payor.

3. Further Assurances. Each Party agrees to execute and deliver and record, from time to time, such additional documents and to take such further actions as may be necessary to fully implement the transactions contemplated by this Deed.

4. Governing Law. This instrument, and any causes of action arising out of or based upon this instrument or the negotiation, execution or performance hereof, shall be governed by, and construed, interpreted and enforced in accordance with, the laws of Nevada, without regard to choice or conflict of law principles that would result in the application of the laws of any other jurisdiction. Each Party irrevocably consents, on behalf of itself and its successors, to the exclusive jurisdiction of the courts of the State of Nevada or the federal district court for the District of Nevada, as may be applicable, in respect of any disputes arising hereunder.

5. Binding Effect. This Deed shall inure to the benefit of and be binding upon the Parties and their respective successors.

6. Execution. This Deed may be executed in multiple counterparts, which taken together shall constitute one and the same document.

[Signature page follows]




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IN WITNESS WHEREOF, the Parties have executed this Deed on the dates indicated in the acknowledgements below, but effective as of the date first set forth above.


Payor:

CLOVER NEVADA II LLC, a Nevada limited liability company

By: 
Name: Richard Wells
Title: Authorized Signatory

Payee:

ROYALTY CONSOLIDATION COMPANY, LLC,
a Nevada limited company

By: 
Name: Richard Wells
Title: Authorized Signatory

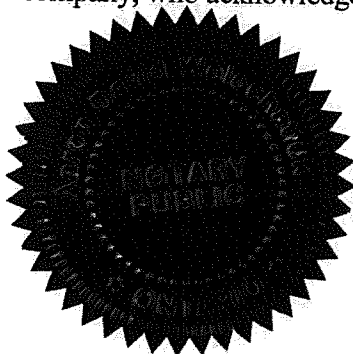


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CITY OF TORONTO)
) ss.
PROVINCE OF ONTARIO)

On this 8 day of February, 2017, personally appeared before me, a Notary Public, Richard Wells, the Authorized Signatory of CLOVER NEVADA II LLC, a Nevada limited liability company, who acknowledged that he or she executed the above instrument on behalf of said entity.




NOTARY PUBLIC, residing in Toronto

My commission expires: N/A

CITY OF TORONTO)
) ss.
PROVINCE OF ONTARIO)

On this 8 day of February, 2017, personally appeared before me, a Notary Public, Richard Wells, the Authorized Signatory of ROYALTY CONSOLIDATION COMPANY, LLC, a Nevada limited liability company, who acknowledged that he or she executed the above instrument on behalf of said entity.




NOTARY PUBLIC, residing in Toronto

My commission expires: N/A



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Exhibit "A"

Property

Eureka County, Nevada

	Claim Name	BLM Serial Number
1	NM 1	NMC 914274
2	NM 2	NMC 914275
3	NM 3	NMC 914276
4	NM 4	NMC 914277
5	NM 5	NMC 914278
6	NM 6	NMC 914279
7	NM 7	NMC 914280
8	NM 8	NMC 914281
9	NM 9	NMC 914282
10	NM 10	NMC 914283
11	NM 11	NMC 914284
12	NM 12	NMC 914285
13	NM 13	NMC 914286
14	NM 14	NMC 914287
15	NM 15	NMC 914288
16	NM 16	NMC 914289
17	NM 17	NMC 914290
18	NM 18	NMC 914291
19	NM 19	NMC 914292
20	NM 20	NMC 914293
21	NM 21	NMC 914294
22	NM 22	NMC 914295
23	NM 23	NMC 914296
24	NM 24	NMC 914297
25	NM 25	NMC 914298
26	NM 26	NMC 914299
27	NM 27	NMC 914300
28	NM 28	NMC 914301
29	NM 29	NMC 914302
30	NM 30	NMC 914303
31	NM 31	NMC 914304
32	NM 32	NMC 914305
33	NM 33	NMC 914306
34	NM 34	NMC 914307
35	NM 35	NMC 914308
36	NM 36	NMC 914309
37	NM 37	NMC 914310

38	NM 38	NMC 914311
39	NM 39	NMC 914312
40	NM 40	NMC 914313
41	NM 41	NMC 914314
42	NM 42	NMC 914315
43	NM 43	NMC 914316
44	NM 44	NMC 914317
45	NM 45	NMC 914318
46	NM 46	NMC 914319
47	NM 47	NMC 914320
48	NM 48	NMC 914321
49	NM 49	NMC 914322
50	NM 50	NMC 914323
51	NM 51	NMC 914324
52	NM 52	NMC 914325
53	NM 53	NMC 914326
54	NM 54	NMC 914327
55	NM 55	NMC 914328
56	NM 56	NMC 914329
57	NM 57	NMC 914330
58	NM 58	NMC 914331
59	NM 59	NMC 914332
60	NM 60	NMC 914333
61	NM 61	NMC 914334
62	NM 62	NMC 914335
63	NM 63	NMC 914336
64	NM 64	NMC 914337
65	NM 65	NMC 914338
66	NM 66	NMC 914339
67	NM 67	NMC 914340
68	NM 68	NMC 914341
69	NM 69	NMC 914342
70	NM 70	NMC 914343
71	NM 71	NMC 914344
72	NM 72	NMC 914345
73	NM 73	NMC 914346
74	NM 74	NMC 914347
75	NM 75	NMC 914348
76	NM 76	NMC 914349
77	NM 77	NMC 914350
78	NM 78	NMC 914351
79	NM 79	NMC 914352
80	NM 80	NMC 914353



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81	NM 81	NMC 914354
82	NM 82	NMC 914355
83	NM 83	NMC 914356
84	NM 84	NMC 914357
85	NM 85	NMC 914358
86	NM 86	NMC 914359
87	NM 87	NMC 914360
88	NM 88	NMC 914361
89	NM 89	NMC 914362
90	NM 90	NMC 914363
91	NM 91	NMC 914364
92	NM 92	NMC 914365
93	NM 93	NMC 914366
94	NM 94	NMC 914367
95	NM 95	NMC 914368
96	NM 96	NMC 914369



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Exhibit B

Royalty

1. "Net Smelter Returns" means the proceeds actually received, or deemed to have been received in the case of refined gold and silver as described in Section 1.a below, from the sale or deemed sale of minerals produced from the Property, less the charges described in Section 1.b below. In no case shall such proceeds be less than the fair market value of the product sold.

a. If Payor sells refined gold or silver, Payor shall be deemed to have received proceeds from the sale thereof equal to the number of ounces of refined gold or silver outturned to Payor's account during the calendar quarter multiplied in the case of gold by the average daily afternoon LBMA Gold Price (formerly known as the London Bullion Brokers P.M. Gold Fixing) during such calendar quarter and in the case of silver by the average of the daily Handy & Harmon Noon Silver Quotation during the calendar quarter. The average price for a calendar quarter shall be determined by dividing the sum of all daily prices posted during the calendar quarter by the number of days that prices were posted. The posted price shall be obtained from the *Wall Street Journal*, *Reuters*, *E&MJ* or other industry-accepted source. Payor shall have the right to market and sell to third parties refined gold and silver in any manner it chooses, including the sale of such refined gold and silver on the commodity market. In this regard, Payee shall have no right to participate in any gains and/or profits or obligation to suffer any losses accruing to Payor as a result of forward sales, options trading, commodities futures trading or similar transactions.

b. Charges to be deducted from proceeds in determining Net Smelter Returns are the following:

(1) all costs, charges and expenses paid or incurred by Payor for treatment in the smelting and refining processes (including handling, processing, interest and provisional settlement fees, sampling, assaying and representation costs, penalties and other processor deductions);

(2) all costs, charges and expenses paid or incurred by Payor for transportation of the mined substance from the Property to the place or places of treatment and thence to the place or places of sale (including freight, insurance, security, transaction taxes, handling, port, demurrage, delay and forwarding expenses incurred by reason of or in the course of such transportation);

(3) sales and brokerage costs on the mined substance for which the Royalty is payable; and

(4) sales, use, severance, net proceeds of mine, and ad valorem taxes applicable under local, state and federal law and any other tax or governmental levy or fee relating to the mined substance for which the Royalty is payable (other than taxes based upon income).



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For avoidance of doubt, there shall be no deduction of mining costs, ore transportation costs, ore processing costs, or any other mining or processing cost except for those specifically listed above.

2. Royalties shall accrue quarterly (based on calendar quarters) and shall become due and payable by Payor on the last day of the month following the end of each quarter. All Royalty payments shall be calculated on the basis of and paid in United States Dollars. Royalty payments shall be accompanied by pertinent information in sufficient detail to explain the calculation of the Royalty payment.

3. Except in the case of fraud or intentional misrepresentation, all statements for royalties rendered to Payee by Payor during any quarter shall conclusively be presumed to be true and correct after one year following the end of such quarter unless within said one-year period Payee takes written exception thereto and makes a claim on Payor for adjustment. No adjustment favorable to Payor shall be made unless the claim therefor is made within the same prescribed period.

4. Payee, upon notice in writing to Payor, shall have the right to audit Payor's accounts and records relating to the amount, method of calculation and payment of the Royalty for any calendar quarter within the one-year period following the end of such calendar quarter; provided, however, that the making of any audit shall not extend the time for the taking of written exception to and the adjustment of accounts as provided for in the preceding paragraph. All audits shall be conducted by Payee at the office of Payor where the relevant books and records are maintained and shall be conducted during normal business hours. Each audit shall be undertaken at Payee's sole cost and expense; provided that should the audit of any Royalty payment reveal a deficiency of five percent (5.0%) or more between the amount that should have been paid by Payor to Payee in respect of the corresponding calendar quarter and the amount actually paid, Payor shall reimburse Payee for all costs and expenses incurred in undertaking such audit.

5. Payor shall have the right to mine and process amounts of ore reasonably necessary for sampling, assaying, metallurgical testing and evaluation of the Property and its minerals without incurring any obligation to make Royalty payments, unless such ore is actually sold by Payor.

6. Payor shall have the right to commingle ore removed from the Property or products derived therefrom after treatment, with other ore or products, before or after concentration or beneficiation, so long as the data necessary to determine the weight, grade and recoverability of both the ore removed from the Property or products derived therefrom and the ore or products with which it is commingled are obtained by Payor. Payor shall then use that data to determine Payee's interest in minerals extracted from ores or products so mixed. Such data and determinations shall be acquired and completed in accordance with generally accepted industry practices.

7. Nothing in this instrument shall impose any obligation or covenant, express or implied, upon Payor to commence or conduct any exploration, development, mining or other operations upon or in connection with the Property, it being understood by the Parties that Payor shall have sole discretion to determine the technical and economic feasibility, timing, nature, manner, method, rate and extent of commencing and conducting any such operations.



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8. For payment and communication purposes, the addresses of the Parties shall be as follows:

Payor: Clover Nevada LLC
c/o Elko Mining Group LLC
230 S. Rock Blvd., Suite 30
Reno, NV 89502

Payee: Royalty Consolidation Company, LLC
c/o Elko Mining Group LLC
230 S. Rock Blvd., Suite 30
Reno, NV 89502

All notices and communications regarding this instrument shall be in writing and shall be effective upon receipt after personal delivery (including delivery by express courier service) or delivery by certified mail to such addresses. Either Party may, by notice to the other given as aforesaid, change its mailing address for future payments and notices.

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Official Record

Requested By

PARR BROWN GEE AND LOVELESS

Eureka County - NV

Lisa Hoehne - Recorder

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Fee: \$23.00

Recorded By CH

PRTT: \$0.00

**STATE OF NEVADA
DECLARATION OF VALUE****1. Assessor Parcel Number (s)**

- a) N/A (unpatented mining claims)
 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 | |

FOR RECORDERS OPTIONAL USE ONLY

Notes: _____

3. Total Value/Sales Price of Property:

Deed in Lieu of Foreclosure Only (value of property) \$ _____
 Transfer Tax Value: \$ _____
 Real Property Transfer Tax Due: \$ 0.00

4. If Exemption Claimed:a. Transfer Tax Exemption, per NRS 375.090, Section: 8 and NRS 375.010.1(b)(8)

b. Explain Reason for Exemption:

Conveyance of mineral interest only, in unpatented mining claims**5. Partial Interest: Percentage being transferred: _____ %**

The undersigned declares and acknowledges, under penalty of perjury, pursuant to NRS 375.060 and NRS 375.110, that the information provided is correct to the best of their information and belief, and can be supported by documentation if called upon to substantiate the information provided herein. Furthermore, the 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 Attorney for GrantorSignature [Signature] Capacity _____**SELLER (GRANTOR) INFORMATION**

(REQUIRED)

Print Name: Clover Nevada II LLC
 Address: 230 S. Rock Blvd., Suite 30
 City: Reno
 State: NV Zip: 89502

BUYER (GRANTEE) INFORMATION

(REQUIRED)

Print Name: Royalty Consolidation Company, LLC
 Address: 230 S. Rock Blvd., Suite 30
 City: Reno
 State: NV Zip: 89502

COMPANY/PERSON REQUESTING RECORDING

(REQUIRED IF NOT THE SELLER OR BUYER)

Print Name: Parr Brown Gee & Loveless Escrow # N/A
 Address: 101 South 200 East, Suite 700
 City: Salt Lake City State: UT Zip: 84111

(AS A PUBLIC RECORD THIS FORM MAY BE RECORDED)