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**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF ARIZONA**

10 In re:
11 ELEVATION GOLD MINING
12 CORPORATION, et al.,
13 Debtor in a Foreign Proceeding.

In Proceedings Under Chapter 15

Case No. 2:24-bk-06359-EPB

Jointly Administered with:

Case No. 2:24-bk-06364-DPC

Case No. 2:24-bk-06367-BKM

Case No. 2:24-bk-06368-MCW

Case No. 2:24-bk-06370-EPB

Case No. 2:24-bk-06371-DPC

**PATRIOT GOLD CORPORATION'S
RESPONSE AND LIMITED
OBJECTION TO MOTION FOR
RECOGNITION AND APPROVAL OF
DIP LOAN AND KERP**

Date: October 29, 2024

Time: 10:00 a.m.

Location: Telephonic

22 This Response and Limited Objection (the “**Response**”) is filed by Patriot Gold
23 Corporation (“**Patriot Gold**”).¹ Patriot Gold hereby responds to the *Motion For*
24 *Recognition And Enforcement Of Canadian Financing And KERP Order* (the “**DIP**
25 **Motion**”) [Docket No. 50] filed on October 2, 2024 in the above-captioned Chapter 15

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¹ By filing this Response and Limited Objection to the DIP Motion, Patriot Gold does not
waive, and it fully reserves, all of its rights, remedies, defenses, and objections that may be
applicable regarding the Chapter 15 Case, including, but not limited to, objections or defenses it
may have to the jurisdiction of this Bankruptcy Court.

1 cases (collectively, the “**Chapter 15 Case**”). The DIP Motion was filed by KSV
2 Restructuring Inc. in its capacity as the Monitor (the “**Monitor**”) of Elevation Gold
3 Mining Corporation (“**Elevation Gold**”), Golden Vertex Corp. (“**Golden Vertex**
4 **Arizona**”), and Golden Vertex (Idaho) Corp. (“**Golden Vertex Idaho**” and, collectively
5 with Elevation Gold and Golden Vertex Idaho, the “**Subject Chapter 15 Debtors**”). In
6 the Motion, the Subject Chapter 15 Debtors request that this Court recognize, give full
7 force and effect to, and make binding on all United States assets of the Subject Chapter 15
8 Debtors a post-petition financing loan (the “**DIP Loan**”) and a Key Employee Retention
9 program (the “**KERP**”) which the Monitor presented previously in the pending Canadian
10 insolvency proceeding involving the Subject Chapter 15 Debtors (the “**Canadian**
11 **Proceeding**”).²

12 **I. INTRODUCTION.**

13 Patriot Gold holds a real property royalty interest in the Arizona Mine (as defined
14 below) owned by Subject Chapter 15 Debtor Golden Vertex Arizona (which is an Arizona
15 corporation). Patriot Gold’s interest in minerals at the Arizona Mine (and the proceeds of
16 such minerals) is a separate real property interest that is not owned by Golden Vertex
17 Arizona. Thus, the interest is outside the scope of the Subject Chapter 15 Debtors’ estates
18 and is not subject to avoidance or alteration under United States bankruptcy law (or any
19 other applicable state or federal law in the United States).

20 These cases are really about the efforts of Elevation Gold (a Canadian holding
21 company) to engineer a sale of the Arizona Mine by its U.S. subsidiary Golden Vertex
22 Arizona, which includes an attempt to avoid the legitimate royalty interests of Patriot Gold
23 and other U.S. royalty interest holders. Chapter 15 is clear -- irrespective of the Canadian
24 Proceeding, the *only* Court that can review and rule on the Subject Chapter 15 Debtors’

25 ² As discussed below, in addition to the Subject Chapter 15 Debtors, Eclipse Gold Mining
26 Corporation, Alceme Mining, Inc., and Hercules Gold USA, LLC are also listed as Chapter 15
27 Debtors. However, the Monitor is dismissing Alceme Mining and Hercules Gold from both the
28 Canadian Proceeding and the Chapter 15 Case. Eclipse Gold appears to be a holding company
whose assets were its equity interests in those entities. Accordingly, the “live” entities that
remain in the Chapter 15 Case appear to be only the Subject Chapter 15 Debtors.

1 sale efforts (or any other purported transfer of the Arizona Mine or other U.S. assets) is
2 this Court applying U.S. bankruptcy law independently of any ruling or determination by
3 the Supreme Court of British Columbia overseeing the Canadian Proceeding. The DIP
4 Loan and KERP are being requested in conjunction with the sale efforts of the Monitor
5 and Subject Chapter 15 Debtors regarding the Arizona Mine, and the liens and charges
6 under the DIP Loan and KERP would affect and encumber primarily the Arizona Mine
7 and other U.S. assets.

8 As the holder of a real property interest in minerals and proceeds, Patriot Gold's
9 royalty interest is not part of the Subject Chapter 15 Debtors' estates and is not subject to
10 alteration or to any liens, charges, or interests the Chapter 15 Debtors may try to impose
11 under the DIP Loan or the KERP. Accordingly, any order by this Court regarding the
12 Monitor's requests should provide expressly that none of Patriot Gold's royalty interests
13 and claims are encumbered, affected, or reduced or altered in any way by either the DIP
14 Loan or the KERP, or any related liens or charges.

15 In addition, the Monitor has not presented a proper basis for imposition of either
16 the DIP Loan or the KERP and their related liens and charges on U.S. assets. The Monitor
17 is requesting approval of both the DIP Loan (in the amount of USD\$2 million) and the
18 KERP (in the amount of USD\$870,417) to be secured by priming liens and charges on all
19 of the Subject Chapter 15 Debtors' U.S. assets (including the Arizona Mine). While the
20 Monitor asks for recognition of the DIP Loan under Bankruptcy Code § 364, it does not
21 explain how the DIP Loan and its priming liens and claims satisfy the requirements of
22 Section 364. In fact, the Monitor acknowledges that the Subject Chapter 15 Debtors do
23 not need the DIP Loan to sustain their business operations. Instead, the DIP Loan appears
24 to be available to fund the KERP, with the remainder to be used for unspecified possible
25 future needs. Moreover, the DIP Lender is related to a party that may offer to buy the
26 Arizona Mine; recognition of the DIP Loan against the Arizona Mine and other U.S. assets
27 would therefore simply leverage the DIP Lender and its affiliates over other potential
28 buyers.

1 The proposed KERP is even more problematic. Other than identifying the
2 \$870,000 plus aggregate amount of the KERP and that it would include liens and charges
3 encumbering the Arizona Mine and other U.S. assets, the Monitor presents no information
4 to this Court regarding the identities of the executives who will receive these substantial
5 bonuses, under what terms or conditions, why they are allegedly essential, or any other
6 information. Not only is this lack of disclosure improper, but these types of bonuses for
7 insider executives of the Subject Chapter 15 Debtors appear to violate on their face the
8 restrictions of Bankruptcy Code § 503(c).

9 In light of the foregoing, before seeking recognition and enforcement of the priming
10 liens and claims under either the DIP Loan or the KERP against the Arizona Mine or other
11 U.S. assets, the Monitor should be required to present proper requests for same under
12 Bankruptcy Code §§ 364 and 503(c) and interested parties should be given the opportunity
13 to respond.

14 **II. PATRIOT GOLD HOLDS A VALID AND ENFORCEABLE REAL**
15 **PROPERTY INTEREST IN THE ARIZONA MINE.**

16 1. Pursuant to a *Royalty Deed* dated as of May 25, 2016 and recorded in the
17 real property records for Mohave County (the “**Royalty Deed**”), Patriot Gold holds a
18 three percent (3%) royalty interest in the minerals at and produced from the Moss Mine
19 located in Mohave County, Arizona (the “**Arizona Mine**”). The Arizona Mine is owned
20 by Golden Vertex Arizona (which is an Arizona corporation). A copy of the Royalty Deed
21 is attached to this Response and Limited Objection as **Exhibit “A”**.

22 2. The Royalty Deed states expressly that it creates a real property interest
23 running with the land. *See* Royalty Deed at Section 2.6.

24 3. The Subject Chapter 15 Debtors recently filed Avoidance Motions seeking
25 to invalidate the real property interests held by Patriot Gold and other royalty interest
26 holders in the Arizona Mine.³ Patriot Gold disputes the Patriot Gold Avoidance Motion

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28 ³ On October 14, 2024, the Subject Chapter 15 Debtors filed: (i) a *Motion To Determine
The Nature Of Patriot Gold Corp’s Royalty Interest* [Docket No. 52] (the “**Patriot Gold
Avoidance Motion**”); (ii) a *Motion To Determine The Nature Of Nomad Royalty Company*

1 on both procedural and substantive grounds, and it will respond fully to same (or to any
2 other request to invalidate Patriot Gold’s real property interests) in accordance with the
3 Court’s procedures and further orders. In all events, no proceedings have been conducted
4 regarding the Patriot Gold Avoidance Motion or the other Avoidance Motions, and the
5 Court has not considered or ruled on any of the motions. In short, there has been no
6 finding, order, or judgment in either the Canadian Proceeding or the Chapter 15 Case
7 avoiding or recharacterizing Patriot Gold’s real property royalty interest in the Arizona
8 Mine.

9 **III. THE CHAPTER 15 CASE.**

10 4. Elevation Gold is a Canadian holding company whose primary assets appear
11 to be its equity interests in the other Chapter 15 Debtors. Golden Vertex Arizona is the
12 owner and operator of the Arizona Mine. Golden Vertex Arizona is an Arizona
13 corporation, and the Arizona Mine and its other assets are located in the United States.
14 Golden Vertex Idaho is a Nevada corporation, and its mining and other assets are located
15 in the United States.

16 5. Golden Vertex Arizona failed to comply with its obligations to Patriot Gold
17 under the Royalty Deed, including its failure to make required royalty payments.
18 Accordingly, and on May 29, 2024, Patriot Gold filed in Arizona Superior Court an
19 Application for the Appointment of a Receiver over the Arizona Mine (the “**Receivership**
20 **Action**”).

21 6. Golden Vertex Arizona and its parent Elevation Gold wanted to interdict the
22 Receivership Action. However, despite the fact that Golden Vertex Arizona is an Arizona
23 corporation, that its mine and other assets are located in the United States, and that its
24 royalty holders, employees, and creditors are in the United States, Elevation Gold

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27 *Limited’s Interest* [Docket No. 53] (the “**Nomad Avoidance Motion**”); and (iii) a *Motion To*
28 *Determine The Nature Of The Finder’s Fee Agreement* [Docket No. 54] (the “**Fee Avoidance**
Motion” and, collectively with the Patriot Gold Avoidance Motion and the Nomad Avoidance
Motion, the “**Avoidance Motions**”).

1 engineered the filing of the Canadian Proceeding and put Golden Vertex Arizona and the
2 other U.S. entities that are the Subject Chapter 15 Debtors into that proceeding.⁴

3 7. After the filing of the Canadian Proceeding, the Monitor filed his Chapter 15
4 Petition (the “**Petition**”) on August 2, 2024. On September 16, 2024, the Court entered
5 its *Order Granting Recognition and Related Relief* [Docket No. 49] (the “**9/16/2024**
6 **Order**”).

7 8. Throughout the Canadian Proceeding and the Chapter 15 Case, the Monitor
8 and Chapter 15 Debtors have made clear that a primary purpose of these cases is to try to
9 strip the interests of Patriot Gold and other royalty holders from the Arizona Mine and to
10 sell same. *See* Petition, ¶¶ 31–32.

11 **IV. THE PROPOSED DIP LOAN AND KERP.**

12 9. The Monitor originally sought approval of the DIP Loan and KERP in the
13 Canadian Proceeding. Patriot Gold made clear to the Canadian Court that (i) it could not
14 adjudicate the propriety of the charges securing the DIP Loan or KERP in regard to any
15 assets of the Subject Chapter 15 Debtors in the United States, and that only this Court,
16 applying US bankruptcy law, can review and rule on whether the DIP Loan and/or KERP
17 charges should be made applicable to US assets (including the Arizona Mine), and (ii) it
18 was Patriot Gold’s position that such charges, if granted in the Canadian order, were
19 incapable of recognition by this Court under US bankruptcy law.

20 **A. The DIP Loan.**

21 10. The Monitor asserts that the DIP Loan should be recognized and given full
22 force and effect by this Court and made enforceable against U.S. assets pursuant to
23 Bankruptcy Code § 364. *See* DIP Motion at pp. 7–8, ¶ 12. However, despite basing his
24 request on Section 364, the Monitor fails to explain how or why the DIP Loan meets the
25 requirements of Section 364 or any other Bankruptcy Code provision. In fact, the DIP
26 Loan has a number of problematic features. This is particularly important in this case

27 ⁴ The only remaining “live” debtors in the Canadian Proceeding appear to be the Elevation
28 Gold holding company and Golden Vertex Arizona and Golden Vertex Idaho. *See* footnote 2
above.

1 because the only Borrowers under the DIP Loan (other than the Elevation Gold holding
2 company) are U.S. mining companies, and their assets are in the U.S. The DIP Loan
3 includes all of the following:

4 (a) The DIP Loan amount is USD \$2 million.

5 (b) The DIP lender is identified as KIA II, LLC. There is no
6 discussion in the DIP Motion of who this entity is or what relationships it may
7 have with the Subject Chapter 15 Debtors or their principals.

8 (c) The only Borrowers under the DIP Loan are the Elevation Gold
9 holding company and U.S. mine companies Golden Vertex Arizona and
10 Golden Vertex Idaho.

11 (d) The DIP Lender would receive the equivalent of a priming lien
12 and claim (called the “Interim Lender’s Charge”) on all assets of the Subject
13 Chapter 15 Debtors (including the Arizona Mine, all related property, and all
14 other U.S. assets) that would have priority over other claims, liens, and
15 interests except for certain specified claims and liens.

16 (e) The DIP Loan would become immediately due and payable
17 upon the occurrence of a sale of the Subject Chapter 15 Debtors’ assets,
18 implementation of a Canadian plan of compromise or arrangement, or
19 occurrence of any a number of listed defaults.

20 See DIP Motion at pp. 4–7, ¶ 6 and Exhibits A and C to the motion.

21 11. Despite the fact the DIP Loan includes priming liens and charges, the
22 Monitor acknowledges that the Subject Chapter 15 Debtors project they will *have*
23 *sufficient funds to continue their business operations without the DIP Loan funding.* See
24 Second Report of the Monitor attached to the DIP Motion as Exhibit D at p. 10 (“The
25 Petitioners’ current cash flow forecast indicates that they should have sufficient liquidity
26 to continue to operate until at least the end of November 2024.”). Rather, it appears the
27 DIP Loan proceeds could be used to fund the KERP, with the remainder available to fund
28

1 possible future (and unidentified) expenses or shortfalls. *See* DIP Motion at pp. 4–7,
2 ¶¶ 6-8 and Exhibits C and D to the motion.

3 12. The Monitor also acknowledges that an entity related to the DIP Lender is a
4 potential purchaser of the Arizona Mine. *See* Second Report of the Monitor at p. 8, ¶ 7.

5 13. The Monitor acknowledges that the DIP Loan cannot affect any real
6 property rights or interests of Patriot Gold (or, presumably, of other royalty interest
7 holders). *See* DIP Motion at p. 9, ¶ 18 (“If Patriot Gold has any interest in real property
8 relating to the mining claims subject to the [Royalty Deed] (which it does not), that interest
9 would not be property of the estate and therefore not subject to the liens securing the [DIP
10 Loan] or the KERP. Adequate protection in that circumstance is not required. It simply
11 is not relevant.”) However, nowhere in the DIP Motion or the DIP Loan documentation
12 is this limitation made express, nor is any mechanism provided to ensure that Patriot
13 Gold’s royalty interest is observed and all royalty proceeds are segregated and turned over
14 to Patriot Gold.

15 14. Finally, the Monitor baldly asserts that, in the event adequate protection
16 must be afforded to any parties not consenting to the DIP Loan, sufficient adequate
17 protection is afforded simply because the Subject Chapter 15 Debtors are maintaining their
18 assets and working toward a sale transaction, and the DIP Loan will somehow advance
19 that process.

20 **B. The KERP.**

21 15. The KERP is a post-petition employee retention program under which “ten
22 senior executives” (none of whom are identified) would receive significant post-petition
23 retention bonuses aggregating to US\$870,417. *See* DIP Motion at p. 7, ¶ 8. The KERP
24 would be secured by its own priming lien or “charge” on all assets of the Subject Chapter
25 15 Debtors, subject only to certain other charges or liens. *See* DIP Motion at p. 7, ¶¶ 9-10
26 and Exhibit C thereto.

27 16. The Monitor does not present any information to the Court regarding the
28 identities of the senior executives favored under the KERP, what payment amounts any of

1 them will receive or under what terms, or why it is essential that any of the selected
2 executives receive substantial bonuses secured by priming liens on U.S. assets. This
3 information was apparently included only in a “confidential affidavit” of Tim Swendseid
4 that is not presented to this Court in conjunction with the DIP Motion. *See* Second Monitor
5 Report at pp. 7–8, § 4.0(1).

6 **V. ARGUMENT.**

7 **A. Only This Court Can Rule On The Monitor’s Request To**
8 **Encumber, Charge, Or Sell Assets In The United States (Including**
9 **The Arizona Mine).**

10 In a Chapter 15 case, the U.S. Bankruptcy Court has *in rem* jurisdiction over assets
11 located in the United States. When a foreign representative requests approval of
12 operational requests, the granting of liens on, or approval of any sale or other transfer of
13 U.S. assets, the U.S. Bankruptcy Court must apply the applicable provisions of the
14 Bankruptcy Code and consider and rule on such matters independently of the foreign
15 court. *See* Bankruptcy Code § 1520. “[U]pon recognition of a . . . foreign main proceeding
16 . . . sections 363, 549, and 552 apply to a transfer of an interest of the debtor in property
17 that is within the territorial jurisdiction of the United States *to the same extent that the*
18 *sections would apply* to property of an estate” brought in any other United States
19 bankruptcy proceeding. 11 U.S.C. § 1520(a)(2) (emphasis added).

20 Courts applying Section 1520 have made clear that findings of a foreign tribunal
21 regarding US assets are not controlling and should not be simply adopted by the U.S.
22 Bankruptcy Court. Rather, the U.S. Bankruptcy Court must conduct a full review under
23 the applicable bankruptcy statute(s) to the same extent that the U.S. Bankruptcy Court
24 would conduct in any other United States bankruptcy proceeding. *See, e.g., In re Fairfield*
25 *Sentry Ltd.*, 768 F.3d 239, 246 (2d Cir. 2014) (“Therefore, we conclude that the
26 bankruptcy court erred when it gave deference to the [foreign court’s] approval of the
27 [sale] and failed to conduct a review under section 363. . . . The language of the statute
28 makes it plain that the bankruptcy court was required to conduct a section 363 review.
Deference to the [foreign court] was not required. We therefore vacate and remand to the

1 district court with instructions to remand to the bankruptcy court to conduct the section
2 363 review.”); *In re Ace Track Co., Ltd.*, 556 B.R. 887, 915 (Bankr. N.D. Ill. 2016) (same);
3 *In re Fairfield Sentry Ltd.*, 539 B.R. 658, 673 (Bankr. S.D.N.Y. 2015) (“Notwithstanding
4 a foreign representative’s contrary intention, he can no more ‘opt out’ of § 363 than can a
5 debtor in possession under chapter 11 or a trustee under chapter 7.”).

6 Application of these principles is particularly important in this Chapter 15 Case.
7 Aside from a Canadian holding company and its equity interests, essentially *all* of the
8 assets in this case are owned by U.S. companies and are located in the United States. The
9 primary, if not only, announced goal of the Chapter 15 Debtors is to sell the Arizona Mine
10 (and to try and avoid the valid and enforceable royalty interests of Patriot Gold and other
11 parties in conjunction with such sale). The Chapter 15 Debtors admit the DIP Loan is part
12 of their strategy to engineer a sale of the Arizona Mine, and the priming liens and charges
13 imposed under the DIP Loan are almost entirely against U.S. assets.

14 **B. The DIP Loan Cannot Affect The Interests Of Patriot Gold And**
15 **Other Royalty Holders In The Arizona Mine.**

16 As discussed above, Patriot Gold holds a valid and recorded royalty interest in the
17 minerals at the Arizona Mine and their proceeds. As a recorded real property interest,
18 Patriot Gold’s mineral rights interest and all proceeds therefrom are not included in the
19 estates of the Subject Chapter 15 Debtors and are not subject to recharacterization,
20 avoidance or alteration in this Chapter 15 Case. *See, e.g., In re Ursa Operating Co., LLC*,
21 2024 WL 278397, at *2–3 (3d Cir. January 25, 2024) (holder of mineral royalties holds a
22 real property interest that is excluded from property of the estate under Bankruptcy Code
23 Section 541(d) and therefore Chapter 11 debtor subject to the royalty does “not have an
24 equitable interest in the Royalty Claimants’ designated share of the proceeds that it
25 received from the sale of those resources.”) (applying Colorado law).

26 Although the Subject Chapter 15 Debtors recently filed their (procedurally
27 improper) Avoidance Motions, there have been no proceedings on such motions and no
28 ruling of any kind invalidating or altering in any way Patriot Gold’s recorded real property

1 interest. The Monitor acknowledges that if Patriot Gold holds a real property interest
2 under the Royalty Deed (which it does), Patriot Gold’s interest is not part of the Chapter
3 15 Debtors’ estates and it cannot be affected or altered in any way by the DIP Loan. *See*
4 DIP Motion at pp. 9, ¶ 18. Accordingly, none of Patriot Gold’s interests should be subject
5 to any DIP Loan or KERP liens or “charges” or other obligations of any kind.

6 In light of the foregoing, any Order by the Court regarding the DIP Loan or KERP
7 should state and adjudicate that Patriot Gold’s royalty interest under the Royalty Deed in
8 the minerals at the Arizona Mine and their proceeds are not affected or subject in any way
9 to the DIP Loan or the KERP, or any liens, charges, or claims of any kind related thereto.

10 **C. The DIP Loan And KERP Should Not Be Approved Until The**
11 **Monitor Complies With And Establishes Satisfaction Of The**
12 **Applicable Requirements Of The Bankruptcy Code.**

13 Irrespective of how the Court ultimately rules regarding the royalty interest of
14 Patriot Gold and other royalty holders in the Arizona Mine, Patriot Gold (and presumably
15 other royalty holders) are major creditors of the Subject Chapter 15 Debtors. As such,
16 they have an interest in the ultimate disposition of the Subject Chapter 15 Debtors’ U.S.
17 assets.⁵

18 The Monitor asks the Court to approve the DIP Loan (and presumably the KERP)
19 pursuant to Bankruptcy Code § 364. *See* DIP Motion at pp. 7–8, ¶ 12. However, other
20 than citing Section 364, the Monitor does not explain at all how either the proposed DIP
21 Loan or the KERP, much less their priming liens and charges, can satisfy the stringent
22 requirements of Section 364 regarding DIP loans secured with priming liens. *See*
23 Bankruptcy Code § 364(d). Section 364(d) permits priming liens and claims only as “a
24 last resort” and only in “extraordinary” circumstances that fully protect affected parties.
25 *In re Packard Square LLC*, 574 B.R. 107, 116–17 (Bankr. E.D. Mich. 2017); *See also In*

26 ⁵ The Subject Chapter 15 Debtors have failed to comply with the Patriot Gold Royalty
27 Deed, including the royalty payment obligations thereunder, on a pre-petition and post-petition
28 basis. In addition to all of its other rights and remedies, Patriot Gold likely holds rights to a
constructive trust and other potential pre-petition and post-petition claims against the Subject
Chapter 15 Debtors. Patriot Gold reserves all of its interests, claims, and rights under the Royalty
Deed, applicable law, and otherwise.

1 *re Qualitech Steel Corp.*, 276 F.3d 245, 248 (7th Cir. 2001) (“Section 364(d) is supposed
2 to be a last resort.”); *In re Seth Co.*, 281 B.R. 150, 153 (Bankr. D. Conn. 2002) (finding
3 that the ability to prime a lien is “extraordinary”).

4 The priming DIP Loan requested by the Monitor is particularly problematic under
5 Section 364 because, among other things, the Monitor acknowledges that the Chapter 15
6 Debtors project they can continue their operations without the DIP Loan and the DIP Loan
7 would have the effect of materially leveraging the DIP Lender over other parties and
8 potential bidders for the Debtor’s U.S. assets (other potential bidders would have to satisfy
9 the USD\$2 million DIP Loan and obligation). A priming lien may not be used to “convert
10 the bankruptcy process from one designed to benefit all creditors to one designed for the
11 unwarranted benefit of the post-petition lender” and should not grant lenders “excessive
12 control over the debtor or its assets as to unduly prejudice the rights of other parties in
13 interest.” *In re Defender Drug Stores, Inc.*, 145 B.R. 312, 317 (B.A.P. 9th Cir. 1992).
14 Financing should also be tied to necessary operational expenses that increase the value of
15 the estate. *See In re Tempe Land Co., LLC*, 2009 WL 1211622, at *2 (Bankr. D. Ariz. May
16 1, 2009) (disapproving of the financing proposal in part because a majority of the funds
17 were going to “lender fees, interest reserves and the payoff of other loans, none of which
18 directly benefit the project”).

19 The KERP is even more problematic. The Monitor has presented *no* meaningful
20 information to this Court regarding who are the lucky “senior executives” who will receive
21 the post-petition bonuses which aggregate to almost USD\$900,000, nor the terms or
22 conditions regarding same. At the same time, the KERP would provide these undisclosed
23 senior executives with a priming lien and charge on the Arizona Mine and all other U.S.
24 assets of the Chapter 15 Debtors to secure their bonuses. This not only improperly
25 leverages the position of these undisclosed insiders, but the KERP appears to directly
26 conflict with the strict limitations on executive retention bonuses contained in Bankruptcy
27 Code § 503(c). None of these matters are addressed by the Monitor.

1 Irrespective of what the Canadian Court has ruled under Canadian law regarding
2 the DIP Loan and KERP as it affects Canadian entities and assets, for the DIP Loan and
3 KERP to be allowed against the Arizona Mine and other U.S. assets (which are the primary
4 assets in these cases), the Monitor must articulate and establish how these requests satisfy
5 U.S. bankruptcy law (they do not), and if and when he does so U.S. parties-in-interest
6 should be allowed to respond. This is particularly the case when the DIP Loan and KERP
7 are designed on their face to be parts of an overall sale strategy regarding the Arizona
8 Mine that, and the end of the day, only this Court can review and consider under
9 Bankruptcy Code § 363.

10 **IV. CONCLUSION.**

11 For all of the foregoing reasons, Patriot Gold respectfully requests that:

12 A. Any consideration of the Monitor's DIP Loan and KERP request be
13 deferred, at least as it relates to all U.S. assets of the Subject Chapter 15 Debtors, until
14 such time as the Monitor has presented a proper approval request in accordance with
15 Bankruptcy Code §§ 364 and 503(c) and all parties-in-interest have been allowed to
16 respond; and

17 B. In all events, any Order regarding the DIP Loan and KERP provide
18 expressly that Patriot Gold's royalty interest under the Royalty Deed in the minerals at the
19 Arizona Mine and their proceeds are not affected or subject in any way to the DIP Loan
20 or the KERP, or any liens, charges, or claims of any kind related thereto.

21 DATED this 18th day of October, 2024.

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28 /s/ Sybil Taylor Aytch

Exhibit "A"

CHICAGO TITLE INSURANCE COMPANY
COMMERCIAL

FEE# 2016023500

OFFICIAL RECORDS OF MOHAVE COUNTY
ROBERT BALLARD, COUNTY RECORDER
05/26/2016 10:59 AM Fee \$1113.00
PAGE: 1 of 16

Upon recording return to:
Patriot Gold Corp.
Attn: Trevor Newton
3651 Lindell Road, Suite D165
Las Vegas, NV 89103

 ORIGINAL

Affidavit of Value exempt pursuant to A.R.S § 11-1134(A)(6)

CTM 2016030826

C.1604304.346D1

3/5

ROYALTY DEED
(Patented and Unpatented Mining Claims)

THIS ROYALTY DEED is made and entered into and made effective as of this ^{25th} day of May, 2016, by and between Golden Vertex Corp., an Arizona corporation ("Payor"), having an address of 2440 Adobe Rd Suite 101, Bullhead City, Arizona, 86442 and Patriot Gold Corp., a Nevada corporation ("Owner"), having an address of 3651 Lindell Road, Suite D165, Las Vegas, Nevada, 89103.

WITNESSETH

For and in consideration of the mutual premises and covenants herein contained, and other good and valuable consideration, the receipt and sufficiency of which are hereby confessed and acknowledged, Payor, as the owner of the Property, hereby grants and conveys to Owner a Royalty of THREE PERCENT (3%) of Net Smelter Returns from the production of minerals from the Property.

ARTICLE I

THE PROPERTY

1.1 The Property. "Property" means the minerals, the patented mining claims, the unpatented mining claims and interests (including all appurtenances) described in Exhibit "A", and any other mineral interests acquired within the Area of Interest.

1.2 Area of Interest. "Area of Interest" means the lands within one (1) mile of the exterior boundaries of those patented and unpatented mining claims that are specifically identified in Section I and Section II in Schedule "A".

1.3 Outside Area of Interest. For the sake of clarity and to avoid any doubt, any additional mining claims, mineral rights and property interests subsequently acquired by Payor shall not be subject to this Royalty Deed with regard to any portion of such mining claim, right or interest lying outside of the Area of Interest.

ARTICLE II

GRANT OF ROYALTY

2.1 Grant of Royalty. Payor, as the owner of the Property, hereby grants and conveys to Owner a Royalty of THREE PERCENT (3%) of Net Smelter Returns from the production of minerals from the Property.

2.2 Royalty. "Royalty" means the nonexecutive, nonparticipating and nonworking mineral production royalty based on the Net Smelter Returns from the production of minerals from the Property.

2.3 Net Smelter Returns. "Net Smelter Returns" means the aggregate proceeds received by Payor from time to time from any smelter or other purchaser from the sale of any minerals, ores, concentrates, metals or any other material of commercial value produced by and from the Property after deducting from such proceeds the following charges only to the extent that they are not deducted by the smelter or other purchaser in computing the proceeds:

(a) The cost of transportation of the ores, concentrates or metals from the Property to such smelter or other purchaser, including related insurance; and

(b) Smelting and refining charges including penalties.

2.4 Payment of Royalty. Payor shall pay the Royalty to Owner monthly within thirty (30) days after the end of each calendar month during which the Payor receives payments on all products produced and sold from the Property and will be paid in United States currency or in kind bullion at the discretion of Owner. All payments hereunder shall be sent by certified U.S. mail to Owner at the following address:

3651 Lindell Road, Suite D165, Las Vegas, Nevada, 89103

or by wire transfer to an account designated by and in accordance with written instructions from Owner, or consistent with such notice as is to be provided to any successor or assignee of Owner.

2.5 Audit. Within 180 days after the end of each calendar year for which the Royalty is paid Payor shall audit Payor's calculation and payment of the Royalty. Any adjustments in the payments of Royalty to the Owner shall be made forthwith after completion of the audit. The Owner shall have the right, but not the obligation, to audit and give written notice of the Owner's dispute of the Payor's audit or records within 180 days after delivery to the Owner of Payor's yearly audits. All payments of the Royalty to the Owner for a calendar year shall be deemed final and in full satisfaction of all obligations of the Payor in respect thereof if such payments or the calculations thereof are not disputed by the Owner in accordance with the foregoing provisions unless and until any new information concerning the calculation and payment of the Royalty is revealed after the periods stated above. The Owner shall maintain accurate records relevant to the determination and payment of the Royalty and the Owner and its authorized agents shall be permitted the right to examine such records at all reasonable times.

2.6 Covenant Running with the Land. The obligation to pay the Royalty (and Payor's other obligations set forth in this Royalty Deed) shall be a covenant running with the Property and shall be binding on the Payor and its successors and assigns, including any third party who acquires any interest in any portion of the Property. Owner shall be free to sell, pledge or otherwise transfer all or a portion of the Royalty to a third party or parties, subject to the terms and conditions of this Royalty Deed.

2.7 Abandonment of Claims. For a period of twenty-five (25) years from the effective date hereof, if Payor or its successors or assigns desire to abandon any of the unpatented mining claims comprising a portion of the Property, at least 60 days prior to such abandonment, Payor shall notify Owner in writing, and if Owner desires to acquire the claims in question, Owner shall notify Payor in writing within 30 days of Owner's receipt of such notice, and in that event, Payor shall promptly quitclaim the claims in question to Owner. During the 30 day period following Owner's receipt of the notice of intent to abandon from Payor, Owner shall have the right to engage in such due diligence as it sees fit regarding title to, environmental conditions at or affecting, and mineral resources within such claims, and Payor shall reasonably cooperate with Owner in conducting such due diligence, subject to the terms and conditions of a confidentiality agreement mutually agreeable to the parties. If Owner elects not to acquire such claims, and Payor or its successors restakes or relocates the ground covered by such claims within five years of the date of abandonment, the Payor shall notify Owner in writing and the Royalty shall be payable on the relocated claims. In addition, if Payor acquires any unpatented mining claims or other interests in real property within the Area of Interest, Payor shall notify Owner in writing.

2.8 Conversion of Unpatented Mining Claims. The Royalty and the obligation to pay the Royalty shall apply and extend to any further or additional right, title, interest or estate heretofore or hereafter acquired by Payor in or to the Property (including without limitation any and all rights to the ground covered by the unpatented mining claims comprising a portion of the Property in the event of legislative changes to the General Mining Law of 1872 which result in a new form of land tenure system applicable to Payor's interest in those claims).

[SIGNATURES ON FOLLOWING PAGE]

Schedule "A"
To
Royalty Deed
(Property - Legal Description)

I. Patented Mining Claims

The following patented mining claims located in Sections 19, 20, 29 and 30, T20N, R20W, G&SRB&M, Mohave County, Arizona:

Parcel 1: (APN: 213-09-001)

RUTH - Mineral Survey No. 2213, General Land Office No. 45396, U.S. Patent dated May 1, 1907, recorded on August 2, 1910 in the office of the Recorder of Mohave County, Arizona in Book 21 of Deeds, at Page 210.

RATTAN - Mineral Survey No. 857, Lot No. 39, Mineral Certificate No. 268, General Land Office No. 25645, U.S. Patent dated May 28, 1895, recorded on August 14, 1895 in the office of the Recorder of Mohave County, Arizona in Book 11 of Deeds, at Page 751.

Parcel 2: (APN: 213-09-002)

The EMPIRE, MASCOT, PARTNERSHIP, RATTAN EXTENSION, and RUTH EXTENSION Lode Mining Claims, Mineral Survey No. 4485, as shown and according to UNITED STATES PATENT recorded in Book 117 of Deeds, page 74, situate in Sections 29 and 30, Township 20N, Range 20 West of the Gila and Salt River Base and Meridian, in the San Francisco Mining District, Mohave County, Arizona.

EXCEPT all of that portion thereof lying with the boundaries of the RATTAN Lode Mining Claim, Survey No. 857, Lot No. 39, Mineral Certificate No. 268 in said San Francisco Mining District, as set forth in said Patent.

Parcel 3: (APN: 213-05-004)

KEY NO. 1, KEY NO. 2, MOSS MILLSIGHT, OMEGA, DIVIDE & KEYSTONE WEDGE Lode Mining Claims in the San Francisco Mining District, being shown on Mineral Survey NO. 4484 on file in the Bureau of Land Management, as granted by PATENT recorded in Book 115 of Deeds, page 428, and situate in Sections 19 and 30, Township 20 North, Range 20 West of the Gila and Salt River Base and Meridian, Mohave County, Arizona;

EXCEPTING from said claims all of that portion of ground within the boundaries of the CALIFORNIA MOSS Lode Mining Claim, Mineral Survey No. 182.

Parcel 4: (APN: 213-05-005)

CALIFORNIA MOSS Patented Claim, Lot 37, U.S. Mineral Survey 182 of June 15, 1882, said Patent recorded as a deed in Mohave County Recorder's Office records in Book 6, Page 754 and also recorded in the Mohave County Assessor's records as Parcel 213-05-005.

Parcel 5: (APN: 213-05-006)

CALIFORNIA MOSS Lode Mining Claim (Lot No. 38), in the San Francisco Mining District, Survey No. 796, Mineral Certificate No. 175 according to the Patent thereto recorded in Book 22 of Deeds, page 35, lying within a portion of Sections 19, 20, 29 and 30, Township 20 North, Range 20 West of the Gila and Salt River Base and Meridian, Mohave County, Arizona.

II. Unpatented Mining Claims

The following unpatented mining claims situated in the Oatman Mining District in Sections 19, 20, 29 and 30, Township 20 North, Range 20 West, G&SRB&M, Mohave County, Arizona. The Location Notices and any amendments thereto, are of record in the office of the County Recorder of Mohave County, Arizona, and on file with the Bureau of Land Management in Phoenix, Arizona.

No.	Name of Claim	Fee No.	BLM Serial No.
1	MOSS 11	2004064631	AMC361998
2	MOSS 12	2004064632	AMC361999
3	MOSS 13	2004064633	AMC362000
4	MOSS 14	2004064634	AMC362001
5	MOSS 15	2004064635	AMC362002
6	MOSS 16	2004064636	AMC362003
7	MOSS 17	2004064637	AMC362004
8	MOSS 18	2004064638	AMC362005
9	MOSS 19	2004064639	AMC362006
10	MOSS 20	2004064640	AMC362007
11	MOSS 21	2004064641	AMC362008
12	MOSS 22	2004064642	AMC362009
13	MOSS 23	2004064643	AMC362010
	MOSS 23 (amended)	2015018073	
14	MOSS 24	2004064644	AMC362011
15	MOSS 25	2004064645	AMC362012
16	MOSS 26	2004064646	AMC362013
17	MOSS 27	2004064647	AMC362014
18	MOSS 28	2004064648	AMC362015
19	MOSS 29	2004064649	AMC362016
20	MOSS 30	2004064650	AMC362017
21	MOSS 31	2004064651	AMC362018
22	MOSS 32	2004064652	AMC362019
23	MOSS 34	2004064655	AMC362022
24	MOSS 35	2004064656	AMC362023
25	MOSS 36	2004064657	AMC362024
26	MOSS 37	2004064658	AMC362025
27	MOSS 38	2004064659	AMC362026
28	MOSS 39	2004064660	AMC362027
29	MOSS 39F	2004064661	AMC362028

No.	Name of Claim	Fee No.	BLM Serial No.
	MOSS 39F (amended)	2015018075	
30	MOSS 40	2004064662	AMC362029
31	MOSS 41	2004064663	AMC362030
32	MOSS 42	2004064664	AMC362031
33	MOSS 43	2004064665	AMC362032
34	MOSS 44	2004064666	AMC362033
35	MOSS 45	2004064667	AMC362034
36	MOSS 46	2004064668	AMC362035
	MOSS 46 (amended)	2015018076	
37	MOSS 47	2004064669	AMC362036
	MOSS 47 (amended)	2013014545	
38	MOSS 47B	2004064670	AMC362037
39	MOSS 48	2004064671	AMC362038
	MOSS 48 (amended)	2013014546	
40	MOSS 49	2004064672	AMC362039
	MOSS 49 (amended)	2013014547	
41	MOSS 50	2004064673	AMC362040
	MOSS 50 (amended)	2013014548	
42	MOSS 51	2004064674	AMC362041
43	MOSS 52	2004064675	AMC362042
44	MOSS 53	2004064676	AMC362043
45	MOSS 54	2004064677	AMC362044
46	MOSS 55	2004064678	AMC362045
47	MOSS 56	2004064679	AMC362046
48	MOSS 57	2004064680	AMC362047
49	MOSS 58	2004064681	AMC362048
50	MOSS 59	2004064682	AMC362049
51	MOSS 60	2004064683	AMC362050
52	MOSS 61	2004064684	AMC362051
53	MOSS 62	2004064685	AMC362052
54	MOSS 63	2004064686	AMC362053
55	MOSS 64	2004064687	AMC362054
56	MOSS 65	2004064688	AMC362055
57	MOSS 66	2004064689	AMC362056
58	MOSS 67	2004064690	AMC362057
59	MOSS 68	2004064691	AMC362058
60	MOSS 69	2004064692	AMC362059
61	MOSS 70	2004064693	AMC362060
62	MOSS 1	2009078702	AMC398978
63	MOSS 2	2009078703	AMC398979
64	MOSS 3	2009078704	AMC398980
65	MOSS 4	2009078705	AMC398981
66	MOSS 5	2009078706	AMC398982
67	MOSS 6	2009078707	AMC398983

No.	Name of Claim	Fee No.	BLM Serial No.
68	MOSS 7	2009078708	AMC398984
69	MOSS 8	2009078709	AMC398985
70	MOSS 9	2009078710	AMC398986
71	MOSS 10	2009078711	AMC398987
72	MOSS 118	2009078712	AMC398988
73	MOSS 119	2009078713	AMC398989
74	MOSS 120	2009078714	AMC398990
75	MOSS 121	2009078715	AMC398991
76	MOSS 122	2009078716	AMC398992
77	MOSS 123	2009078717	AMC398993
78	MOSS 124	2009078718	AMC398994
79	MOSS 125	2009078719	AMC398995
80	MOSS 126	2009078720	AMC398996
81	MOSS 127	2009078721	AMC398997
82	MOSS 128	2009078722	AMC398998
83	MOSS 129	2009078723	AMC398999
84	MOSS 130	2009078724	AMC399000
85	MOSS 131	2009078725	AMC399001
86	MOSS 132	2009078726	AMC399002
87	MOSS 133	2009078727	AMC399003
88	MOSS 134	2009078728	AMC399004
89	MOSS 135	2009078729	AMC399005
90	MOSS 136	2009078730	AMC399006
91	MOSS 137	2009078731	AMC399007
92	MOSS 138	2009078732	AMC399008
93	MOSS 139	2009078733	AMC399009
94	MOSS 140	2009078734	AMC399010
95	MOSS 141	2009078735	AMC399011
96	MOSS 142	2009078736	AMC399012
97	MOSS 143	2009078737	AMC399013
98	MOSS 144	2009078738	AMC399014
99	MOSS 145	2009078739	AMC399015
100	MOSS 146	2009078740	AMC399016
101	MOSS 147	2009078741	AMC399017
102	MOSS 148	2009078742	AMC399018
103	MOSS 33X	2015040270	AMC433744

III. GVC Claims (Golden Vertex Corp. Claims)

The following unpatented mining claims situated in the Oatman Mining District in Sections 13, 14, 23, 24, 25, 26, 35, and 36, Township 20 North, Range 21 West; and Sections 19, 20, 21, 28, 29, 30, 31 and 32, Township 20 North, Range 20 West; G&SRB&M, Mohave County, Arizona. The Location Notices and any amendments thereto, are of record in the office of the County

Recorder of Mohave County, Arizona, and on file with the Bureau of Land Management in Phoenix, Arizona.

No.	Name of Claim	Fee No.	BLM Serial No.
1	GVC 4	2011034909	AMC408942
2	GVC 5	2011034910	AMC408943
3	GVC 6	2011034911	AMC408944
4	GVC 7	2011034912	AMC408945
5	GVC 8	2011034913	AMC408946
6	GVC 9	2011034914	AMC408947
7	GVC 10	2011034915	AMC408948
8	GVC 11	2011034916	AMC408949
9	GVC 12	2011034917	AMC408950
10	GVC 13	2011034918	AMC408951
11	GVC 15	2011034920	AMC408953
12	GVC 16	2011034921	AMC408954
13	GVC 17	2011034922	AMC408955
14	GVC 18	2011034923	AMC408956
15	GVC 19	2011034924	AMC408957
16	GVC 20	2011034925	AMC408958
17	GVC 21	2011034926	AMC408959
18	GVC 22	2011034927	AMC408960
19	GVC 23	2011034928	AMC408961
20	GVC 24	2011034929	AMC408962
21	GVC 25	2011034930	AMC408963
22	GVC 26	2011034931	AMC408964
23	GVC 27	2011034932	AMC408965
24	GVC 28	2011034933	AMC408966
25	GVC 29	2011034934	AMC408967
26	GVC 30	2011034935	AMC408968
27	GVC 31	2011034936	AMC408969
28	GVC 33	2011034938	AMC408971
29	GVC 34	2011034939	AMC408972
30	GVC 35	2011034940	AMC408973
31	GVC 36	2011034941	AMC408974
32	GVC 37	2011034942	AMC408975
33	GVC 38	2011034943	AMC408976
34	GVC 39	2011034944	AMC408977
35	GVC 40	2011034945	AMC408978
36	GVC 41	2011034946	AMC408979
37	GVC 42	2011034947	AMC408980
38	GVC 43	2011034948	AMC408981
39	GVC 44	2011034949	AMC408982
40	GVC 45	2011034950	AMC408983
41	GVC 46	2011034951	AMC408984

No.	Name of Claim	Fee No.	BLM Serial No.
42	GVC 47	2011034952	AMC408985
43	GVC 48	2011034953	AMC408986
44	GVC 49	2011034954	AMC408987
45	GVC 50	2011034955	AMC408988
46	GVC 51	2011034956	AMC408989
47	GVC 52	2011034957	AMC408990
48	GVC 53	2011034958	AMC408991
49	GVC 54	2011034959	AMC408992
50	GVC 55	2011034960	AMC408993
51	GVC 56	2011034961	AMC408994
52	GVC 57	2011034962	AMC408995
53	GVC 58	2011034963	AMC408996
54	GVC 59	2011034964	AMC408997
55	GVC 60	2011034965	AMC408998
56	GVC 61	2011034966	AMC408999
57	GVC 62	2011034967	AMC409000
58	GVC 63	2011034968	AMC409001
59	GVC 64	2011034969	AMC409002
60	GVC 65	2011034970	AMC409003
61	GVC 67	2011034971	AMC409004
62	GVC 68	2011034972	AMC409005
63	GVC 69	2011034973	AMC409006
64	GVC 70	2011034974	AMC409007
65	GVC 71	2011034975	AMC409008
66	GVC 72	2011034976	AMC409009
67	GVC 73	2011034977	AMC409010
68	GVC 74	2011034978	AMC409011
69	GVC 75	2011034979	AMC409012
70	GVC 76	2011034980	AMC409013
71	GVC 77	2011034981	AMC409014
72	GVC 78	2011034982	AMC409015
73	GVC 79	2011034983	AMC409016
74	GVC 80	2011034984	AMC409017
75	GVC 81	2011034985	AMC409018
76	GVC 82	2011034986	AMC409019
77	GVC 83	2011034987	AMC409020
78	GVC 84	2011034988	AMC409021
79	GVC 85	2011034989	AMC409022
80	GVC 86	2011034990	AMC409023
81	GVC 87	2011034991	AMC409024
82	GVC 88	2011034992	AMC409025
83	GVC 89	2011034993	AMC409026
84	GVC 90	2011034994	AMC409027
85	GVC 91	2011034995	AMC409028

No.	Name of Claim	Fee No.	BLM Serial No.
86	GVC 92	2011034996	AMC409029
87	GVC 93	2011034997	AMC409030
88	GVC 94	2011034998	AMC409031
89	GVC 95	2011034999	AMC409032
90	GVC 96	2011035000	AMC409033
91	GVC 97	2011035001	AMC409034
92	GVC 98	2011035002	AMC409035
93	GVC 99	2011035003	AMC409036
94	GVC 100	2011035004	AMC409037
95	GVC 101	2011035005	AMC409038
96	GVC 102	2011035006	AMC409039
97	GVC 103	2011035007	AMC409040
98	GVC 104	2011035008	AMC409041
99	GVC 105	2011035009	AMC409042
100	GVC 106	2011035010	AMC409043
101	GVC 107	2011035011	AMC409044
102	GVC 108	2011035012	AMC409045
103	GVC 109	2011035013	AMC409046
104	GVC 110	2011035014	AMC409047
105	GVC 111	2011035015	AMC409048
106	GVC 112	2011035016	AMC409049
107	GVC 114	2011035018	AMC409051
108	GVC 115	2011035019	AMC409052
109	GVC 116	2011035020	AMC409053
110	GVC 117	2011035021	AMC409054
111	GVC 118	2011035022	AMC409055
112	GVC 119	2011035023	AMC409056
113	GVC 120	2011035024	AMC409057
114	GVC 121	2011035025	AMC409058
115	GVC 122	2011035026	AMC409059
116	GVC 123	2011035027	AMC409060
117	GVC 128	2011035032	AMC409065
118	GVC 129	2011035033	AMC409066
119	GVC 130	2011035034	AMC409067
120	GVC 131	2011035035	AMC409068
121	GVC 132	2011035036	AMC409069
122	GVC 133	2011035037	AMC409070
123	GVC 175	2011035071	AMC409104
124	GVC 176	2011035072	AMC409105
125	GVC 177	2011035073	AMC409106
126	GVC 178	2011035074	AMC409107
127	GVC 179	2011035075	AMC409108
128	GVC 180	2011035076	AMC409109
129	GVC 181	2011035077	AMC409110

No.	Name of Claim	Fee No.	BLM Serial No.
130	GVC 182	2011035078	AMC409111
131	GVC 183	2011035079	AMC409112
132	GVC 184	2011035080	AMC409113
133	GVC 185	2011035081	AMC409114
134	GVC 186	2011035082	AMC409115
135	GVC 187	2011035083	AMC409116
136	GVC 188	2011035084	AMC409117
137	GVC 189	2011035085	AMC409118
138	GVC 190	2011035086	AMC409119
139	GVC 191	2011035087	AMC409120
140	GVC 192	2011035088	AMC409121
141	GVC 193	2011035089	AMC409122
142	MOSS 201	2012041054	AMC416914
143	MOSS 202	2012041055	AMC416915
144	MOSS 203	2012041056	AMC416916
145	MOSS 204	2012041057	AMC416917
146	MOSS 205	2012041058	AMC416918
147	MOSS 206	2012041059	AMC416919
148	MOSS 207	2012041060	AMC416920
149	MOSS 208	2012041061	AMC416921
150	MOSS 209	2012041062	AMC416922
151	MOSS 210	2012061604	AMC420117
152	MOSS 211	2012061605	AMC420118
153	GVC 301	2015018077	AMC432054

Provided however, the Royalty shall be payable on the claims listed in this Part III only to the extent that Payor, or its successors or assigns, maintain a record title interest in such unpatented mining claims (provided that if any such claims are abandoned but then relocated at any time within five years of such abandonment, the Royalty shall remain payable); and provided further, that the Royalty shall be payable on the claims listed in this Part III only to the extent that such unpatented mining claims, or the portions thereof, are within the Area of Interest.

IV. Silver Creek Lease Option Claims (La Cuesta International, Inc. Lease Option Claims)

The following unpatented mining claims situated in the Oatman Mining District in Sections 16, 17, 20, 21, 28, 29, 30, 31, 32 and 33, Township 20 North, Range 20 West, G&SRB&M, Mohave County, Arizona. The Location Notices and any amendments thereto, are of record in the office of the County Recorder of Mohave County, Arizona, and on file with the Bureau of Land Management in Phoenix, Arizona.

No.	Name of Claim	Fee No.	BLM Serial No.
1	SILVER CREEK 20	2011024754	AMC407882

No.	Name of Claim	Fee No.	BLM Serial No.
2	SILVER CREEK 22	2011024756	AMC407884
3	SILVER CREEK 44	2011024778	AMC407906
4	SILVER CREEK 45	2011024779	AMC407907
5	SILVER CREEK 46	2011024780	AMC407908
6	SILVER CREEK 47	2011024781	AMC407909
7	SILVER CREEK 48	2011024782	AMC407910
8	SILVER CREEK 49	2011024783	AMC407911
9	SILVER CREEK 50	2011024784	AMC407912
10	SILVER CREEK 51	2011024785	AMC407913
11	SILVER CREEK 52	2011024786	AMC407914
12	SILVER CREEK 53	2011024787	AMC407915
13	SILVER CREEK 54	2011024788	AMC407916
14	SILVER CREEK 67	2011024801	AMC407929
15	SILVER CREEK 68	2011024802	AMC407930
16	SILVER CREEK 69	2011024803	AMC407931
17	SILVER CREEK 70	2011024804	AMC407932
18	SILVER CREEK 71	2011024805	AMC407933
19	SILVER CREEK 72	2011024806	AMC407934
20	SILVER CREEK 73	2011024807	AMC407935
21	SILVER CREEK 74	2011024808	AMC407936
22	SILVER CREEK 75	2011024809	AMC407937
23	SILVER CREEK 76	2011024810	AMC407938
24	SILVER CREEK 77	2011024811	AMC407939
25	SILVER CREEK 78	2011024812	AMC407940
26	SILVER CREEK 79	2011024813	AMC407941
27	SILVER CREEK 80	2011024814	AMC407942
28	SILVER CREEK 81	2011024815	AMC407943
29	SILVER CREEK 82	2011024816	AMC407944
30	SILVER CREEK 83	2011024817	AMC407945
31	SILVER CREEK 84	2011024818	AMC407946
32	SILVER CREEK 85	2011024819	AMC407947
33	SILVER CREEK 86	2011024820	AMC407948
34	SILVER CREEK 89	2011024823	AMC407951
35	SILVER CREEK 90	2011024824	AMC407952
36	SILVER CREEK 91	2011024825	AMC407953
37	SILVER CREEK 92	2011024826	AMC407954
38	SILVER CREEK 93	2011024827	AMC407955
39	SILVER CREEK 94	2011024828	AMC407956
40	SILVER CREEK 95	2011024829	AMC407957
41	SILVER CREEK 96	2011024830	AMC407958
42	SILVER CREEK 97	2011024831	AMC407959
43	SILVER CREEK 108	2011024842	AMC407970
44	SILVER CREEK 109	2011024843	AMC407971
45	SILVER CREEK 110	2011024844	AMC407972

No.	Name of Claim	Fee No.	BLM Serial No.
46	SILVER CREEK 111	2011024845	AMC407973
47	SILVER CREEK 112	2011024846	AMC407974
48	SILVER CREEK 113	2011024847	AMC407975
49	SILVER CREEK 114	2011024848	AMC407976
50	SILVER CREEK 115	2011024849	AMC407977
51	SILVER CREEK 116	2011044461	AMC410214
52	SILVER CREEK 117	2011044462	AMC410215
53	SILVER CREEK 126	2011044471	AMC410224
54	SILVER CREEK 127	2011044472	AMC410225
55	SILVER CREEK 128	2011044473	AMC410226
56	SILVER CREEK 129	2011044474	AMC410227
57	SILVER CREEK 130	2011044475	AMC410228
58	SILVER CREEK 131	2011044476	AMC410229
59	SILVER CREEK 132	2011044477	AMC410230
60	SILVER CREEK 133	2011044478	AMC410231
61	SILVER CREEK 138	2011044483	AMC410236
62	SILVER CREEK 140	2011044485	AMC410238
63	SILVER CREEK 141	2011044486	AMC410239
64	SILVER CREEK 142	2011044487	AMC410240
65	SILVER CREEK 143	2011044488	AMC410241
66	SILVER CREEK 144	2011044489	AMC410242
67	SILVER CREEK 145	2011044490	AMC410243
68	SILVER CREEK 146	2011044491	AMC410244
69	SILVER CREEK 147	2011044492	AMC410245
70	SILVER CREEK 148	2011044493	AMC410246
71	SILVER CREEK 149	2011044494	AMC410247
72	SILVER CREEK 150	2011044495	AMC410248
73	SILVER CREEK 151	2011044496	AMC410249
74	SILVER CREEK 152	2011044497	AMC410250
75	SILVER CREEK 153	2011044498	AMC410251
76	SILVER CREEK 154	2011044499	AMC410252
77	SILVER CREEK 155	2011044500	AMC410253
78	SILVER CREEK 156	2011044501	AMC410254
79	SILVER CREEK 159	2011044504	AMC410257
80	SILVER CREEK 161	2011044506	AMC410259
81	SILVER CREEK 163	2011044508	AMC410261
82	SILVER CREEK 165	2011044510	AMC410263
83	SILVER CREEK 166	2011044511	AMC410264
84	SILVER CREEK 167	2011044512	AMC410265
85	SILVER CREEK 168	2011044513	AMC410266
86	SILVER CREEK 169	2011044514	AMC410267
87	SILVER CREEK 170	2011044515	AMC410268
88	SILVER CREEK 171	2011044516	AMC410269
89	SILVER CREEK 172	2011044517	AMC410270

No.	Name of Claim	Fee No.	BLM Serial No.
90	SILVER CREEK 173	2011044518	AMC410271
91	SILVER CREEK 174	2011044519	AMC410272
92	SILVER CREEK 175	2011044520	AMC410273
93	SILVER CREEK 176	2011044521	AMC410274
94	SILVER CREEK 184	2011044529	AMC410282
95	SILVER CREEK 185	2012000017	AMC413137
96	SILVER CREEK 186	2012000018	AMC413138
97	SILVER CREEK 187	2012000019	AMC413139
98	SILVER CREEK 188	2012000020	AMC413140
99	SILVER CREEK 189	2012000021	AMC413141
100	SILVER CREEK 190	2012000022	AMC413142
101	SILVER CREEK 191	2012000023	AMC413143
102	SILVER CREEK 192	2012000024	AMC413144
103	SILVER CREEK 193	2012000025	AMC413145
104	SILVER CREEK 194	2014014495	AMC427718
105	SILVER CREEK 195	2014014496	AMC427719
106	SILVER CREEK 196	2014014497	AMC427720
107	SILVER CREEK 197	2014014498	AMC427721
108	SILVER CREEK 198	2014014499	AMC427722
109	SILVER CREEK 199	2014014500	AMC427723
110	SILVER CREEK 200	2014014501	AMC427724
111	SILVER CREEK 201	2014014502	AMC427725

Provided, however, that the Royalty shall be payable on the claims listed in this Part IV only to the extent that Payor, or its successors or assigns, maintains a leasehold interest, an option interest to acquire, or record title interest in such unpatented mining claims pursuant to the terms and conditions of the underlying Mineral Lease and Option Agreement between La Cuesta International, Inc. and Payor dated May 7, 2014, as amended, as referenced in that certain Amended and Restated Memorandum of Option Agreement and Notice of Assignment and Assumption of Option Agreement dated October 29, 2015 and recorded on October 29, 2015 at Fee # 2015047985 in the Official Records of Mohave County, Arizona (provided that if any such claims are abandoned but then relocated at any time within five years of such abandonment, the Royalty shall remain payable); and provided further, that the Royalty shall be payable on the claims listed in this Part IV only to the extent that such unpatented mining claims, or portions thereof, are within the Area of Interest.

V. ASLD Exploration Permit (La Cuesta International, Inc. Lease Option Claims)

Arizona State Land Department Exploration Permit (Permit No. 08-116110) dated December 22, 2011.

Provided, however, that the Royalty shall be payable on the Arizona State Land Department Exploration Permit listed in this Part V only to the extent that Payor, or its successors or assigns, maintains a leasehold interest, an option interest to acquire, or record title interest in such Arizona State Land Department Exploration Permit pursuant to the terms and

conditions of the underlying Mineral Lease and Option Agreement between La Cuesta International, Inc. and Payor dated May 7, 2014, as amended, as referenced in that certain Amended and Restated Memorandum of Option Agreement and Notice of Assignment and Assumption of Option Agreement dated October 29, 2015 and recorded on October 29, 2015 at Fee # 2015047985 in the Official Records of Mohave County, Arizona (provided that if such permit is abandoned or expires but reacquired at any time within five years of such abandonment or expiration, the Royalty shall be payable); and provided further that the Royalty shall be payable on such Arizona State Land Department Exploration Permit listed in this Part V only to such extent that such permit area, or portions thereof, are within the Area of Interest.