

APN: unpatented mining claims

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

VC Exploration (US) Inc.  
Nevada Vanadium LLC  
Suite 1610-409 Granville Street  
Vancouver, BC V6C 1T2 Canada

EUREKA COUNTY, NV	<b>2022-248422</b>
RPTT:\$0.00 Rec:\$37.00	
\$37.00 Pgs=13	<b>07/18/2022 04:25 PM</b>
PARSONS BEHLE & LATIMER	
KATHERINE J. BOWLING, CLERK RECORDER E08	

*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 VC Exploration (US) Inc., a Nevada corporation, and Nevada Vanadium LLC, a Nevada limited liability Grantors, Suite 1610-409 Granville Street, Vancouver, BC V6C 1T2 Canada (the "**Grantors**"); and Richard A. McKay, Nancy M. Minoletti and Pamela S. Scott, as joint tenants, each holding an undivided one-third third (33%) P.O. Box 834, Eureka, NV 89316 (the "**Grantees**").

The Grantors, for and in consideration of the sum of ten dollars (\$10.00), lawful money of the United States of America, to the Grantors paid by the Grantees, and other good and valuable consideration, the receipt of which is acknowledged, conveys to the Grantees and the Grantees' successors and assigns forever, a royalty interest (referred to as the "**Royalty**") in all mineral production from those certain Unpatented Claims situated in Eureka County, State of Nevada, and more particularly described in Schedule A attached and incorporated by reference hereto. The Royalty is defined herein and is subject to the terms and conditions set forth in the Royalty terms attached hereto as Schedule B.

*[Signature page follows]*

The Grantors have executed this Royalty Deed effective on October <sup>14<sup>th</sup></sup>~~13~~<sup>14<sup>th</sup> 2021</sup>, 2021.

**GRANTORS:**

VC Exploration (US) Inc., a Nevada corporation

By: [Signature]  
Its: President

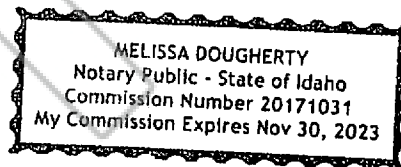
Nevada Vanadium LLC, a Nevada limited liability

By: [Signature]  
Its: President

PROVINCE/STATE OF Idaho )  
CITY OF Council ) ss.

This Royalty Deed was acknowledged before me on October, 14<sup>th</sup> 2021, by Ron Espell as President of VC Exploration (US) Inc.

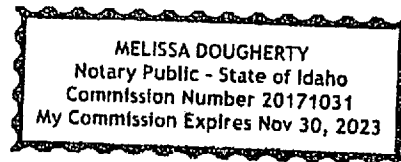
[Signature]  
Notary Public



PROVINCE/STATE OF Idaho )  
CITY OF Council ) ss.

This Royalty Deed was acknowledged before me on October 14<sup>th</sup>, 2021, by Ron Espell as President of Nevada Vanadium LLC.

[Signature]  
Notary Public



**SCHEDULE A TO ROYALTY DEED**  
**DESCRIPTION OF PROPERTY**

The following claims are located in Township 15 North, Range 52 East, Sections 1, 2, 3, 10 and 11, Eureka County, Nevada

<b>BLM SERIAL #</b>	<b>CLAIM NAME</b>	<b>CLAIMANT</b>
NMC 1167815	VDT 19	VC Exploration (US) Inc.
NMC 1167816	VDT 20	VC Exploration (US) Inc.
NMC 1167819	VDT 42	VC Exploration (US) Inc.
NMC 1167822	VDT 69	VC Exploration (US) Inc.
NMC 1167823	VDT 70	VC Exploration (US) Inc.
NMC 1167824	VDT 72	VC Exploration (US) Inc.
NMC 1167825	VDT 73	VC Exploration (US) Inc.
NMC 1167826	VDT 74	VC Exploration (US) Inc.
NMC 1167827	VDT 95	VC Exploration (US) Inc.
NMC 1167828	VDT 96	VC Exploration (US) Inc.
NMC 1167829	VDT 97	VC Exploration (US) Inc.
NMC 1167830	VDT 98	VC Exploration (US) Inc.
NMC 1167831	VDT 99	VC Exploration (US) Inc.
NMC 1167804	PCY 300	Vanadium Gibellini Grantors LLC
NMC 1167805	PCY 301	Vanadium Gibellini Grantors LLC
NMC 1167806	PCY 302	Vanadium Gibellini Grantors LLC

## SCHEDULE B TO THE ROYALTY DEED ROYALTY TERMS

This agreement (the “**Royalty Terms**”) govern the Royalty created by the Royalty Deed between Grantors and Grantees (collectively referred to as the “**Parties**”).

### 1. Definitions

1.1 “**Advance Royalty**” has the definition assigned in Section 2.1.

1.2 “**Allowable Deductions**” has the definition assigned in Section 3.2.

1.3 “**Commercial Production**” means the commercial exploitation of Minerals 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:

(a) If a processing plant is located on the Unpatented Claims, on the first day of the month following the first period of sixty (60) consecutive days during which Minerals have 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;

(b) If no processing plant is located on the Unpatented Claims, on the first day of the month following the first period of sixty (60) consecutive days during which Minerals have been shipped from the Unpatented Claims on a regular basis for the purpose of processing and earning revenue;

(c) If a processing plant is located on the Unpatented Claims, on the first day of the month following the first period of sixty (60) consecutive days during which Minerals have 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

(d) If no processing plant is located on the Unpatented Claims, on the first day of the month following the first period of sixty (60) consecutive days during which Minerals have been shipped from the Unpatented Claims on a regular basis for the purpose of processing and earning revenue.

1.4 “**Gross Proceeds**” has the definition assigned in Section 3.1.

1.5 “**Hedging Transactions**” has the definition assigned in Section 4.4.

1.6 “**Unpatented Claims**” means the unpatented lode mining claims situated in Eureka County, Nevada, which more particularly described in the Schedule A of the Royalty Deed to which these terms are attached; provided, however, that the Unpatented Claims shall not include any portion of the claims which overlap onto senior unpatented mining claims.

1.7 “**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 Royalty Area;

1.8 **“Net Smelter Returns”** has the definition assigned in Section 3.

1.9 **“Products”** means all Minerals and materials of commercial value produced or derived from the Royalty Area;

1.10 **“Production Royalty”** has the definition assigned in Section 2.2.

1.11 **“Royalty Area”** means the area that lies within the boundaries described in Exhibit 1-2 hereto; and

1.12 **“Royalty Buydown”** means Grantors’ right to reduce the Royalty as provided in Section 2.2(a).

1.13 **“Royalty Statement”** has the definition assigned in Section 4.2.

## **2. Payments To Grantees**

2.1 The Grantors shall pay the following advance royalty to the Grantees (the **“Advance Royalty”**):

(a) \$75,000 upon the Grantors achieving Commercial Production at its Gibellini Project (which includes the Unpatented Claims) as described in the Grantors’ continuous disclosure documents;

(b) \$50,000 upon the Grantors selling, conveying, transferring or assigning, all or any portion of the Unpatented Claims to any third party; and

(c) annually upon the anniversary of the effective date of the Mineral Lease Agreement, dated July 10, 2018, and the like day of each year thereafter during the term of this Agreement:

(i) if the average vanadium pentoxide price per pound (**“PriceV205”**), as quoted on Metal Bulletin or another reliable and reputable industry source as agreed by the parties, remains below \$7.00/lb. during the preceding 12 months, \$12,500;

or

(ii) if the Price V205, as quoted on Metal Bulletin or another reliable and reputable industry source as agreed by the parties, remains equal to or above \$7.00/lb. during the preceding 12 months, \$2,000 x PriceV205 up to a maximum annual Advance Royalty payment of \$28,000.

The above annual Advance Royalty payments will continue to be due and payable by the Grantors to the Grantees on each annual anniversary of the effective date of the Mineral Lease Agreement, being July 10, 2017, preceding the Grantors’ commencement of payment to the

Grantees of the Production Royalty payments pursuant to Section 2.2, provided, however, that if the Production Royalty payable in any year is less than the Advance Royalty otherwise payable for such year pursuant to this Section 2.1, the Grantors shall pay to the Grantees the difference between the amount of such Advance Royalty and the Production Royalty paid by the Grantors for such year. The Grantors shall pay the difference within thirty (30) days after the end of the applicable year. The sum of all Advance Royalty payments, and any difference between the amount of Advance Royalty otherwise payable and the lesser Production Royalty for such year, paid by the Grantors to the Grantees shall be deductible cumulatively as credits in favor of the Grantors against the Grantors' future Production Royalty payment obligations under Section 2.2, provided, however, such credit shall not be applied to payment of the difference between the Production Royalty paid during any year and the Advance Royalty otherwise payable for the year.

Notwithstanding any allegation or assertion by the Grantors of an occurrence or condition of Force Majeure which may prevent, inhibit or restrict the Grantors in performing exploration, development or mining work on the Royalty Area, all Advance Royalty payments, Production Royalty payments and all other payments required to be made by the Grantors hereunder shall be made when due.

**2.2 Production Royalty.** The Grantors shall pay to the Grantees a Production Royalty of two and one-half percent (2.5%) of the Net Smelter Returns of Products sold (the "**Production Royalty**"). If the Grantors terminate mining of Minerals from the Royalty Area, close the mine and commence reclamation of the mine, the Grantors' obligation to pay the Advance Royalty payment shall terminate and the Grantors shall have no obligation to pay the Production Royalty, except for metals recovered from Minerals after closure of the mine and commencement of reclamation. If after closure of the mine and reclamation of the Royalty Area, the Grantors re-open the mine or commence production of Minerals from another deposit on the Royalty Area, the Grantors shall pay the Advance Royalty beginning in the year after re-commencement of mining, and the Grantors shall pay the Production Royalty on metals recovered from Minerals following re-commencement of mining.

(a) Notwithstanding the foregoing Section above, subject to the terms and conditions set forth herein, the Grantors may, in their sole discretion and at any time prior to Commercial Production, purchase sixty percent (60%) of the Production Royalty (being 1.5% of the Net Smelter Returns) in consideration of \$1,000,000 payable to the Grantees ("**Royalty Buydown**").

(b) If the Grantors sell refined gold or silver, the Grantors will be deemed to have received proceeds from the sale thereof equal to the number of ounces of refined gold or silver outturned to the Grantors' account during the calendar quarter multiplied in the case of gold by the average daily London Bullion Market Association price during such calendar quarter and in the case of silver by the average of the daily Handy & Harmon Silver Base price 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 of the Grantors' choosing. The Grantors shall have the right to market and sell to third parties in any manner they choose, including the sale on any commodity market.

(c) Royalties shall accrue quarterly (based on quarters beginning each March 1, June 1, September 1 and December 1) and shall become due and payable by the Grantors prior to the end of the month following the end of each quarter. Royalty payments shall be accompanied by statements containing pertinent information in sufficient detail to explain the calculation of the royalty payment.

2.3 Place of Payment. All payments shall be sent to the address listed in Section 13 below, unless Grantees provide written instructions to the contrary. Records of payments made to such address shall be conclusive proof of receipt thereof.

### 3. **Net Smelter Returns**

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

3.1 As used herein, “**Gross Proceeds**” shall have the following meaning: The aggregate of revenue received by the Grantors from arm’s length purchasers of all Products, plus the fair market value of all Products sold by Grantors to persons not dealing at arm’s length with the Grantors, plus the Grantors’ share of proceeds from insurance on the Products.

3.2 As used herein, “**Allowable Deductions**” means the following costs, charges and expenses paid by the Grantors for or with respect to Products, after such Products are shipped from the Unpatented Claims:

(a) 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 and brokerage costs);

(b) 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 Unpatented Claims to the place of treatment and then to the place of sale; and

(c) The Grantees’ 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 Royalty**

4.1 With respect to each sale or other disposition of Products by the Grantors, the Royalty shall become due and payable within thirty (30) days of the end of the calendar quarter during which the Grantors receives payment for Products sold. Royalty payments shall be in US dollars.

4.2 All Royalty payments shall be considered final and in full satisfaction of all obligations of the Grantors with respect thereto, unless the Grantees give the Grantors written



notice describing and setting forth a specific objection to the determination of any Royalty payment within thirty (30) days after receipt by the Grantees of a written statement from the Grantors representing calculation of that Royalty payment and including copies of all third party sales invoices for Products during the respective calendar quarter (a **"Royalty Statement"**). If the Grantees objects to a particular Royalty Statement as herein provided, the Grantees shall, for a period of thirty (30) days after the Grantors' receipt of notice of such objection, have the right, upon reasonable notice and at reasonable time, to have the Grantors' accounts and records relating to the calculation of the Royalty in question audited by a certified professional accountant acceptable to the Grantees and to the Grantors. If such audit determines that there has been a deficiency or an excess in the payment made to the Grantees such deficiency or excess shall be resolved by adjusting the next Royalty payment or credit due hereunder. The Grantees shall pay all costs of such audit unless a deficiency of two percent (2.0%) or more of the amount determined by the Grantors to be due to the Grantees is determined to exist, in which case the Grantors shall pay the costs of such audit. All books and records used by the Grantors to calculate the Royalty due hereunder shall be kept in accordance with generally accepted accounting principles consistently applied. Failure on the part of the Grantees to make claim on the Grantors for adjustment to its 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 Grantees may commence a proceeding for fraud, concealment or misrepresentation.

4.3 All books and records used by the Grantors to calculate the Royalty due hereunder shall be kept in accordance with generally accepted accounting principles varied only by the specific provisions hereof. The Grantors 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 Unpatented Claims, accounts records, statements and returns relating to such treatment, smelting and refining arrangements shall be maintained by Grantors.

4.4 All profits, losses and expenses resulting from the Grantors 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 Royalty payments pursuant hereto. All Hedging Transactions shall be for Grantors' sole account and shall not affect the calculation and payment to the Grantees which shall be calculated and paid in accordance with the provisions hereof without regard for any Hedging Transactions.

## **5. Royalty In Kind**

The Grantees shall not have the right to receive the Royalty in kind.

## **6. Transfer Of Title To Grantees**

In the event the Grantor and/or any successors or assigns of the Grantors intend, to abandon, surrender, relinquish or allow to lapse or otherwise expire, for any reason, the Unpatented Claims, the Grantors shall first notify the Grantees of such intent by the Grantors, and give the Grantees the exclusive first right to elect to have the Grantors transfer to the Grantees all right, title and interest in and to the Unpatented Claims, or any part thereof. Upon written notification



from the Grantors of such intent to relinquish or abandon the Unpatented Claims, the Grantees shall notify the Grantors within thirty (30) days of receipt of the Grantors' notice whether the Grantees elect to acquire the Unpatented Claims. If the Grantees elect to acquire the Unpatented Claims, the Grantors shall transfer the same to the Grantees by deed in such form and substance as approved by the Grantees, and which deed shall be duly executed and delivered to the Grantees within ten (10) days of the Grantees' notification to the Grantors of their election. In the event the timing of the transfer to the Grantees shall occur within two (2) months of the date when claim maintenance obligations, assessment work and/or holding fees are required by or payable to federal and/or state agencies, then the Grantors shall be obligated to timely perform or pay the same. Such title transfer shall convey to the Grantees good and marketable title to the Unpatented Claims, free and clear of all liens, encumbrances and obligations, except future obligations required by federal and/or state agencies to maintain the validity of the Unpatented Claims. At no time shall the Grantors permit any third party to re-stake the Unpatented Claims, or any portion thereof, in order for the Grantors to avoid its requirement to pay the Grantees the Royalty, or for the Grantors to avoid its obligation to notify and allow the Grantees to exercise its sole and exclusive right to elect to have the Grantors transfer to the Grantees all right, title and interest in and to the Unpatented Claims, or any part thereof.

#### **7. Operations; Reporting**

The Grantors shall at all times that the Royalty is in existence conduct their work program in accordance with sound mining exploration industry standards, and all applicable laws, rules, regulations and orders applicable to the Unpatented Claims, and any permits, consents or authorizations obtained, granted or issued with respect to activities on or with respect to the Unpatented Claims.

#### **8. Royalty Runs with the Land**

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

#### **9. 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 Grantors. No implied covenants or conditions whatsoever shall be created hereby 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.

## **10. Assignment**

10.1 The Grantors shall have the right to assign the Unpatented 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 Unpatented Claims, in whole or in part, on such terms and conditions as it determines appropriate. The Grantors shall require any transferee or assignee of any interest in the Unpatented Claims to assume in writing the obligation to pay the Grantees the Royalty in accordance with the terms and conditions set forth herein, and upon such assumption, the Grantors shall be released from all liability hereunder with respect to the transferred interest in the Unpatented Claims, except for such liability as has accrued prior thereto.

10.2 The Grantees, one time only, may convey or assign all or part of this Royalty to any unaffiliated person provided that such conveyance or assignment shall not be effective against the Grantors until the assignee has delivered to the Grantors a written and enforceable undertaking whereby such assignee agrees to be bound, to the extent of the interest assigned, by all of the Royalty Terms.

## **11. Treatment of Product**

The Grantors 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 Unpatented Claims, at sites located on or off the Unpatented Claims, prior to sale, transfer, or conveyance to a purchaser, user or other consumer. The Grantors shall not be liable for mineral values lost in processing under sound practices and procedures, and no Royalty shall be due on any such lost mineral values.

## **12. Governing Law**

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

## **13. Notices**

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

If to the Grantees: Richard A. McKay  
P.O. Box 834  
Eureka, Nevada 89316 USA  
Email: richmckay.eureka@yahoo.com

If to the Grantors: VC Exploration (US) Inc. and  
Nevada Vanadium LLC  
Suite 1610 - 409 Granville Street  
Vancouver, British Columbia  
V6C 1T2 Canada  
Email: iplavutska@silverelef.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.

#### 14. Counterparts

These Royalty Terms 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.

#### 15. Modification

These Royalty Terms shall not be amended or modified except in writing signed by authorized signatories of each of the Parties.

The Parties have executed these Royalty Terms as of the date of the Royalty Deed.

#### GRANTORS:

VC EXPLORATION (US) INC., a  
Nevada corporation

By: \_\_\_\_\_  
Its: \_\_\_\_\_

NEVADA VANADIUM LLC, a Nevada  
limited liability Grantors limited liability  
Grantors, fka Vanadium Gibellini Grantors  
LLC

By: \_\_\_\_\_  
Its: \_\_\_\_\_

#### GRANTEES:

By: \_\_\_\_\_  
Richard A. McKay

By: \_\_\_\_\_  
Nancy M. Minoletti

By: \_\_\_\_\_  
Pamela S. Scutt

**EXHIBIT 1**  
**FORMER MCKAY-SCUTT-MINOLETTI CLAIMS (CLOSED)**

Claims located in Eureka County, Nevada, Township 15 North, Range 52 East, Sections 2, 3, 10,  
Mount Diablo Base and Meridian

<b>BLM SERIAL#</b>	<b>CLAIM NAME</b>
NMC954492	BUFF 16
NMC954493	BUFF 17
NMC954494	BUFF 18
NMC954500	BUFF 43
NMC954502	BUFF 45
NMC968757	VAN 1
NMC968758	VAN 2
NMC968759	VAN 3
NMC968760	VAN 4
NMC969607	VAN3A

## ROYALTY AREA

Coordinates of Vertices of the Outside Perimeter of the former McKay-Scutt-Minoletti Claims  
page Exhibit 1-1 (coordinates in the state plane system, units feet)

Vertice	Easting	Northing
1	1800191	21305984
2	1801692	21305984
3	1801687	21305583
4	1802423	21305467
5	1802437	21305536
6	1803022	21305445
7	1802744	21303947
8	1802423	21304013
9	1802081	21302412
10	1801234	21302580
11	1801233	21302397
12	1799752	21302380
13	1799749	21304183
14	1801228	21304194
15	1801223	21305378
16	1800188	21305378

**STATE OF NEVADA  
DECLARATION OF VALUE**

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

- a. unpatented mining claims  
b. \_\_\_\_\_  
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  
☒ Other Royalty Deed (unpatented mining claims)

**FOR RECORDERS OPTIONAL USE ONLY**

Book \_\_\_\_\_ Page: \_\_\_\_\_

Date of Recording: \_\_\_\_\_

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

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

\$ 0

**b. Deed in Lieu of Foreclosure Only (value of property)** (0)

c. Transfer Tax Value: \$ 0

d. Real Property Transfer Tax Due \$ 0

**4. If Exemption Claimed:**

a. Transfer Tax Exemption per NRS 375.090, Section 8

b. Explain Reason for Exemption: 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 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 R. L. Spell Capacity: \_\_\_\_\_

Signature Ron Spell Capacity: \_\_\_\_\_

**SELLER (GRANTOR) INFORMATION**

**(REQUIRED)**

VC Exploration (US) Inc.; Nevada  
Print Name: Vanadium LLC  
Address: 1610409 Granville Street  
City: Vancouver, BC  
State: Canada Zip: V6C 1T2

**BUYER (GRANTEE) INFORMATION**

**(REQUIRED)**

Richard A. McKay, Nancy M. Minoletti  
Print Name: and Pamela S. Scott  
Address: PO Box 834  
City: Eureka  
State: NV Zip: 89316

**COMPANY/PERSON REQUESTING RECORDING (Required if not seller or buyer)**

Print Name: Rew R. Goodnow; Parsons Behle & Latimer Escrow # \_\_\_\_\_  
Address: 50 W. Liberty St., Suite 750  
City: Reno, NV 89501 State: \_\_\_\_\_ Zip: \_\_\_\_\_

**AS A PUBLIC RECORD THIS FORM MAY BE RECORDED/MICROFILMED**