

APN: 009-180-01, 009-180-02

*Recorded at the request of and
when recorded return to:*

Nevada Select Royalty, Inc.
c/o Parsons Behle & Latimer
Attn: Rew Goodenow
50 West Liberty Street Suite 750
Reno, NV 89501

EUREKA COUNTY, NV	2020-240426
RPTT:\$0.00 Rec:\$37.00	04/29/2020 09:35 AM
\$37.00 Pgs=14	
THOMAS P. ERWIN P.C.	
LISA HOEHNE, CLERK RECORDER	E99

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

ROYALTY DEED

This Royalty Deed (the “**Royalty Deed**”) is made and entered into effective on the date stated below by and between MCEWEN MINING NEVADA INC., a Delaware corporation with a mailing address of 2215 N. 5th Street, Elko, Nevada 89801 (the “**Grantor**”); and NEVADA SELECT ROYALTY, INC., a Nevada corporation with a mailing address of P.O. Box 18127, Reno, NV, USA, 89511 (the “**Grantee**”).

The Grantor, for and in consideration of the sum of ten dollars (\$10.00), lawful money of the United States of America, to the Grantor paid by the Grantee, and other good and valuable consideration, the receipt of which is acknowledged, conveys to the Grantee and the Grantee's successors and assigns forever, a Net Smelter Returns royalty interest of two percent (2.0%) (referred to as the “**NSR Royalty**”) in all mineral production from those certain patented mining claims situated in Eureka County, State of Nevada, more particularly described in Schedule A attached and incorporated by reference hereto (and as further defined in the NSR Royalty Agreement attached hereto). The NSR Royalty is defined herein and is subject to the terms and conditions set forth in the NSR Royalty Agreement attached hereto as Schedule B.

[Signature page follows]

The Grantor has executed this Royalty Deed effective on March 27, 2020, ~~2019~~.

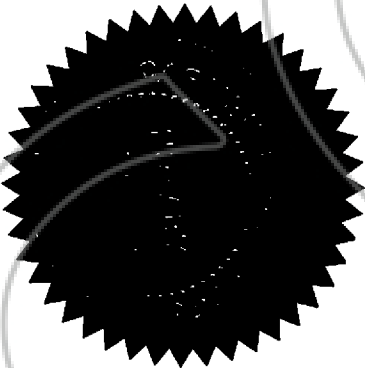
MCEWEN MINING NEVADA INC., a
Delaware corporation

By: [Signature]
ANDREW IABONI, VP FINANCE

PROVINCE OF Ontario)
)ss.
CITY OF Toronto)

This Royalty Deed was acknowledged before me on March 27, 2020, ~~2019~~ by Andrew Iaboni as VP Finance of MCEWEN MINING NEVADA INC., a Delaware corporation.

[Signature]
Notary Public Carmen Lydia Dyer



**SCHEDULE A TO ROYALTY DEED
DESCRIPTION OF PROPERTY
Old Gold Bar Patented Claims**

Eureka County, Nevada, T22N R49E Sections 22, 23, 26, and 27, M.D.B.&M.

NAME OF CLAIM(S) OR SITE(S)	MINERAL SURVEY No.
WAH 29	5004
WAH 31	5004
WAH 33	5004
WAH 35	5004
WAH 37	5004
WAH 39	5004
AM 107	5005
AM 108	5005
AM 109	5005
AM 115	5005
AM 116	5005
AM 117	5005

TOTAL NUMBER OF CLAIMS = 12

SCHEDULE B TO THE ROYALTY DEED

NET SMELTER RETURNS ROYALTY AGREEMENT

This agreement (the “**NSR Royalty Agreement**”) is made as of November 26, 2019 (the “**Effective Date**”), by and between NEVADA SELECT ROYALTY, INC., a Nevada corporation with a mailing address of PO Box 18127, 197 North Argyle Court, Reno, NV, USA, 89511 (“**Royalty Holder**”), and MCEWEN MINING NEVADA INC., a Delaware corporation with a mailing address of 2215 N. 5th Street, Elko, Nevada 89801 (the “**Owner**”) (collectively referred to as the “**Parties**”).

WHEREAS, in accordance with that certain Asset Purchase Agreement dated November 26, 2019 (the “**Purchase Agreement**”), by and among Royalty Holder, Owner, and McEwen Mining Inc., a Colorado corporation, the Royalty Holder has conveyed twelve (12) patented mining claims as more particularly described in Schedule A to the Royalty Deed to which this NSR Royalty Agreement is attached (the “**Old Gold Bar Patented Claims**,” as further defined in Section 2(d) below) to the Owner;

WHEREAS, pursuant to the terms of the Purchase Agreement, Owner is entering into this NSR Royalty Agreement to grant a net smelter returns production royalty on minerals produced and sold from the Old Gold Bar Patented Claims as is more particularly described herein;

WHEREAS, the Parties intend for this royalty to run with the land; and

WHEREAS, the Parties have entered into this NSR Royalty Agreement to more fully set forth the terms and conditions pursuant to which the Royalty Holder shall receive the royalty;

NOW, THEREFORE, in consideration of the covenants and conditions contained herein, and other valuable consideration, the Parties to this NSR Royalty Agreement agree as follows:

1. Net Smelter Returns Royalty

If the Owner commences commercial production of Products that are mined from the Old Gold Bar Patented Claims, the Owner grants and shall pay the Royalty Holder a royalty equal to two percent (2.0%) of the Net Smelter Returns on minerals produced and sold from the Old Gold Bar Patented Claims (the “**NSR Royalty**”), subject to the Royalty Buydown (as defined below).

2. Interpretations and Definitions

Capitalized terms used herein and not defined in this NSR Royalty Agreement shall have the same meaning and definition as is provided for in the Purchase Agreement.

- a. **"Applicable Rate"** means the one-year London Interbank Offered Rate (LIBOR), as published by the Wall Street Journal or online at http://wsj.com/mdc/public/page/2_3020-moneyrate.html. In the event that the one-year LIBOR ceases to be published by the Wall Street Journal during the term of this Purchase Agreement, the Parties shall jointly agree to an alternative rate or publication generally accepted by the international banking community;
- b. **"Commercial Production"** means the commercial exploitation of Ore subsequent to the exercise of the Option, but does not include milling for the purposes of Bulk Testing or milling or leaching by a pilot plant or during the initial tune-up period of a plant. Commercial Production shall be deemed to have commenced:
 - i. If a processing plant is located on the Old Gold Bar Patented Claims, on the first day of the month following the first period of sixty (60) consecutive days during which Ore has been processed through such processing plant for not less than fifteen (15) days at an average rate of not less than seventy percent (70.0%) of the initial rated capacity of such plant;
 - ii. If no processing plant is located on the Old Gold Bar Patented Claims, on the first day of the month following the first period of sixty (60) consecutive days during which Ore has been shipped from the Old Gold Bar Patented Claims on a regular basis for the purpose of processing and earning revenue;
 - iii. If a processing plant is located on the Old Gold Bar Patented Claims, on the first day of the month following the first period of sixty (60) consecutive days during which Ore has been processed through such processing plant for not less than fifteen (15) days at an average rate of not less than seventy percent (70.0%) of the initial rated capacity of such plant; or
 - iv. If no processing plant is located on the Old Gold Bar Patented Claims, on the first day of the month following the first period of sixty (60) consecutive days during which Ore has been shipped from the Old Gold Bar Patented Claims on a regular basis for the purpose of processing and earning revenue.
- c. **"Old Gold Bar Patented Claims"** means the twelve (12) patented mining claims situated in Eureka County, Nevada, which more particularly described in

the Schedule A of the Royalty Deed to which this NSR Royalty Agreement is attached;

- d. **“Minerals”** means all precious and base metals and all ores, concentrates, precipitates, beneficiated products, and solutions containing any of the aforementioned minerals, and all forms in which such minerals may occur, be found, extracted or produced on or within the Old Gold Bar Patented Claims;
- e. **“Products”** means all Minerals and materials of commercial value produced or derived from the Old Gold Bar Patented Claims; and
- f. **“Royalty Buydown”** means Owner’s right to reduce the NSR Royalty on the Old Gold Bar Patented Claims as provided in Section 4(e).

3. Net Smelter Returns

As used herein, **“Net Smelter Returns”** means the Gross Proceeds less all Allowable Deductions.

- a. As used herein, **“Gross Proceeds”** shall have the following meaning: The aggregate of revenue received by the Owner from arm’s length purchasers of all Products, plus the fair market value of all Products sold by the Owner to persons not dealing at arm’s length with the Owner, plus the Owner’s share of proceeds from insurance on the Products.
- b. As used herein, **“Allowable Deductions”** means the following costs, charges and expenses paid by the Owner for or with respect to Products, after such Products are shipped from the Old Gold Bar Patented Claims:
 - i. Charges for treatment in the smelting and refining processes and other beneficiation processes or procedures (including handling, processing, interest and provision for settlement fees, costs of umpires, sampling, weighing, assaying and representation fees, penalties, and other deductions made by the processor or imposed by law and specifically excluding mining and milling costs);
 - ii. Actual costs of transportation (including loading, freight, insurance, security, transaction taxes, handling, port, demurrage, delay, and forwarding expenses incurred by reason of or in the course of such transportation) of Products from the Old Gold Bar Patented Claims to the place of treatment and then to the place of sale; and
 - iii. The Royalty Holder’s proportionate share of any tax upon the ownership, mining, production, processing, or severance of the Products or upon total or net proceeds from extraction of Products other than federal or state income taxes or state franchise taxes measured by income.

4. Calculation and Payment of the NSR Royalty

- a. With respect to each sale or other disposition of Products by the Owner, the NSR Royalty shall become due and payable within thirty (30) days of the end of the calendar quarter during which the Owner receives payment for Products sold. Cash payments under this NSR Royalty Agreement shall be in US dollars.
- b. All NSR Royalty payments shall be considered final and in full satisfaction of all obligations of the Owner with respect thereto, unless the Royalty Holder gives the Owner written notice describing and setting forth a specific objection to the determination of any NSR Royalty payment within thirty (30) days after receipt by the Royalty Holder of a written statement from the Owner representing calculation of that NSR Royalty payment and including copies of all third party sales invoices for Products during the respective calendar quarter (a "Royalty Statement"). If the Royalty Holder objects to a particular Royalty Statement as herein provided, the Royalty Holder shall, for a period of thirty (30) days after the Owner's receipt of notice of such objection, have the right, upon reasonable notice and at reasonable time, to have the Owner's accounts and records relating to the calculation of the NSR Royalty in question audited by a certified professional accountant acceptable to the Royalty Holder and to the Owner. If such audit determines that there has been a deficiency or an excess in the payment made to the Royalty Holder such deficiency or excess shall be resolved by adjusting the next NSR Royalty payment or credit due hereunder. The Royalty Holder shall pay all costs of such audit unless a deficiency of two percent (2.0%) or more of the amount determined by the Owner to be due to the Royalty Holder is determined to exist, in which case the Owner shall pay the costs of such audit. All books and records used by the Owner to calculate the NSR Royalty due hereunder shall be kept in accordance with generally accepted accounting principles consistently applied. Failure on the part of the Royalty Holder to make claim on the Owner for adjustment to its NSR Royalty payment in such thirty (30) day period shall establish the correctness and preclude the filing of exceptions thereto or making of claims for adjustment thereon, provided that nothing herein shall limit the time in which the Royalty Holder may commence a proceeding for fraud, concealment or misrepresentation.
- c. All books and records used by the Owner to calculate the NSR Royalty due hereunder shall be kept in accordance with generally accepted accounting principles varied only by the specific provisions hereof. The Owner shall maintain up-to-date and complete records of the production and sale or other disposition of all Products. If treatment, smelting or refining of Products is performed off the Old Gold Bar Patented Claims, accounts records, statements and returns relating to such treatment, smelting and refining arrangements shall be maintained by Owner.
- d. All profits, losses and expenses resulting from the Owner engaging in hedging transactions, meaning any commodity futures trading, option trading, metals

trading, metal loans, and any other hedging transactions or any combination thereof (“**Hedging Transactions**”) are specifically excluded from calculations of NSR Royalty payments pursuant hereto. All Hedging Transactions shall be for Owner’s sole account and shall not affect the calculation and payment to the Royalty Holder which shall be calculated and paid in accordance with the provisions hereof without regard for any Hedging Transactions.

- e. The Owner shall have the right and option, exercise at any time in its sole discretion, to purchase one percent (1.0%) of the NSR Royalty on the Old Gold Bar Patented Claims, thus reducing the NSR Royalty on the Old Gold Bar Patented Claims to one percent (1.0%), by paying to Royalty Holder a total of \$1,000,000 (the “**Royalty Buydown**”).

5. Royalty In Kind

The Royalty Holder may elect to receive the Royalty in kind in gold or silver bullion by notifying Owner of its election on or before December 1 of the calendar year preceding the year in which the Royalty Holder desires to take the Royalty in kind. An election by the Royalty Holder to receive the Royalty in kind shall be irrevocable for the calendar year for which it is made. Failure of the Royalty Holder to notify the Owner by December 1 of its election to take the Royalty in kind shall be deemed a waiver by the Royalty Holder of all rights to take the Royalty in kind during the following calendar year. If the Royalty Holder elects to take in kind, the amount of gold or silver delivered to the Royalty Holder shall be equivalent to the Royalty percentage specified herein for the ounces of gold and silver produced from the Old Gold Bar Patented Claims attributable to the applicable quarterly payment credited to the Royalty Holder’s account at the refinery used by the Owner. The Royalty Holder shall reimburse the Owner for any additional costs that the Owner incurs due to Royalty Holder taking in kind and shall be responsible for obtaining and bearing the costs of any authorizations that are required for taking in kind and transporting, storing, and selling any in kind distribution. On or before the 15th day of the month following any due date for a quarterly payment, the Owner shall make the bullion available to the Royalty Holder at the place where the bullion has been refined. The bullion shall be in the form in which Owner sells or otherwise disposes of same. The Owner shall provide notice to the Royalty Holder at least fifteen (15) days prior to the bullion becoming available of the name and location of the refinery and the date or dates on which the bullion shall be available to the Royalty Holder. The Royalty Holder shall bear the risk of loss upon transfer of the bullion to the Royalty Holder’s account at the refinery.

6. [Intentionally deleted.]

7. Operations; Reporting

The Owner shall at all times that the NSR Royalty is in existence:

- a. Conduct its work program in accordance with sound mining exploration industry standards, and all applicable laws, rules, regulations and orders applicable to the Old Gold Bar Patented Claims, and any permits, consents or authorizations

obtained, granted or issued with respect to activities on or with respect to the Old Gold Bar Patented Claims.

- b. Make available for review to the Royalty Holder such other information, data and reports as the Royalty Holder shall reasonably require and request from the Owner from time to time including those necessary to permit the Royalty Holder to meet its continuous disclosure obligations under applicable legislation and the requirements of securities exchanges having jurisdiction.

8. Royalty Runs with the Land

The Owner and the Royalty Holder intend and agree that the NSR Royalty shall be an interest in real property that shall burden and run with the Old Gold Bar Patented Claims and shall constitute a property interest of the Royalty Holder that shall survive any bankruptcy or insolvency of the Owner. The Owner shall (and shall cause any Affiliate to), upon request, sign and deliver to the Royalty Holder, and the Royalty Holder may register or otherwise record against titles to the Old Gold Bar Patented Claims, the form of notice or other document or documents as the Royalty Holder may reasonably request, to give notice of the existence of the Royalty to third Parties, to secure payment of the NSR Royalty and to protect the Royalty Holder's right to receive the NSR Royalty as contemplated herein.

9. Exculpation and Indemnity from Owner

In no event shall the Royalty Holder, as the holder of the NSR Royalty, only, be liable to the Owner or to any other person or entity, in or outside the chain of title, in any way for any costs or liabilities incurred by the Owner attributable to the Old Gold Bar Patented Claims.

THE OWNER HEREBY COVENANTS AND AGREES TO INDEMNIFY, PROTECT, DEFEND AND HOLD THE ROYALTY HOLDER, ITS SUCCESSORS AND ASSIGNS, HARMLESS FROM AND AGAINST ANY AND ALL DAMAGES OR CLAIMS FOR DAMAGES FOR ANY INJURY TO PERSONS OR PROPERTY, ENVIRONMENTAL SPILL, RELEASE OR CONTAMINATION, OR VIOLATION OF LAW, RULE OR REGULATION, OCCASIONED BY, ARISING OUT OF, OR RESULTING FROM OPERATIONS ON THE PROPERTIES, OR IN CONNECTION THEREWITH, BY OWNER, ITS AGENTS, SERVANTS, EMPLOYEES, INDEPENDENT CONTRACTORS, SUCCESSORS OR ASSIGNS.

10. No Implied Covenants

The timing, nature, manner and extent of any exploration, development, mining, production and sale of Products, if any, shall be at the sole discretion of the Owner. No implied covenants or conditions whatsoever shall be read into this NSR Royalty Agreement, including without limitation any covenants or conditions relating to exploration, development, prospecting, mining, production or sale of Products, except for the covenants of good faith and fair dealing.

11. Assignment

- a. The Owner shall have the right to assign the Old Gold Bar Patented Claims, in whole or in part and shall have sole and absolute discretion concerning the sale, assignment, transfer, conveyance, venturing, encumbrance or other disposition of the Old Gold Bar Patented Claims, in whole or in part, on such terms and conditions as it determines appropriate. The Owner shall require any transferee or assignee of any interest in the Old Gold Bar Patented Claims to assume in writing the obligation to pay the Royalty Holder the NSR Royalty in accordance with the terms and conditions set forth herein, and upon such assumption, the Owner shall be released from all liability hereunder with respect to the transferred interest in the Old Gold Bar Patented Claims, except for such liability as has accrued prior thereto.
- b. The Royalty Holder may convey or assign all or part of the NSR Royalty payable to any unaffiliated company provided that such conveyance or assignment shall not be effective against the Owner until the assignee has delivered to the Owner a written and enforceable undertaking whereby such assignee agrees to be bound, to the extent of the interest assigned, by all of the terms and conditions of this NSR Royalty Agreement.

12. Treatment of Product

The Owner may, but shall not be obligated to, treat, mill, heap leach, sort, concentrate, refine, smelt, or otherwise process, beneficiate or upgrade the ores, concentrates, and other mineral product produced from the Old Gold Bar Patented Claims, at sites located on or off the Old Gold Bar Patented Claims, prior to sale, transfer, or conveyance to a purchaser, user or other consumer. The Owner shall not be liable for mineral values lost in processing under sound practices and procedures, and no NSR Royalty shall be due on any such lost mineral values.

13. Governing Law

This Agreement shall be governed by and construed in accordance with the Laws of the State of Nevada applicable therein.

14. Notices

All notices and other communications under this NSR Royalty Agreement shall be in writing and may be delivered personally or transmitted by e-mail or facsimile as follows:

To the Royalty Holder:

Nevada Select Royalty, Inc.
PO Box 18127
197 N Argyle Ct
Reno, NV 89511
Attention: Gerald Baughman, President
Email: jbaughman@elygoldinc.com

With a copy to:

Ely Gold & Minerals Inc.
2833 - 595 Burrard St.
Box 49195
Vancouver, BC V7X 1K8
Attention: Trey Wasser, President & CEO
Email: trey@elygoldinc.com

To the Owner:

McEwen Mining Nevada Inc.
2215 N. 5th Street
Elko, Nevada 89801
Attention: Land Department
Email: stefan@mcewenmining.com

or to such addresses as each Party may from time to time specify by notice. Any notice shall be deemed to have been given and received if personally delivered, then on the day of personal service to the recipient Party. Notice given by email shall be deemed to have been given and received when the recipient acknowledges receipt.

15. Counterparts

This NSR Royalty Agreement may be executed in any number of counterparts and by the different Parties hereto on separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts together shall constitute one and the same instrument.

16. Modification

This NSR Royalty Agreement shall not be amended or modified except in writing signed by authorized signatories of each of the Parties.

The Parties have executed this NSR Royalty Agreement as of the Effective Date.

OWNER:

MCEWEN MINING NEVADA INC., a Delaware corporation

By: 
ANDREW IABONI, VP FINANCE

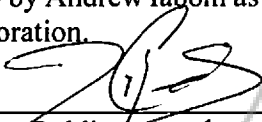
ROYALTY HOLDER:

NEVADA SELECT ROYALTY, INC., a Nevada corporation

By: _____
GERALD W. BAUGHMAN, PRESIDENT

PROVINCE OF Ontario)
)ss.
CITY OF Toronto)

This NSR Royalty Agreement was acknowledged before me on March 27, 2020, ~~2019~~ by Andrew Iaboni as the VP Finance of MCEWEN MINING NEVADA INC., a Delaware corporation.


Notary Public Carmen Lydia Dices



This NSR Royalty Agreement shall not be amended or modified except in writing signed by authorized signatories of each of the Parties.

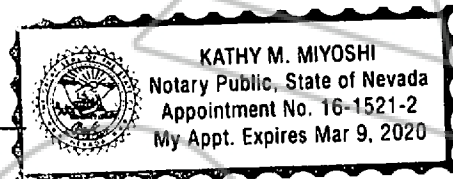
OWNER:

4820-8721-5790v1

STATE OF NEVADA)
)ss.
COUNTY OF WASHOE)

This NSR Royalty Agreement was acknowledged before me on December, 2019 by
Gerald W. Baughman, as President of Nevada Select Royalty, Inc.

Kathy M. Miyoshi
Notary Public



STATE OF NEVADA
DECLARATION OF VALUE

1. Assessor Parcel Number(s)

- a) 009-180-01
b) 009-180-02
c) _____
d) _____

2. Type of Property:

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

FOR RECORDERS OPTIONAL USE ONLY

BOOK _____ PAGE _____
DATE OF RECORDING: _____
NOTES: _____

3. Total Value/Sales Price of Property: \$ _____ n/a
Deed in Lieu of Foreclosure Only (value of property) _____
Transfer Tax Value: \$ _____
Real Property Transfer Tax Due: \$ _____ 0

4. If Exemption Claimed:

- a. Transfer Tax Exemption per NRS 375.090, Section # _____
b. Explain Reason for Exemption: NRS 375.010 Royalty only. Not a deed.

5. Partial Interest: Percentage being transferred: _____ %

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

Pursuant to NRS 375.030, the Buyer and Seller shall be jointly and severally liable for any additional amount owed.

Signature _____ Capacity _____

Signature Thomas P. Erwin Capacity Attorney for Grantor

SELLER (GRANTOR) INFORMATION
(REQUIRED)

McEwen Mining Nevada Inc.

Print Name: _____

Address: 2215 N 5th St

City: Elko

State: NV Zip: 89801

BUYER (GRANTEE) INFORMATION
(REQUIRED)

Nevada Select Royalty Inc.

Print Name: _____

Address: PO Box 18127

City: Reno

State: NV Zip: 89511

COMPANY/PERSON REQUESTING RECORDING

(required if not the seller or buyer)

Print Name: Thomas P. Erwin P.C. efilier Escrow # _____

Address: 241 Ridge Street Suite 210

City: Reno State: NV Zip: 89501

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