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7
8 IN THE UNITED STATES BANKRUPTCY COURT
9 FOR THE DISTRICT OF ARIZONA

10 In re:	Chapter: 15
11 ELEVATION GOLD MINING	Jointly Administered
12 CORPORATION,	Case No. 2:24-bk-06359-EPB
13 Debtor in a Foreign Proceeding.	
14 In re:	
15 Golden Vertex Corp.,	Case No. 2:24-bk-06364-DPC
16 Debtor in a Foreign Proceeding.	
17 In re:	
18 Golden Vertex (Idaho) Corp.,	Case No. 2:24-bk-06367-BKM
19 Debtor in a Foreign Proceeding.	
20 In re:	
21 Eclipse Gold Mining Corporation,	Case No. 2:24-bk-06368-MCW
22 Debtor in a Foreign Proceeding.	
23 In re:	
24 Alcmene Mining Inc.,	Case No. 2:24-bk-06370-EPB
25 Debtor in a Foreign Proceeding.	
26 In re:	
27 Hercules Gold USA LLC,	Case No. 2:24-bk-06371-DPC
28 Debtor in a Foreign Proceeding.	

1 **MOTION TO DETERMINE THE NATURE OF**
2 **NOMAD ROYALTY COMPANY LIMITED’S INTEREST**

3 Elevation Gold Mining Corporation (“Elevation”) and its direct and indirect
4 subsidiaries, which include Eclipse Gold Mining Corporation (“Eclipse”), and Golden
5 Vertex Corp. (“GVC”) (collectively, the “Group”), submits this Motion to Determine the
6 Nature of Nomad’s Interest. The Group hereby respectfully requests entry of an order
7 pursuant to 11 U.S.C. §§ 105(a), 1521, and 1501(a)(3) determining that the nature of the
8 royalty interest held by Creditor Nomad Royalty Company Limited (“Nomad”) is a
9 personal property interest and not an interest in any real property held by GVC.

10 This Motion is supported by the following Memorandum of Points and Authorities,
11 the papers and pleading on file herein, and any other record on file with the clerk of the
12 above captioned court concerning this matter, as well as the main proceeding in the
13 Canadian Court.

14 **MEMORANDUM OF POINTS AND AUTHORITIES**

15 **I. JURISDICTION AND VENUE**

16 This Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157, 1334,
17 § 1501 and General Order 01-15 of the United States District Court for this District. This
18 is a core proceeding pursuant to 28 U.S.C. § 157(b)(2)(P). Venue is proper in this District
19 pursuant to 28 U.S.C. § 1410.

20 **II. BACKGROUND**

21 **A. Relevant Facts**

22 The Group obtained protection from their creditors in proceedings (the “Canadian
23 Proceeding”) commenced under Canada’s Companies’ Creditors Arrangement Act, R.S.C.
24 1985, c. C-36 (as amended, the “CCAA”), pending before the Supreme Court of British
25 Columbia (the “Canadian Court”) as Action No. S245121. Subsequently, this instant
26 Chapter 15 case was commenced ancillary to the Canadian Proceeding. Additionally, this
27 Court entered the order setting forth that (i) the Canadian Proceeding is recognized as a
28 “foreign main proceeding” under 11 U.S.C. § 1517; and (ii) giving full force and effect in

1 the United States to the Initial Order of the Canadian Court made by Justice Fitzpatrick
2 dated August 1, 2024 and the Amended and Restated Initial Order dated August 12, 2024
3 [DE 49].

4 GVC owns the Moss Mine in Mohave County, Arizona, which is comprised of
5 certain patented (fee owned) and unpatented mining claims and state land mineral
6 exploration permits. Portions of the Moss Mine are burdened with certain payment
7 obligations pursuant to agreements with various parties including: (1) the Patriot Royalty
8 Agreement; (2) the Nomad Royalty Agreement; (3) the Greenwood Royalty; and (4) a
9 Finder's Fee arrangement. This Motion pertains to the Nomad Royalty Agreement; the
10 remaining agreements will be dealt with in separate motions, to be filed

11 A hearing has been set before Justice Fitzpatrick in the Canadian Court for
12 consideration of a motion to approve a sale of the Group's assets, including the assets
13 comprising the Moss Mine, which is scheduled to be heard on November 22, 2024 at
14 2:00pm. This Application has been set prospectively. The hearing will be confirmed
15 subject to the receipt and selection of an offer for the sale of or investment in the Group's
16 assets or business pursuant to the Sale and Investment Solicitation Process authorized by
17 the Canadian Court on August 12, 2024.

18 Contemporaneously with this Motion, the Group has submitted a motion to expedite
19 setting a briefing and hearing schedule to determine the nature of the interests pursuant to
20 these agreements related to the Moss Mine. In that motion, GVC requests that this Court
21 set a briefing and hearing schedule subject to this Motion as soon as practicable before
22 November 22, 2024.

23 **B. Nomad's Royalty Interest**

24 In March 2004, Patriot Gold Corp., a Nevada corporation (not registered to conduct
25 business in Arizona) whose shares are listed under the symbol PGOL on the Canadian
26 Securities Exchange and the Over-The-Counter market entered into a letter agreement with
27 MinQuest, Inc., a Nevada corporation ("MinQuest"), attached hereto as **Exhibit A** (the
28

1 “Letter Agreement”). The Letter Agreement relates to certain patented and unpatented lode
2 claims and specified areas of interest at the Moss Mine (hereafter the “Property”).

3 GVC is the successor in interest to Patriot Gold’s rights and obligations under the
4 Letter Agreement pursuant to an Assignment and Assumption Agreement (Fee
5 #2016023502 in the Official Records of Mohave County).

6 Nomad is the purported present assignee of MinQuest Inc.’s rights and obligations.
7 By an Assignment and Assumption, Deed and Bill of Sale dated July 25, 2017 (Fee
8 #2017037296 in the Official Records of Mohave County), MinQuest assigned its interest
9 to Great Basin Resources Inc. (“GBRI”), a Nevada corporation. GBRI subsequently
10 transferred its interest to Great Basin Royalty LLC (“GBRL”), a Nevada limited liability
11 company (Fee #2018011038 in the Official Records of Mohave County). GBRL then
12 transferred its interest to Valkyrie Royalty, Inc., a British Columbia corporation, by the
13 Assignment and Assumption dated July 31, 2019 (Fee #2020043633 in the Official
14 Records of Mohave County). Purportedly, upon the amalgamation of Valkyrie into Nomad,
15 Nomad became the present party in interest. GVC has no evidence of said amalgamation
16 but is relying on Nomad’s assertions.

17 Pursuant to the Letter Agreement, Nomad purportedly holds a production royalty
18 ranging from 0.5% to 3.0% of the Net Smelter Return (“NSR”) on certain undefined net
19 smelter returns. Nomad’s interest is only a “production royalty” under the Letter
20 Agreement—not an interest in real estate. An interest in a royalty based on production is
21 not an interest in the minerals in place. They are separate and distinct interests.

22 **III. LAW AND ARGUMENT**

23 **A. This Court has authority to adjudicate the nature of Nomad’s purported** 24 **interest under the Letter Agreement.**

25 The Bankruptcy Code has set forth that “the purpose of this chapter is to incorporate
26 the Model Law on Cross-Border Insolvency so as to provide effective mechanisms for
27 dealing with cases of cross-border insolvency with the objectives of [. . .] fair and efficient
28 administration of cross-border insolvencies that protects the interests of all creditors, and

1 other interested entities, including the debtor.” 11 U.S.C.A. § 1501(a)(3). Pursuant to 11
2 U.S.C. § 105(a), “[t]he court may issue any order, process, or judgment that is necessary
3 or appropriate to carry out the provisions of this title.” 11 U.S.C. § 105(a). Section 105(a)
4 has been interpreted as granting bankruptcy courts “broad authority” and discretion to
5 enforce the provisions of the Bankruptcy Code. *Marrama v. Citizens Bank of Mass.*, 549
6 U.S. 365, 375 (2007). Additionally, “[u]pon recognition of a foreign proceeding, whether
7 main or nonmain, where necessary to effectuate the purpose of this chapter and to protect
8 the assets of the debtor or the interests of the creditors, the court may, at the request of the
9 foreign representative, grant any appropriate relief.” 11 U.S.C. § 1521(a).

10 **B. The Letter Agreement does not create a real property interest in favor**
11 **of Nomad.**

12 Nomad’s interest arising under the Letter Agreement is not a real property interest.
13 In fact, the Letter Agreement was intended to be a placeholder agreement until such time
14 as MinQuest and Patriot Gold entered into a formal and comprehensive agreement (which
15 agreement was supposed to take the form of a Mining Lease/Purchase Agreement), which
16 agreement was never negotiated or documented. **Ex. A.** Further, the Letter Agreement is
17 term limited and extended for a period of 20 years with automatic extensions so long as
18 Patriot Gold held all or portions of the “Property.” In short, the interests under the Letter
19 Agreement do not run with the land.

20 The Letter Agreement provides for “Production Royalties” based on undefined
21 “NSR” or net smelter return on production derived (the “Property” as specifically defined
22 therein). Nothing in the Letter Agreement evinces any intent to convey a real property
23 interest.

24 The right to an accrued royalty (i.e., a share of the proceeds from the sale of the
25 minerals produced) is a personal property interest, and the right to unaccrued royalties
26 (minerals in the ground) can only “be an interest in real property when the parties so
27 intend.” *See Paloma Inv. Ltd. P’ship v. Jenkins*, 978 P.2d 110, 115 (Ariz. Ct. App. 1998);
28 *see also Cheapside Minerals, Ltd. v. Devon Energy Prod. Co., L.P.*, 94 F.4th 492, 498 (5th

1 Cir. 2024) (“[A]ccrued royalty interests are personal property, . . . as is the right to payment
2 for severed minerals.” (citation omitted)). “Where the intent of the parties is expressed in
3 clear and unambiguous language, there is no need or room for construction or interpretation
4 and a court may not resort thereto.” *Grosvenor Holdings, L.C. v. Figueroa*, 218 P.3d 1045,
5 1050 (Ariz. Ct. App. 2009) (citation omitted); *N. Ariz. Gas Serv., Inc. v. Petrolane Transp.,*
6 *Inc.*, 702 P.2d 696, 701 (Ariz. Ct. App. 1984) (applying contract law to dispute related to
7 royalty). “A general principle of contract law is that when parties bind themselves by a
8 lawful contract, the terms of which are clear and unambiguous, a court must give effect to
9 the contract as written.” *Grosvenor*, 218 P.3d at 1050 (citation omitted).

10 Here, the Letter Agreement’s plain language reveals that it creates no real property
11 interest. The Letter Agreement is an accrued royalty based solely on production, which is
12 only a personal property interest. Even if the Letter Agreement could be read as an
13 unaccrued royalty, there is no language to support that the parties intended to create a real
14 property interest. Thus, Nomad does not hold a real property interest in the Property under
15 the Letter Agreement.

16 **1. The Letter Agreement is an accrued royalty that creates only a**
17 **personal property interest.**

18 The parties unambiguously agreed to “production royalties,” **Ex. A**, i.e., an interest
19 in severed minerals that constitute personal property interests in the form of accrued
20 royalties. A right to payment that “arises only after severance of the product from the
21 realty” is an accrued royalty. *Hardy v. Greathouse*, 94 N.E.2d 134, 138 (Ill. 1950). Indeed,
22 “once minerals have been severed from the reservoir or strata wherein they were originally
23 contained, such minerals, including royalties thereon, become personalty.” *Sabine Prod.*
24 *Co. v. Frost Nat. Bank of San Antonio*, 596 S.W.2d 271, 276 (Tex. Civ. App. 1980); *accord*
25 *Finstrom v. First State Bank of Buxton*, 525 N.W.2d 675, 677 (N.D. 1994) (“Upon
26 severance of the gravel, the royalty interest accrues and becomes a personal property
27 interest.”). The Letter Agreement’s language is clear that the right to payment arises from
28 “production,” which necessarily occurs after severance of the minerals from the Property.

1 Given this plain language, “there is no need or room for construction or interpretation and
2 a court may not resort thereto.” *Grosvenor*, 218 P.3d at 1050 (citation omitted). Nomad’s
3 interest under the Letter Agreement is an accrued royalty—a personal property right.

4 **2. Even if the Letter Agreement is an unaccrued royalty, the parties**
5 **did not intend for the Letter Agreement to convey a real property**
6 **interest, so Nomad has no real property interest.**

7 An unaccrued royalty can only “be an interest in real property when the parties so
8 intend.” *See Paloma Inv.*, 978 P.2d at 115. Here, the Letter Agreement’s plain language
9 reveals that the parties did not intend for it to convey a real property interest.

10 *First*, as discussed, the Letter Agreement unambiguously creates only an interest in
11 the right to payment from “production” of the minerals, not an interest in the minerals
12 themselves. In *Paloma Investment*, the royalty interest was related to a conveyance of water
13 rights, which are necessarily “interests in real property.” 978 P.2d at 115. Thus, the royalty
14 on those rights was a real property interest. *Id.* In contrast, here, the Letter Agreement’s
15 plain language only creates a right to payment from “*production*” of the minerals, not an
16 interest in the land itself. **Ex. A** (emphasis added).

17 *Second*, the Letter Agreement contains no express language that it runs with the land
18 or, for that matter, is even binding on successors and assigns. The Letter Agreement is
19 freely assignable, but only to the extent assignees “accept[] the terms and conditions of the
20 Lease in writing.” Exhibit A. An interest cannot run with the land where enforcement of
21 that interest depends on approval by the non-enforcing party. *Choisser v. Eyman*, 529 P.2d
22 741, 744 (Ariz. Ct. App. 1974). For example, in *Choisser*, the court determined that an
23 interest in refund payments related to water rights did not run with the land where the right
24 “had to be approved” before it could be transferred. *Id.* The requirement to get approval
25 “negate[d] any intention that the refund rights would run with the land.” *Id.* Here too, that
26 an assignee of the Letter Agreement must “accept[] terms and conditions of the Lease in
27 writing” shows that the parties did not intend for any payments to run with the land as a
28 real property interest.

1 of October, 2024 via the Court's CM/ECF filing system
2 for filing and transmittal of a Notice of Electronic Filing,
3 receipt of which constitutes service under L.R. Bankr. P.
4 9076-1(a), to the CM/ECF registrants.

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/s/ Gidget Kelsey

EXHIBIT A

5

Recorded at the request of
and when recorded return to:
Hartmut W. Baitis
2705 Lorraine Drive
Missoula, Montana 59803

FEE# 2012001400

OFFICIAL RECORDS
OF MOHAVE COUNTY
CAROL MEIER,
COUNTY RECORDER



01/11/2012 12:20 PM Fee: \$10.00

PAGE: 1 of 5

The undersigned affirm that this instrument does
not contain the personal information of any person.

Memorandum of Agreement

This Memorandum of Agreement ("Memorandum") is made and entered into by and between by and among Northern Vertex Capital Inc., a British Columbia corporation ("NVC"), Golden Vertex Corp., and Arizona corporation ("GVC"), and Hartmut W. Baitis, Robert B. Hawkins and Larry L. Lackey ("BHL"). Notice is given that GVC, NVC and BHL have entered into a Finder's Fee Agreement (the "Agreement") in respect of the Exploration and Option to Enter Joint Venture Agreement effective February 28, 2011, between Patriot Gold Corp. and Idaho State Gold Company regarding certain rights in the patented and unpatented mining claims situated in Mohave County, Arizona, described in Exhibit A attached to and by this reference incorporated in this Memorandum.

The addresses of the parties for purposes of the Agreement and this Memorandum are:

NVC: Northern Vertex Capital Inc.
Golden Vertex Corp.
Suite 920 - 1055 W. Hasting Street
Vancouver, British Columbia, Canada V6E 2E9

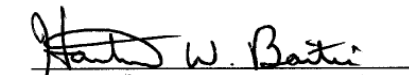
BHL: c/o Hartmut W. Baitis
2705 Lorraine Drive
Missoula, Montana 59803

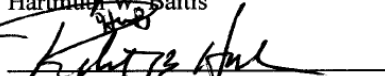
Northern Vertex Capital Inc.

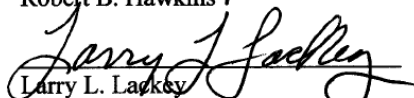
By *Ken Berry*
Ken Berry, President

Golden Vertex Corp.


By *Ken Berry*
Ken Berry, President


Hartmut W. Baitis


Robert B. Hawkins

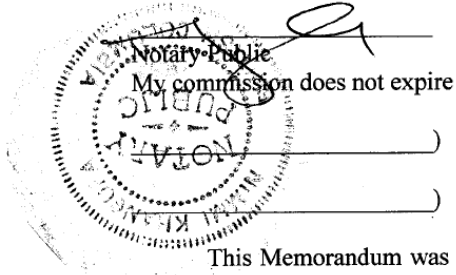

Larry L. Lackey

Unofficial Copy



ss.

This Memorandum was acknowledged before me on March 1th, 2011, by Ken Berry as President of Northern Vertex Capital Inc. and Golden Vertex Corp.


Notary Public
My commission does not expire

NIMMI KHANGURA
AXIUM LAW CORPORATION
Barrister and Solicitor
Suite 3350, Four Bentall Centre
1055 Dunsmuir Street, PO Box 49222
Vancouver, BC V7X 1L2
Phone: 604-685-6100 Fax: 604-692-4900

ss.

This Memorandum was acknowledged before me on March __, 2011, by Hartmuth W. Baitis.

Notary Public

ss.

This Memorandum was acknowledged before me on March __, 2011, by Robert B. Hawkins.

Notary Public

ss.

This Memorandum was acknowledged before me on March __, 2011, by Larry L. Lackey.

Notary Public

_____)
_____)
ss.

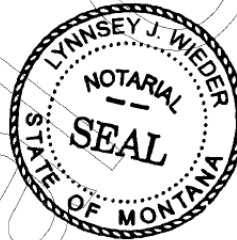
This Memorandum was acknowledged before me on March __, 2011, by Ken Berry as President of Northern Vertex Capital Inc. and Golden Vertex Corp.

_____)
Notary Public
My commission does not expire

Montana
Missoula
ss.

This Memorandum was acknowledged before me on March 18, 2011, by Hartmut W. Baitis.

Lynnsey Wierde
Notary Public



NOTARY PUBLIC for the State of Montana
Residing at Missoula
My Commission Expires May 6, 2013

Idaho
Bannock County
ss.

This Memorandum was acknowledged before me on March 14, 2011, by Robert B. Hawkins.

Christy Zaudke
Notary Public

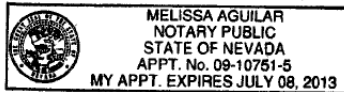


August 03, 2016

State of Nevada
County of Douglas

This Memorandum was acknowledged before me on March 11, 2011, by Larry L. Lackey.

Melissa Aguilar
Notary Public



**Memorandum Agreement
Exhibit A
Description of Moss Mine Property**

A. Patented Mining Claims, State Selections and Metric Conversion Parcels.
Sections 19, 20, 29 and 30, T20N, R20W, G&SR B&M, Mohave County, Arizona

Key No. 1	MS4484
Key 2	MS4484
California Moss Lot 37 (Greenwood)	MS182
California Moss Lot 38 (Gintoff)	MS796
Moss Millsite	MS4484
Divide	MS4484
Keystone Wedge	MS4484
Ruth Extension	MS4485
Omega	MS4484
Ruth	MS2213
Rattan Extension	MS4485
Rattan	MS857
Partnership	MS4485
Mascot	MS4485
Empire	MS4485

B. Unpatented Mining Claims.

Moss unpatented lode claims located in Sections 19, 20, 29 and 30, T20N, R20W, G&SR B&M

Mohave County, Arizona

<u>CLAIM NAME</u>	<u>CLAIMANT'S NAME</u>	<u>AMC NUMBER</u>
Moss 11-33	MinQuest Inc.	361998-362020
Moss 33F	MinQuest Inc.	362021
Moss 34-39	MinQuest Inc.	362022-362027
Moss 39F	MinQuest Inc.	362028
Moss 40-47	MinQuest Inc.	362029-362036
Moss 47B	MinQuest Inc.	362037
Moss 48-70	MinQuest Inc.	362038-362060
Moss 1-10	MinQuest Inc.	398978-398987
Moss 118-148	MinQuest Inc.	398988-399018

C. Underlying Agreements.

Letter Agreement between MinQuest, Inc. and Patriot Gold Corp. dated March 4, 2004.

Purchase Agreement among Patriot Gold Corp. and various parties in respect of the California Moss patented mining claim and the royalty deeds executed and delivered by Patriot Gold Corp. in accordance with the Purchase Agreement.

h18-

Tab B
Letter Agreement
March 4, 2004

B-1

March 4, 2004

Re: Binding Letter Agreement, Moss Mine Property, Mohave County, Arizona.

The following general terms and conditions for the agreement between MinQuest, Inc. and Patriot Gold Corp. embody the essence of verbal agreements between MinQuest, Inc. and Patriot Gold Corp. on the Moss Mine property, Mojave County, Arizona, (the "Property").

Form of Agreement	Mining Lease/purchase
Term	20 years with automatic extensions so long as Patriot Gold holds all or portions of the "Property".
Production Royalties	A 3% Net Smelter Return on any and all production derived from unpatented mining claims listed under "Property" and on public lands within 1 mile of MinQuest, Inc's outside perimeter of the present claim boundary. A 1.0% NSR on patented claims with no other royalty within the Property. A 0.5% overriding Net Smelter Return on all production within the Property derived from patented claims with other royalty interests.
One time payment	Upon Execution US\$50,000.00 Reimbursement Filing Fees US\$150.00/claim
Property	Patriot Gold will purchase 62 unpatented lode claims, specifically Moss 11-33, 33F, 34-39, 39F, 40-47, 47F and 48-70 held by MinQuest. These claims are located in Sections 19, 20, 29 and 30, T20N, R20W and Sections 24 and 25, T20N, R21W. Patented claims that the royalty applies to include, but are not limited to Key No. 1 and 2, Moss Millsite, Divide, Keystone Wedge, and the 2 California Moss claims.
Performance Requirements	Patriot shall engage MinQuest Inc. to perform any and all exploration work on the "Property". Federal and state mining claim maintenance fees will be paid for any year in which this agreement is maintained in good standing after July 1. Any and all property positions within the "Property" shall be offered to MinQuest Inc. before relinquishment to patent owners or relinquished back to the government.

March 5, 2004

Reclamation

Patriot Gold shall perform reclamation work on the Property as required by Federal, State, and Local laws for disturbances resulting from it's activities on the Property.

Assignment

Freely by either party so long as Assignee accepts terms and conditions of the Lease in writing.

Interest Area

One mile from the outside perimeter of the MinQuest, Inc. claim boundaries.

If the above terms and conditions are consistent with your understanding, please acknowledge by signing in the space provided below and return one copy. This will serve as a binding agreement between MinQuest, Inc. and Patriot Gold until such time as a formal and comprehensive agreement, incorporating these general terms, can be prepared.

Agreed and accepted to this 5 day of March, 2004.

By: [Signature] (MinQuest, Inc.)

By: [Signature] (Patriot Gold Corp.)

EXHIBIT B

FEE# 2016023502

Upon recording return to:
Fennemore Craig P.C.
Attn: Dawn Meidinger
2394 East Camelback Rd., Ste. 600
Phoenix, AZ 85016-3429

OFFICIAL RECORDS OF MOHAVE COUNTY
ROBERT BALLARD, COUNTY RECORDER
05/26/2016 10:59 AM Fee \$106.00
PAGE: 1 of 9

CTM2016030806

C1604304.34p

515

ASSIGNMENT AND ASSUMPTION AGREEMENT

THIS ASSIGNMENT AND ASSUMPTION AGREEMENT (this "Agreement") is made and entered into this 25th day of May, 2016 (the "Effective Date"), by and between Patriot Gold Corp., a Nevada corporation ("Assignor"), whose address is 3651 Lindell Road, Suite D165, Las Vegas, Nevada, 89103 and Golden Vertex Corp., an Arizona corporation ("GVC"), whose address is 2440 Adobe Rd Suite 101, Bullhead City, Arizona, 86442.

A. WHEREAS, on the Effective Date, GVC acquired Assignor's interests in certain patented and unpatented mining claims (collectively, the "Claims") described on Exhibit A attached hereto and incorporated herein by reference; and

B. WHEREAS Assignor wishes to assign to GVC and GVC wishes to accept and assume all of Assignor's rights and obligations under certain royalty deeds and other agreements more particularly described below.

NOW THEREFORE, for and in consideration of the mutual promises and terms and conditions contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged and confirmed, the parties hereto agree as follows:

1. Assignment and Assumption. Assignor hereby assigns, and delegates to GVC, and GVC hereby assumes and agrees to be bound by and perform and shall undertake all of (i) Assignor's production royalty payment liabilities and obligations under the Letter Agreement described in clause (a) below, and (ii) all of Assignor's production royalty payment obligations and liabilities and all other liabilities and obligations of any kind related to the Royalty Deeds described in clause (b) below, including such liabilities arising from and after the Effective Date and including all production royalty payment obligations arising from any activities or operations conducted by or on behalf of GVC on the Claims prior to the Effective Date but after March 7, 2011.

(a) Binding Letter Agreement, Moss Mine Property, Mohave County, Arizona, dated March 5, 2004, between MinQuest, Inc. and Patriot Gold Corp. (the "Letter Agreement").

(b) Those certain Royalty (collectively, the "Royalty Deeds") recorded December 7, 2007 in Book 7044 of the Official Records of Mohave County, Arizona (the "Official Records"), page 268, and in Book 7044 of Official Records, page 278,

and in Book 7044 of Official Records, page 287, and in Book 7044 of Official Records, page 296, and in Book 7044 of Official Records, page 305, and in Book 7044 of Official Records, page 314, and in Book 7044 of Official Records, page 323, and in Book 7044 of Official Records, page 332, and in Book 7044 of Official Records, page 341, and in Book 7044 of Official Records, page 350, and in Book 7044 of Official Records, page 359, and in Book 7044 of Official Records, page 368, and in Book 7044 of Official Records, page 377, and in Book 7044 of Official Records, page 386, and in Book 7044 of Official Records, page 395, and in Book 7044 of Official Records, page 404, and in Book 7044 of Official Records, page 413, and in Book 7044 of Official Records, page 422, and in Book 7044 of Official Records, page 431, and in Book 7044 of Official Records, page 440, and in Book 7044 of Official Records, page 449, and in Book 7044 of Official Records, page 458, and in Book 7044 of Official Records, page 467, and in Book 7044 of Official Records, page 476, and in Book 7044 of Official Records, page 485, and in Book 7044 of Official Records, page 494, and in Book 7044 of Official Records, page 503, and in Book 7044 of Official Records, page 512, and in Book 7044 of Official Records, page 521, and in Book 7044 of Official Records, page 530, and in Book 7044 of Official Records, page 539, and in Book 7044 of Official Records, page 548.

2. Indemnity. GVC, its successors and assigns, shall indemnify, defend and hold Assignor harmless from and against any and all claims, causes of action, loss or damage (including reasonable attorneys' fees and expenses and costs of arbitration or litigation) arising from the failure of GVC or its successors and assigns to timely and properly pay the production royalties under or otherwise comply with the applicable terms and conditions of (i) the Letter Agreement or (ii) the Royalty Deeds, including production royalty payment obligations arising from any activities conducted by on or behalf of GVC on or prior to the Effective Date but after March 7, 2011.
3. Notice to Third Parties. GVC shall give any required notices to any third party of the assignment and transfer of the obligations under the Letter Agreement and Royalty Deeds as described in this Agreement.
4. Third Party Beneficiaries. Each of the third parties entitled to payment of production royalties under the Letter Agreement or the Royalty Deeds shall be third party beneficiaries of and entitled to enforce GVC's obligations under this Agreement.
5. Successors and Assigns. The terms of this Agreement shall be binding upon, and shall inure to the benefit of the parties hereto and their respective successors and assigns.
6. Amendments and Waivers. No amendment, modification or discharge of this Agreement and no waiver hereunder shall be valid or binding unless it is set forth in writing and duly executed by the party against whom enforcement of the amendment, modification, waiver or discharge is sought. Any such waiver shall constitute a waiver only with respect to the specific matter described in such writing and shall in no way impair the rights of the party granting such waiver in any other respect to at any other time.

7. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Arizona, other than its rules as to conflicts of law.
8. Headings. The headings contained in this Agreement are for purposes of convenience only and shall not affect the meaning or interpretation of this Agreement.
9. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall be deemed to be one and the same agreement. A signed copy of this Agreement delivered by facsimile, email or other means of electronic transmission shall be deemed to have the same legal effect as delivery of an original signed copy of this Agreement.
10. Further Assurances. Each of the parties hereto shall execute and deliver, at the reasonable request of the other party hereto, such additional documents, instruments, conveyances and assurances and take such further actions as such other party may reasonably request to carry out the provisions hereof and give effect to the transactions contemplated by this Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed by their authorized representatives as of the date first written above.

[SIGNATURES ON FOLLOWING PAGES]

3

GVC:

Golden Vertex Corp., an Arizona corporation

By: D. R. H. Whittington

Name: Dick Whittington

Title: President

PROVINCE OF BRITISH COLUMBIA)
)
CITY OF VANCOUVER) ss.

The foregoing Assignment and Assumption Agreement, consisting of a total of nine (9) pages, was acknowledged before me this 24th day of May, 2016 by Dick Whittington as President of Golden Vertex Corp., an Arizona corporation.

[Signature]
Notary Public

My commission expires:

never expires.

Marina Tran
Barrister and Solicitor
McMillan LLP
1500 - 1055 West Georgia Street
PO Box 11117
Vancouver, BC V6E 4N7
t 604.689.9111
f 604.685.7084

Unofficial

PATRIOT:

Patriot Gold Corp., a Nevada corporation

By: _____
Name: Trevor Newton
Title: Chairman

PROVINCE OF BRITISH COLUMBIA)
)
CITY OF ABBOTSFORD) ss.

The foregoing Assignment and Assumption Agreement, consisting of a total of nine (9) pages, was acknowledged before me this 24 day of May, 2016 by Trevor Newton as Chairman of Patriot Gold Corp., a Nevada corporation.

Dale A Strebchuk
Notary Public

My commission expires:

At the pleasure of Her Majesty the Queen

Dale A. Strebchuk
Barrister and Solicitor
32373 Grouse Court
Abbotsford, B.C. V2T 1K3
(778) 242-7785

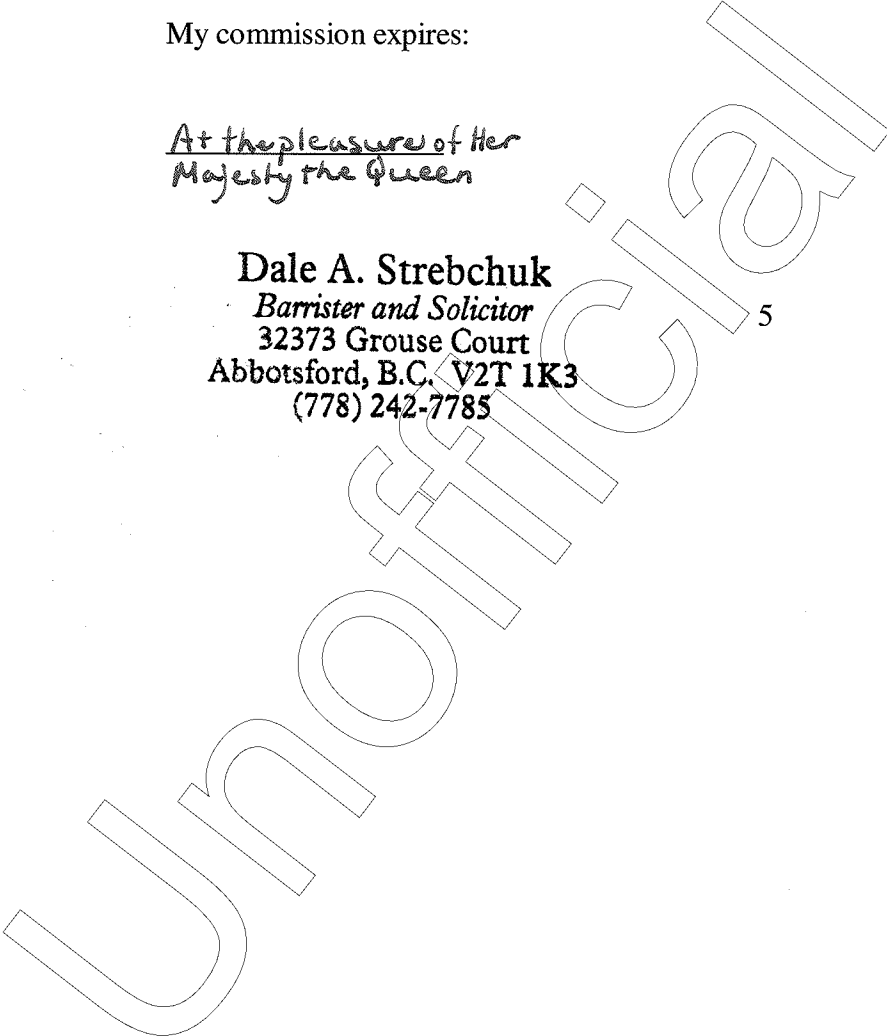


EXHIBIT "A"
THE CLAIMS

A. 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.

A-1

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.

B. 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

A-2

No.	Name of Claim	Fee No.	BLM Serial No.
29	MOSS 39F	2004064661	AMC362028
	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

No.	Name of Claim	Fee No.	BLM Serial No.
67	MOSS 6	2009078707	AMC398983
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

The production royalty payable under the Letter Agreement burdens the Claims covered thereby, including any real property interests which GVC holds or acquires within the "Interest Area" as described in the Letter Agreement.