

APN: N/A (*Mineral Rights*)
Affecting: 009-230-10

Recorded at the request of:

Marvel & Marvel, Ltd.
217 Idaho Street
Elko, Nevada 89801

EUREKA COUNTY, NV

RPTT:\$0.00 Rec:\$37.00

\$37.00 Pgs=6

MARVEL & MARVEL, LTD

KATHERINE J. BOWLING, CLERK RECORDER E08

2022-248763

09/16/2022 11:35 AM

Mail All Notices to:

Andrew C. Goodrich and/or Bonnie Woodworth
5440 Goldenrod Street
Reno, NV 89511

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

ROYALTY DEED

THIS ROYALTY DEED is made and entered into this 8th day of September, 2022, ("Effective Date") by and between **TIMBERLINE RESOURCES CORPORATION**, a Delaware corporation qualified to do business in the State of Nevada ("Grantor"); and **ANDREW C. GOODRICH**, a married man as his sole and separate property, and **BONNIE WOODWORTH**, a married woman as her sole and separate property ("Grantees").

WITNESSETH:

That the said Grantor, for good and valuable consideration given by the Grantees, the receipt of which is hereby acknowledged, does by these presents, grant, bargain, sell and convey unto Grantees, and to Grantee's heirs, personal representatives, successors and assigns, a production royalty of one-half percent (.5%) ("NSR Royalty") of the Net Revenues of the net smelter returns from ores, metals and minerals ("Minerals"), including by-products and co-products thereof, produced and sold from the real property, being patented mining claims, more particularly described on Exhibit "A" attached hereto and incorporated herein (the "Property"). Net Revenues are defined, and the NSR Royalty shall be calculated and paid, as set forth in Exhibit "B" attached hereto and incorporated herein.

[Signatures to Follow on Next Page]

IN WITNESS WHEREOF, the said Grantor has executed this Deed as of the day and year first hereinabove written.

GRANTOR:

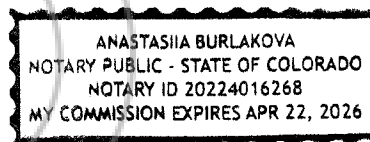
TIMBERLINE RESOURCES CORPORATION.
a Delaware corporation qualified to do business in
the State of Nevada

By: R. Patrick Highsmith
(Print Name)
[Signature]
(Signature)
President & CEO
(Title)

STATE OF Colorado)
COUNTY OF Arapahoe) SS.

On this 8 day of September, 2022, personally appeared before me, a Notary Public, a certain R. Patrick Highsmith, who proved to me on the basis of satisfactory evidence, to be the person whose name is subscribed to the foregoing instrument and who acknowledged that he executed it on behalf of Timberline Resources Corporation.

Anastasia Burlakova
NOTARY PUBLIC



ROYALTY DEED

EXHIBIT "A"

Legal Description of Property

All that certain land, consisting of patented mining claims, situate in the County of Eureka, State of Nevada, and more particularly described as follows:

CLAIM NAME	ASSESSOR PARCEL NO.	PATENT NO.	MINERAL SURVEY NO.
Eureka Mine	009-230-10	3507	152
Keystone Mine	009-230-10	3506	153
Clipper Mine	009-230-10	3508	154

ROYALTY DEED

EXHIBIT "B"

Definitions; Calculation of NSR Royalty; and, Related Production and Payment Matters;

Definitions.

"**Minerals**" means all minerals and mineral materials, including gold, silver, platinum and platinum group metals, base metals and minerals (including iron ore, antimony, chromium, cobalt, copper, lead, manganese, mercury, nickel, molybdenum, titanium, tungsten, zinc), and other metals, stockpiles and tailings which are on, in or under the Property.

"**Net Smelter Returns**" means the gross revenues from the sale of all Minerals or Mineral Products to a refinery, smelter or other purchaser, less the following costs, charges and expenses paid or incurred by Grantor:

a. Charges for treatment in the milling, crushing, beneficiation, concentrating, processing, smelting and refining processes (including handling, processing, sampling, assaying and representation costs; penalties and other processor deductions).

b. Actual costs of transportation (including freight, insurance, security, transaction taxes, handling, port, demurrage, delay and forwarding expenses incurred by reason of or in the course of such transportation) of Minerals or Mineral Products to the point of sale or to the refinery, smelter or other purchaser, but not any charges or costs of transportation of Minerals or ores from any mine on the Property to the place of first processing by an autoclave, concentrator, crusher, heap or other leach process, mill or plant.

Actual marketing, sales and brokerage costs on Mineral concentrates, processed ore, dore metal and products for which the NSR Royalty is payable.

c. Sales, use, severance, Nevada net proceeds of minerals (except net proceeds of minerals payable by Grantee), ad valorem taxes applicable under local, state and federal law and any other tax or governmental levy measured by production or the value of products, on which the NSR Royalty is payable (other than taxes based upon income).

Payment Procedures.

Accrual of Obligation. Grantor's obligation to pay the NSR Royalty shall accrue upon the sale, or delivery to the point of sale, of Minerals or Mineral Products, and become due and payable on a quarterly basis as set forth below.

Futures or Forward Sales, Etc. The NSR Royalty shall be determined irrespective of any actual arrangements for the sale or other disposition of Minerals by Grantor, specifically including but not limited to forward sales, futures trading or commodities options trading, and any other price hedging, price protection, and speculative arrangements that may involve the possible delivery of gold, silver or other metals or minerals produced from Minerals.

Quarterly Calculations and Payments. The NSR Royalty shall be determined on a quarterly basis. Grantor shall pay Grantees each quarterly NSR Royalty payment on or before the last business day of the quarter immediately following the quarter in which the NSR Royalty payment obligation accrued. If any amount payable by Grantor remains delinquent for a period in excess of thirty (30) days, Grantor shall pay to Grantees, in addition to the late payment, interest from and after the due date at the statutory rate pursuant to NRS 99.040.

Statements. At the time of payment of the NSR Royalty, Grantor shall accompany such payment with a statement which shows in reasonable detail the quantities and grades of Minerals or Mineral Products sold or deemed sold by Grantor in the preceding quarter; costs and other deductions, and other pertinent information in detail to explain the calculation of the payment with respect to such quarter. Payment shall be made to the address provided in the Agreement to which this Exhibit is attached for purposes of notices or by wire transfer to an account which Grantees designate.

Audit. Upon reasonable notice and at a reasonable time, once annually, Grantees shall have the right to audit and examine Grantor's accounts and records relating to the calculation of the NSR Royalty payments. If such audit determines that there has been a deficiency or an excess in the payment made to Grantees, such deficiency or excess shall be resolved by adjusting the next quarterly NSR Royalty payment due Grantees. Grantees shall pay all costs of such audit unless a deficiency of ten percent (10%) or more of the NSR Royalty payment due for the calendar quarter in question is determined to exist, in which case Grantor shall pay the costs of the audit. All books and records used by Grantor to calculate the NSR Royalty payments shall be kept in accordance with generally accepted accounting principles. All NSR Royalty payments made in any calendar year shall be considered final and in full satisfaction of all obligations of Grantor with respect thereto, unless Grantee gives written notice describing and setting forth a specific objection to the calculation thereof within one (1) year following the close of that calendar year. Grantor shall account for any agreed upon deficit or excess in the payment made to Grantee by adjusting the next annual statement following completion of such audit to account for such deficit or excess.

Affiliates. If Minerals or Mineral Products are sold to or purchased by a smelter or other facility owned by Grantor or an affiliate, the Net Smelter Returns shall not be less than if such Mineral or Mineral Products had been sold to or purchased from an independent party in a bona fide, arm's length transaction.

Commingling of Ores. Grantor shall have the right of mixing or commingling, either underground, at the surface, or at processing plants or other treatment facilities, any material containing Minerals mined or extracted from the Property with any similar substances derived from other lands or properties; provided, however, that before commingling, Grantor shall calculate from representative samples the average grade of the ore from the Property and shall either weigh or volumetrically calculate the number of tons of ore from the Property to be commingled. As products are produced from the commingled ores, Grantor shall calculate from representative samples the average percentage recovery of products produced from the commingled ores during each month. In obtaining representative samples, calculating the average grade of commingled ores and average percentage of recovery, Grantor shall be entitled to use any procedures acceptable in the mining and metallurgical industry which Grantor believes to be accurate and cost-effective for the type of mining and processing activity being conducted. In

addition, comparable procedures may be used by Grantor to apportion among the commingled ores any penalty charges imposed by the smelter or refiner on commingled ores or concentrates. The records relating to commingled ores shall be available for inspection by Grantees, at their sole expense, at all reasonable times, and shall be retained by Grantor for a period of two (2) years.

Ore Processing. All determinations with respect to: (a) whether ore from the Property shall be beneficiated, processed or milled by Grantor or sold in a raw state; (b) the methods of transporting, beneficiating, processing or milling any such ore; (c) the constituents to be recovered therefrom; and (d) the purchasers to whom any ore, minerals or mineral substances derived from the Property may be sold, may be made by Grantor in its sole and absolute discretion.

Ore Samples. The mineral content of all ore mined and removed from the Property (excluding ore leached in place) and the quantities of constituents recovered by Grantor shall be determined by Grantor, or with respect to such ore which is sold, by the mill or smelter to which the ore is sold, in accordance with standard sampling and analysis procedures.

Waste Rock, Spoil and Tailings. Any ore, mine waters, leachates, pregnant liquors, pregnant slurries, and other products or compounds or metals or minerals mined from the Property shall be the property of Grantor, subject to payment of the NSR Royalty. The NSR Royalty shall be payable only on metals, ores, or minerals recovered prior to the time waste rock, spoil, tailings, or other mine waste and residue are first disposed of as such, and such waste and residue shall be the sole property of Grantor. Grantor shall have the sole right to dump, deposit, sell, dispose of, or reprocess such waste rock, spoil, tailings, or other mine wastes and residues, and Grantees shall have no claim or interest therein other than for payment of the NSR Royalty to the extent any proceeds are generated or arise therefrom.

No Covenants. The parties agree that in no event shall Grantor have a duty or obligation, express or implied, to explore for, develop, mine or produce ores, minerals or mineral substances from the Property, and the timing, manner, method and amounts of such exploration, development, mining or production, if any, shall be in the sole discretion of Grantor.

Nature of Grantee's Interest. Grantees shall have only a royalty interest in the Property and rights and incidents of ownership of a non-executive, non-participating royalty interest owner. Grantees shall not have any fee simple estate or possessory interest in the Property nor any of the incidents of such estate or interest. By way of example but not by way of limitation, Grantees shall not have (a) a right to participate in the execution of applications for authorities, permits or licenses, mining leases, option, farm-outs or other conveyances, (b) the right to share in bonus payments or rental payments received as the consideration for the execution of such leases, options, farm-outs, or other conveyances, or (c) the right to enter upon the Property and prospect for, mine, drill for, or remove ores, minerals or mineral products therefrom.

**STATE OF NEVADA
DECLARATION OF VALUE**

1. Assessor Parcel Number(s)

- a) N/A (Royalty Interest/Mining Claim)
b) Affecting: 009-230-10
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 Interest - Mining Claim

3. a) Total Value/Sales Price of Property:

\$ 0

b) Deed in Lieu of Foreclosure Only (value of property)

(\$)

c) Transfer Tax Value:

\$

d) Real Property Transfer Tax Due

\$ 0

4. **If Exemption Claimed:**

a. Transfer Tax Exemption, per 375.090, Section:

8

b. Explain reason for exemption: **Conveyance of royalty interest in mining claim. Recorded in connection with Document No. 2022-248762**

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 (Grantor): Dustin Marvel

Capacity: Attorney

Signature (Grantee): Dustin Marvel

Capacity: Authorized Signer

**SELLER (GRANTOR) INFORMATION
(REQUIRED)**

Print Name: Timberline Resources Corporation

Address: 101 E. Lakeside

City: Coeur d'Alene

State: ID Zip: 83814

**BUYER (GRANTEE) INFORMATION
(REQUIRED)**

Print Name: Andrew Goodrich & Bonnie Woodworth

Address: 5440 Goldenrod Street

City: Reno

State: Nevada Zip: 89511

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

Print Name: Marvel & Marvel, Ltd File Number: _____

Address: 217 Idaho Street

City: Elko State: Nevada Zip: 89801

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