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

11 In re:
12 ELEVATION GOLD MINING
13 CORPORATION, *et al.*
14 Debtors in a Foreign Proceeding.

Proceedings Under Chapter 15
Case No. 2:24-bk-06359-EPB
(Jointly Administered)
Case Nos. 2-24-bk-06364-EPB
2-24-bk-06367-EPB
2-24-bk-06368-EPB
2-24-bk-06370-EPB
2-24-bk-06371-EPB

18 Adv. No. _____

19 **COMPLAINT**

20 NOMAD ROYALTY COMPANY LTD.,
21 a Canadian business corporation,
22 Plaintiff,
23 v.
24 ELEVATION GOLD MINING
25 CORPORATION, a British Columbia
26 company; ECLIPSE GOLD MINING
CORPORATION, a British Columbia
27 company; GOLDEN VERTEX CORP., an
Arizona business corporation,
28 Defendants.

1 Nomad Royalty Company Ltd. (“Plaintiff” or “Nomad”), for its complaint against
2 Elevation Gold Mining Corporation (“Elevation Gold”), Eclipse Gold Mining Corporation
3 (“Eclipse Gold”), and Golden Vertex Corp. (“Golden Vertex Arizona”, and together with
4 Elevation Gold and Eclipse Gold, the “Defendants” or “Debtors”) hereby alleges, avers,
5 and states as follows:

6 **PARTIES, JURISDICTION, AND VENUE**

7 1. Plaintiff is a Canadian business corporation and the owner of the Royalty in
8 the Arizona Mine (both of which are defined below).

9 2. Defendant Elevation Gold is a British Columbia company.

10 3. Defendant Eclipse Gold is a British Columbia company.

11 4. Defendant Golden Vertex Arizona is an Arizona business corporation.

12 5. On August 2, 2024, Defendant Elevation Gold filed a Chapter 15 Petition for
13 Recognition of a Foreign Proceeding (the “Elevation Gold Petition for Recognition”) in this
14 Court seeking recognition of the Bankruptcy Proceeding Court File No. S-245121 from the
15 Supreme Court of British Columbia Vancouver Registry. *See* Case No. 2:24-bk-06359-EPB
16 (the “Elevation Gold Chapter 15”).

17 6. On August 2, 2024, Defendant Eclipse Gold filed a Chapter 15 Petition for
18 Recognition of a Foreign Proceeding (the “Eclipse Gold Petition for Recognition”) in this
19 Court seeking recognition of the Bankruptcy Proceeding Court File No. S-245121 from the
20 Supreme Court of British Columbia Vancouver Registry. *See* Case No. 2-24-bk-06368-EPB
21 (the “Eclipse Gold Chapter 15”).

22 7. On August 2, 2024, Defendant Golden Vertex Arizona filed a Chapter 15
23 Petition for Recognition of a Foreign Proceeding (the “Golden Vertex Arizona Petition for
24 Recognition”, and together with the Elevation Gold Petition for Recognition and Eclipse
25 Gold Petition for Recognition, the “Petitions for Recognition”) in this Court seeking
26 recognition of the Bankruptcy Proceeding Court File No. S-245121 from the Supreme Court
27 of British Columbia Vancouver Registry. *See* Case No. 2-24-bk-06364-EPB (the “Golden
28

1 Vertex Arizona Chapter 15”, and together with the Elevation Gold Chapter 15 and Eclipse
2 Gold Chapter 15, the “Administrative Case”).

3 8. On August 5, 2024, this Court ordered the joint administration of, among
4 other cases, the Elevation Gold Chapter 15, Eclipse Gold Chapter 15, and Golden Vertex
5 Arizona Chapter 15.

6 9. Due to, among other things, Defendants’ filing of the Petitions for
7 Recognition, Defendants submitted themselves to the jurisdiction of this Court.

8 10. This Court has personal jurisdiction over Defendants.

9 11. Pursuant to 28 U.S.C. § 1334, this Court has jurisdiction to hear this adversary
10 proceeding.

11 12. This judicial district is the proper venue for this adversary proceeding under
12 28 U.S.C. §§ 1408 and 1409, as this adversary proceeding arises under, and is in connection
13 with, the Administrative Case, which is currently pending before this Court in this judicial
14 district.

15 **BACKGROUND AND GENERAL ALLEGATIONS**

16 13. On or about March 4, 2004, Patriot Gold Corp. (“Patriot Gold”), acquired the
17 Moss Mine from Minquest Inc. (“Minquest”), through a Binding Letter Agreement (the
18 “Letter Agreement”). A true and correct copy of the Letter Agreement is attached hereto
19 as Exhibit 1.

20 14. The Moss Mine is a gold and silver leach extraction mine encompassing
21 approximately 64 square miles in the Oatman District, Mohave County, Arizona (the
22 “Arizona Mine”).

23 15. The Arizona Mine is owned by Debtor Golden Vertex Arizona.

24 16. Pursuant to the Letter Agreement, Patriot Gold granted and conveyed to
25 Minquest certain production royalty interests (collectively, the “Royalty”).

26 17. The Royalty is described in the Letter Agreement as:

27 A 3% Net Smelter Return on any and all production derived from unpatented
28 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%

1 NSR on patented claims with no other royalty within the Property. A 0.5%
2 overriding Net Smelter Return on all production within the property derived
3 from patented claims with other royalty interests.

4 18. The Letter Agreement defines the “Property” subject to the Royalty as:

5 62 unpatented lode claims, specifically Moss 11-33, 33F, 34-39, 39F, 40-47,
6 47F and 48-70 held by Minquest ... located in Sections 19, 20, 29 and 30,
7 T20N, R20W and Sections 24 and 25, T20N, R21W. Patented claims that
8 the royalty applies to include, but are not limited to Key No.1 and 2, Moss
9 Millsite, Divide, Keystone Wedge, and the 2 California Moss claims.

10 19. In 2012, Patriot Gold filed a lawsuit against Minquest to enforce the terms of
11 the Letter Agreement in a case captioned *Patriot Gold Corp. v. MinQuest, Inc.*, Case No.
12 CV12-0617, in the Second Judicial District Court of the State of Nevada, Washoe County,
13 Nevada.

14 20. On or about April 11, 2013, Patriot Gold and Minquest resolved the Nevada
15 litigation when they entered into that certain Settlement Agreement dated April 11, 2013
16 (the “Settlement Agreement”). A true and correct copy of the Settlement Agreement is
17 attached hereto as Exhibit 2.

18 21. The Settlement Agreement applies to the “Moss Property,” which the
19 Settlement Agreement defines as “the 62 unpatented lode claims specifically identified in
20 the [Letter Agreement] . . . plus additional unpatented lode claims specifically identified as
21 ‘Moss 1-10’ and ‘Moss 118-148’” for a total of 104 unpatented claims.

22 22. The additional unpatented mining claims were contemplated by the Letter
23 Agreement’s inclusion of “public lands within 1 mile of Minquest, Inc.’s outside perimeter
24 of the present claim boundary” in the definition of the Royalty.

25 23. Pursuant to the Settlement Agreement, Minquest transferred the Moss
26 Property to Patriot Gold by quit claim deed (the “Deed”).

27 24. On or about April 26, 2013, the Deed was recorded in the Office of the
28 Mohave County Recorder. A true and correct copy of the Deed is attached hereto as Exhibit
3.

1 25. The Deed quitclaimed the Moss Property to Patriot Gold “*with the exception*
2 *of*” the Royalty. *See* Ex. 3.

3 26. Therefore, the royalty holder expressly retained its real-property royalty
4 interest under the terms of the recorded Deed. *See* Ex. 3.

5 27. Patriot Gold took title to the Moss Property subject to the Royalty.

6 28. The Royalty applies to the unpatented claims on the Moss Property
7 enumerated in the Deed as well as the patented claims within the original boundary of the
8 Moss Property, including the 7 patented claims described in the Letter Agreement.

9 29. The Settlement Agreement is binding on, and made for the benefit of, the
10 assigns and successors of Patriot Gold and Minquest.

11 30. Subsequently, Minquest transferred its ownership of the Royalty to Great
12 Basin Resources, Inc. (“GBRI”), by the Assignment and Assumption, Deed and Bill of Sale
13 dated July 25, 2017, recorded in the Office of the Mohave County Recorder on August 7,
14 2017, Document No. 2017037296.

15 31. GBRI transferred its ownership of the Royalty to Great Basin Royalty LLC
16 (“GBRL”), by the Assignment and Assumption, Deed and Bill of Sale dated February 21,
17 2018, Document No. 2018011038.

18 32. GBRL transferred the Royalty to Valkyrie Royalty Inc., a British Columbia
19 corporation (“Valkyrie”), by the Assignment and Assumption dated July 31, 2019, recorded
20 in the Office of the Mohave County Recorder on August 5, 2020. Document No.
21 2020043633.

22 33. On January 1, 2022, Valkyrie merged with Nomad.

23 34. Nomad became the owner of the Royalty as a result of the merger by operation
24 of law.

25 35. Beginning in or around May 2022, Debtor Golden Vertex Arizona ceased
26 making the required Royalty payments to Nomad.

27 36. On or around November 22, 2023, Nomad made demand on Golden Vertex
28 Arizona for its Royalty payments and an accounting.

1 37. In an email dated December 12, 2023, Golden Vertex Arizona acknowledged
2 that as of October, 2023, it owed Nomad \$841,875 for the period of May 2022 through
3 October 2023.

4 38. Golden Vertex Arizona's calculation, however, did not include any 3%
5 Royalty component calculations.

6 39. Golden Vertex Arizona's calculations also incorrectly applied a 0.5% royalty
7 to one of the patented claims subject to the Royalty.

8 40. This resulted in a mistaken calculation in Golden Vertex Arizona's favor by
9 at least \$108,730.

10 41. Nomad is actually owed at least \$950,605 for the period of May 2022 through
11 October 2023.

12 42. On March 18, 2024, Golden Vertex Arizona contended that it owed Nomad
13 nothing and had actually overpaid Nomad.

14 43. Nomad estimates that the Royalty amount currently owing to Nomad is at
15 least \$1.5 million.

16 44. The amount owing to Nomad on account of the Royalty continues to accrue.

17 45. The Royalty cash Golden Vertex Arizona collected is Nomad's property.

18 **COUNT I**

19 **(Declaratory Relief – Plaintiff's Royalty is a Real Property Interest That Cannot Be**
20 **Extinguished)**

21 46. Plaintiff repeats and realleges each and every assertion of its Complaint as
22 though fully set forth herein.

23 47. The Deed quitclaimed the Moss Property to Patriot Gold "*with the exception*
24 *of*" the Royalty. See Ex. 3.

25 48. Therefore, the holder of the Royalty expressly retained its real-property
26 royalty interest pursuant to the Deed. See Ex. 3.

27 49. Plaintiff thus owns the Royalty.
28

1 50. The Royalty is a real property interest as evidenced by, among other things,
 2 the Deed.

3 51. Defendant disputes that the Royalty is a real property interest.

4 52. A ripe, continuing, and justiciable controversy has arisen between Plaintiff
 5 and Defendants because Defendants dispute that Plaintiff’s Royalty is a real property
 6 interest.

7 53. Pursuant to Fed. R. Bankr. P. 7001, Plaintiff requests that this Court enter a
 8 judgment determining and declaring that (i) Plaintiff’s Royalty is real property interest and
 9 (ii) that the Debtors cannot extinguish Plaintiff’s Royalty.

COUNT II

(Breach of Contract)

12 54. Plaintiff repeats and realleges each and every assertion of its Complaint as
 13 though fully set forth herein.

14 55. A valid contract exists between the Plaintiff and Defendants as evidenced by,
 15 among other things, the Deed, Letter Agreement, and Settlement Agreement (together, the
 16 “Contracts”).

17 56. Defendants breached the Contracts by failing to pay the Royalty contractually
 18 owed to Plaintiff for the period beginning in May 2022 to the present.

19 57. Defendants are obligated to calculate and pay the Royalty on each occasion
 20 on which Defendants produce and receive credit to Defendants’ refinery or smelter account
 21 for the minerals, products of minerals and precious metals produced from the Moss Mine,
 22 or when Defendants receive payment from the refinery or smelter to which Defendants
 23 delivers minerals, mineral concentrates and doré metal.

24 58. As of October 2023, Golden Vertex Arizona acknowledged that Nomad was
 25 owed \$841,875 in Royalties for the period of May 2022 through October 2023.

26 59. Golden Vertex Arizona’s calculation, however, did not include any 3%
 27 Royalty component calculations.

28

1 81. Defendants thus have intentionally exercised dominion and control over the
2 Royalty amount owed to Plaintiff by refusing to make the required payments and by falsely
3 asserting that they overpaid Plaintiff.

4 82. Nomad estimates that Defendants have wrongfully converted Plaintiff's share
5 of the refinery's metal outturn and corresponding revenues which represent the Royalty and
6 the Royalty payments in an amount not less than approximately \$1.5 million.

7 83. As a result of Defendants' wrongful exercise of dominion and control over
8 the Royalty amount, Plaintiff has been injured in an amount to be proven at trial, but in no
9 event less than \$1.5 million.

10 84. Defendants hold Plaintiff's share of the refinery's metal outturn and
11 corresponding revenues comprising the Royalty for Plaintiff's benefit.

12 85. Plaintiff is thus entitled to imposition of a constructive trust for Plaintiff's
13 benefit against Defendants on Plaintiff's share of the refinery's metal outturn and
14 corresponding revenues comprising the Royalty amounts due and owed.

15 COUNT V

16 (Accounting)

17 86. Plaintiff repeats and realleges each and every assertion of its Complaint as
18 though fully set forth herein.

19 87. Based on Plaintiff's information and belief, Defendants have created and
20 maintained accounting and financial records of their mining operations at the Moss Mine;
21 among the records are data that form the basis for calculating the Royalty payable to
22 Plaintiff based upon the location of mining activities, tons of ore extracted, the tons of ore
23 processed, the weights of concentrates processed, the weights of the doré metal recovered,
24 and the refined gold and silver outturned by Defendants' refinery from the concentrates and
25 doré delivered to the refinery by Defendants from the Moss Mine.

26 88. Defendants have deliberately withheld the Royalty due and owing to Plaintiff.

27 89. Plaintiffs are entitled to an order requiring that Defendants provide all
28 pertinent records to an accountant to be retained by Plaintiff so that an independent

1 accounting can be performed to ensure that the Royalty has been properly calculated and
2 paid, that the amount of currently delinquent Royalty payments have been calculated and
3 will be paid, and that future Royalty payments can and will be properly calculated, accrued,
4 and paid to Plaintiff.

5 COUNT VI

6 (Declaratory Judgment A.R.S. 12-1832 and Slander of Title)

7 90. Plaintiff repeats and realleges each and every assertion of its Complaint as
8 though fully set forth herein.

9 91. Defendants' assertion that the Royalty percentage rate payable to Plaintiff in
10 respect of the production of minerals from the patented mining claim subject to the Royalty
11 should be reduced from one percent (1.0%) to one-half percent (0.5%) is false, and is not
12 authorized by the Royalty.

13 92. Defendants' assertion constitutes slander of Plaintiff's title to the one percent
14 (1.0%) Royalty.

15 93. Defendants' assertion regarding the 0.5% Royalty has damaged Plaintiff
16 because Defendants' assertion diminishes the value of the Royalty.

17 94. Plaintiff is entitled to recover compensatory damages from Defendants in an
18 amount to be proven at trial of this action.

19 95. Defendants' false assertion regarding the 0.5% Royalty was made maliciously
20 and recklessly with the intention to diminish the value of the royalty.

21 96. Plaintiff is entitled to recover exemplary and punitive damages from
22 Defendant in an amount to be proven at trial of this action.

23 COUNT VII

24 (Injunctive Relief)

25 97. Plaintiff repeats and realleges each and every assertion of its Complaint as
26 though fully set forth herein.

27 98. Defendants have wrongfully and unreasonably denied Plaintiff's rightful
28 ownership and possession of Plaintiff's share of the refinery's metal outturn and the

1 corresponding revenues comprising the Royalty and the Royalty payments owed Plaintiff;
2 the Royalty constitutes a unique real property interest; Defendants' conduct has caused
3 Plaintiff injury and will cause irreparable harm if Defendants' conduct is not enjoined and
4 Plaintiff's rights to its share of the Refinery outturn, corresponding revenues and the
5 Royalty payments are not enforced and vested in Plaintiff.

6 **WHEREFORE**, Plaintiff prays for judgment and other relief against Defendants as
7 follows:

- 8 a. Compensatory, consequential, and incidental damages in an amount to be
9 proven at trial, but in no event less than \$1.5 million;
 - 10 b. On Count I, a judgment determining and declaring that (i) Plaintiff's Royalty
11 is an interest in real property and (ii) that the Defendants cannot extinguish
12 Plaintiff's Royalty;
 - 13 c. On Count II, judgment in the amount to be determined at trial, but in no event
14 less than \$1.5 million;
 - 15 d. On Count III, judgment in the amount to be determined at trial, but in no event
16 less than \$1.5 million;
 - 17 e. On Count IV, (i) judgment in the amount to be determined at trial, but in no
18 event less than \$1.5 million and (ii) imposition of a constructive trust for
19 Plaintiff's benefit against Defendants on Plaintiff's share of the refinery's
20 metal outturn and corresponding revenues comprising the Royalty amounts
21 due and owed;
 - 22 f. On Count V, an order requiring that Defendants provide all pertinent records
23 to an accountant to be retained by Plaintiff so that an independent accounting
24 can be performed to ensure that the Royalty has been properly calculated and
25 paid, that the amount of currently delinquent Royalty payments have been
26 calculated and will be paid, and that future Royalty payments can and will be
27 properly calculated, accrued, and paid to Plaintiff.
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- g. On Count VI, a judgment determining and declaring that Defendants' grant of the subsequent royalty on the patented claim subject to Plaintiff's Royalty does not reduce the Royalty percentage rate and that Defendants' assertion that it does reduce the Royalty percentage rate constituted slander of Plaintiff's title to the full one percent (1.0%) Royalty, and an order awarding of damages and punitive damages to Plaintiff;
- h. On Count VII, an order enjoining Defendants from denying and/or interfering with Plaintiff's rightful ownership and possession of Plaintiff's share of the refinery's metal outturn and the corresponding revenues comprising the Royalty;
- i. For an award of attorneys' fees and costs pursuant to the Contracts, A.R.S. §§ 12-341 and 12-341.01, and/or any other applicable law or contract;
- j. For pre-judgment interest on the foregoing;
- k. For post-judgment interest at the maximum rate allowed at law until paid in full;
- l. Such other and further relief as this Court deems just and appropriate under the circumstances.

RESPECTFULLY SUBMITTED this 18th day of November, 2024.

SNELL & WILMER L.L.P.

By: *s/James G. Florentine*
Bryce Suzuki
James G. Florentine
One East Washington Street
Suite 2700
Phoenix, Arizona 85004-2556
Attorneys for Nomad Royalty Company Ltd.

EXHIBIT 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	<table border="0"> <tr> <td>Upon Execution</td> <td>US\$50,000.00</td> </tr> <tr> <td>Reimbursement Filing Fees</td> <td>US\$150.00/claim</td> </tr> </table>	Upon Execution	US\$50,000.00	Reimbursement Filing Fees	US\$150.00/claim
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.				

Letter Agreement, Moss Mine Property

Page 2 of 2

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 2

Settlement Agreement

As of the **Effective Date**, the **Parties** agree:

1. **Definitions.** As used in this Settlement Agreement (the "**Agreement**"), the following terms have the following meanings:
 - 1.1 **Parties.** "**Parties**" includes the following individuals and/or entities:
 - 1.1.1 **Patriot Gold.** "**Patriot Gold**" means Patriot Gold Corp., a Nevada corporation.
 - 1.1.2 **MinQuest.** "**MinQuest**" means MinQuest, Inc., a Nevada corporation.
 - 1.2 **Litigation.** "**Litigation**" means *Patriot Gold Corp. v. MinQuest, Inc.*, Case No CV12-0617 pending in the **District Court**.
 - 1.3 **District Court.** "**District Court**" means the Second Judicial District Court of the State of Nevada, in and for the County of Washoe.
 - 1.4 **BLM.** "**BLM**" means the United States Bureau of Land Management.
 - 1.5 **Bruner/Vernal Property Option Agreement.** "**Bruner/Vernal Property Option Agreement**" means the option agreement dated July 25, 2003, attached hereto as Exhibit 1.
 - 1.6 **Bruner/Vernal Property.** "**Bruner/Vernal Property**" means certain unpatented mining claims specifically identified in the **Bruner/Vernal Property Option Agreement**, plus all **After Acquired Properties** as further defined in the **Bruner/Vernal Property Option Agreement**.
 - 1.7 **Moss Purchase Agreement.** "**Moss Purchase Agreement**" means the binding letter agreement dated March 4, 2004, attached hereto as Exhibit 2.
 - 1.8 **Moss Property.** "**Moss Property**" means the 62 unpatented lode claims, specifically identified in the **Moss Purchase Agreement** as "Moss 11-33, 33F, 34-39, 39F, 40-47, 47F¹, and 48-70, plus additional unpatented lode claims specifically identified as "Moss 1-10" and "Moss 118-148." Exhibit 3 attached hereto is a list of all claims constituting the **Moss Property**.
 - 1.9 **Recording Fees.** "**Recording Fees**" means any fees charged by the applicable county recorder's office and/or the **BLM** which have been incurred by **MinQuest**.
 - 1.10 **Effective Date.** "**Effective Date**" means April 11, 2013.

¹ The **BLM** may have changed the designation on claim #47F to claim #47B.

2. Recitals.

- 2.1 On July 25, 2003, the **Parties** entered into the **Bruner/Vernal Property Option Agreement**.
- 2.2 **Patriot Gold** has satisfied all conditions precedent to **MinQuest's** obligation to convey its interest in the **Bruner/Vernal Property** to **Patriot Gold**.
- 2.3 On March 5, 2004, the **Parties** entered into the **Moss Purchase Agreement**.
- 2.4 **Patriot Gold** has fully performed its obligations under the **Moss Purchase Agreement**.
- 2.5 The **Parties** have disagreed on the exact terms of any conveyance of the **Bruner/Vernal Property** and the **Moss Property**.
- 2.6 On June 20, 2012, **Patriot Gold** initiated the **Litigation**, seeking specific performance of the **Bruner/Vernal Property Option Agreement** and the **Moss Purchase Agreement**.
- 2.7 The **Parties** have agreed to settle the **Litigation**, pursuant to the terms of this Agreement.

3. Settlement. In consideration of the mutual promises, terms and conditions of this Agreement, the **Parties** agree as follows:

- 3.1 Within fifteen (15) days of the **Effective Date**, **MinQuest** shall prepare quitclaim deeds transferring both the **Bruner/Vernal Property** and the **Moss Property** to **Patriot Gold**.
- 3.2 Within fifteen (15) days of the **Effective Date**, **MinQuest** shall file and/or record the quitclaim deeds with the **BLM** and the appropriate County Recorders. Upon recordation, **MinQuest** shall provide to **Patriot Gold** conformed copies of the recorded quitclaim deeds.
- 3.3 Within fifteen (15) days of receiving from **MinQuest** the conformed copies of the quitclaim deeds, **Patriot Gold** shall reimburse **MinQuest** for all recording fees incurred by **MinQuest** to record the quitclaim deeds.
- 3.4 By August 15 of each year, **Patriot Gold** shall notify **MinQuest** by letter whether **Patriot Gold** has paid the **BLM** fees for each claim covered by this Agreement. If **Patriot Gold** has not paid the **BLM** fees, **Patriot Gold**, or its assignees, shall represent whether **Patriot Gold** intends to pay the **BLM** fees, or abandon the claims.

The letter required by this section shall be delivered to:

The Law Offices of Michael Morrison
1495 Ridgeview Drive, Suite 220
Reno, Nevada 89519

4. Releases.

- 4.1 This Agreement is intended to facilitate the conveyance of the **Bruner/Vernal Property** and the **Moss Property**, and to specifically ratify the ongoing obligations of the **Parties** as provided in the **Bruner/Vernal Property Option Agreement** and the **Moss Purchase Agreement**. Therefore, the **Parties** are not released from the obligations contained in the **Bruner/Vernal Property Option Agreement** and the **Moss Purchase Agreement** to the extent they remain in effect. However, other than specifically set forth herein no additional rights or obligations are created in either **Party**. It is agreed that any claims for damages incurred up to and including the **Effective Date** are hereby released.
- 4.2 Parties bound. The heirs, executors, personal administrators, successors, parents, subsidiaries, shareholders, directors, officers, employees, agents, attorneys, insurers, members, and partners of the **Parties** are bound by this Agreement.
- 4.3 Parties benefitted. The heirs, executors, personal administrators, successors, parents, subsidiaries, shareholders, directors, officers, employees, agents, attorneys, insurers, members, and partners of the **Parties** are benefitted by these releases.
- 4.4 Scope of release; interpretation. This release does not include any claim for relief arising out of an alleged breach of this Agreement, or any alleged breach of the **Bruner/Vernal Property Option Agreement** and the **Moss Purchase Agreement** occurring after the **Effective Date**.
5. Dismissal. Upon the full execution of this Agreement, the **Parties** shall, through counsel, sign and deliver a stipulation for the dismissal, with prejudice, of **Patriot Gold's** claims against **MinQuest** in the **Litigation**, with each of the **Parties** to bear his or its own attorney fees and costs.
6. Denial of liability. The **Parties** deny any liability to one another or to any third parties with respect to the claims asserted, or which could have been asserted, in the **Litigation**. The **Parties** have elected to enter into this Agreement to compromise and conclude disputed claims without the expense of further litigation. Nothing in this Agreement shall constitute an admission of any liability, responsibility, or wrongdoing by any of the **Parties**.
7. Informed consent. The **Parties** represent and warrant that they are represented by legal counsel, that they have all had ample opportunity to review this Agreement with lawyers before signing, and that they voluntarily enter into this Agreement with the understanding that they are giving up important legal rights and claims. The **Parties** do not rely on any representations, except for the representations and promises contained in this Agreement, from the other to execute this Agreement,

but instead rely only upon their own investigations and consultations with legal counsel.

8. No construction against drafting party. The **Parties**, and each of them, represent and warrant that they are represented by legal counsel, that they have had ample opportunity to review this Agreement with lawyers before signing, and that the language of this Agreement results from the review and changes requested by counsel for all **Parties**. Therefore, the rule that ambiguities should be construed against the drafting party shall not apply to this Agreement.
9. Choice of law. Nevada law controls the formation, interpretation, and enforcement of this Agreement.
10. Severability. If any court determines that a word, clause, or sentence in this Agreement is invalid or illegal, the balance of the contract shall be construed and enforced as if the offensive provision was not a part of the contract.
11. Attorney Fees. If either party sues to enforce this Agreement, or to enforce the **Bruner/Vernal Property Option Agreement** or the **Moss Purchase Agreement**, the prevailing party shall be entitled to receive from the non-prevailing party, its reasonable attorney fees incurred. Any attorney fee award shall be based on a reasonable hourly rate multiplied by the number of hours reasonably expended by the attorney(s).
12. Execution; authority. This Agreement may be signed in one or more counterparts. An authentic facsimile, photocopy, or digital image of a signature shall have the same force and effect as an original signature. Each individual who signs this Agreement represents and warrants that he or she is the person named below the signature, and that he or she has authority to sign this Agreement on behalf of the person, estate, or business entity appearing over the signature.

In Witness Whereof, the **Parties** have executed this Settlement Agreement as of the **Effective Date**.

Patriot Gold Corp.



By Karl Boltz

Its Vice President, Director

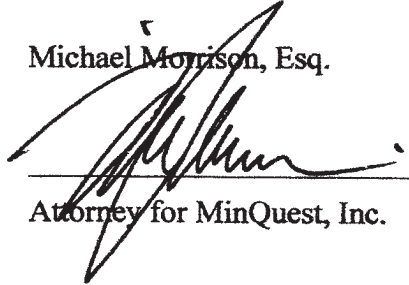
MinQuest, Inc.



By: Herb D. Carr

Its: Vice President

Michael Morrison, Esq.

A handwritten signature in black ink, appearing to read "Michael Morrison", written over a horizontal line.

Attorney for MinQuest, Inc.

Theodore E. Chrissinger, Esq.

A handwritten signature in black ink, appearing to read "T. Chrissinger", written over a horizontal line.

Attorney for Patriot Gold Corp.

EXHIBIT 3

EXHIBIT A

**Unpatented mining claims listed in Department of the Interior
Arizona-BLM records as follows:**

<u>CLAIM NAME</u>	<u>CLAIMANT'S NAME</u>	<u>NMC NUMBER</u>
Moss 11	MinQuest Inc.	361998
Moss 12	MinQuest Inc	361999
Moss 13	MinQuest Inc	362000
Moss 14	MinQuest Inc	362001
Moss 15	MinQuest Inc	362002
Moss 16	MinQuest Inc	362003
Moss 17	MinQuest Inc	362004
Moss 18	MinQuest Inc	362005
Moss 19	MinQuest Inc	362006
Moss 20	MinQuest Inc	362007
Moss 21	MinQuest Inc	362008
Moss 22	MinQuest Inc	362009
Moss 23	MinQuest Inc	362010
Moss 24	MinQuest Inc	362011
Moss 25	MinQuest Inc	362012
Moss 26	MinQuest Inc	362013
Moss 27	MinQuest Inc	362014
Moss 28	MinQuest Inc	362015
Moss 29	MinQuest Inc	362016
Moss 30	MinQuest Inc	362017
Moss 31	MinQuest Inc	362018
Moss 32	MinQuest Inc	362019
Moss 33	MinQuest Inc.	362020
Moss 33 F	MinQuest Inc.	362021
Moss 34	MinQuest Inc.	362022
Moss 35	MinQuest Inc.	362023
Moss 36	MinQuest Inc.	362024
Moss 37	MinQuest Inc.	362025
Moss 38	MinQuest Inc.	362026
Moss 39	MinQuest Inc.	362027
Moss 39 F	MinQuest Inc.	362028
Moss 40	MinQuest Inc.	362029
Moss 41	MinQuest Inc.	362030
Moss 42	MinQuest Inc.	362031
Moss 43	MinQuest Inc.	362032
Moss 44	MinQuest Inc.	362033
Moss 45	MinQuest Inc.	362034
Moss 46	MinQuest Inc.	362035
Moss 47	MinQuest Inc.	362036
Moss 47 B	MinQuest Inc.	362037
Moss 48	MinQuest Inc.	362038
Moss 49	MinQuest Inc.	362039

<u>CLAIM NAME</u>	<u>CLAIMANT'S NAME</u>	<u>NMC NUMBER</u>
Moss 50	MinQuest Inc.	362040
Moss 51	MinQuest Inc	362041
Moss 52	MinQuest Inc	362042
Moss 53	MinQuest Inc	362043
Moss 54	MinQuest Inc	362044
Moss 55	MinQuest Inc	362045
Moss 56	MinQuest Inc	362046
Moss 57	MinQuest Inc	362047
Moss 58	MinQuest Inc	362048
Moss 59	MinQuest Inc	362049
Moss 60	MinQuest Inc	362050
Moss 61	MinQuest Inc	362051
Moss 62	MinQuest Inc	362052
Moss 63	MinQuest Inc	362053
Moss 64	MinQuest Inc	362054
Moss 65	MinQuest Inc	362055
Moss 66	MinQuest Inc	362056
Moss 67	MinQuest Inc	362057
Moss 68	MinQuest Inc	362058
Moss 69	MinQuest Inc	362059
Moss 70	MinQuest Inc.	362060
Moss 1	MinQuest Inc.	398978
Moss 2	MinQuest Inc.	398979
Moss 3	MinQuest Inc.	398980
Moss 4	MinQuest Inc.	398981
Moss 5	MinQuest Inc.	398982
Moss 6	MinQuest Inc.	398983
Moss 7	MinQuest Inc.	398984
Moss 8	MinQuest Inc.	398985
Moss 9	MinQuest Inc.	398986
Moss 10	MinQuest Inc.	398987
Moss 118	MinQuest Inc.	398988
Moss 119	MinQuest Inc.	398989
Moss 120	MinQuest Inc.	398990
Moss 121	MinQuest Inc.	398991
Moss 122	MinQuest Inc.	398992
Moss 123	MinQuest Inc.	398993
Moss 124	MinQuest Inc.	398994
Moss 125	MinQuest Inc.	398995
Moss 126	MinQuest Inc.	398996
Moss 127	MinQuest Inc.	398997
Moss 128	MinQuest Inc.	398998
Moss 129	MinQuest Inc.	398999
Moss 130	MinQuest Inc.	399000
Moss 131	MinQuest Inc.	399001

<u>CLAIM NAME</u>	<u>CLAIMANT'S NAME</u>	<u>NMC NUMBER</u>
Moss 132	MinQuest Inc.	399002
Moss 133	MinQuest Inc.	399003
Moss 134	MinQuest Inc.	399004
Moss 135	MinQuest Inc.	399005
Moss 136	MinQuest Inc.	399006
Moss 137	MinQuest Inc.	399007
Moss 138	MinQuest Inc.	399008
Moss 139	MinQuest Inc.	399009
Moss 140	MinQuest Inc.	399010
Moss 141	MinQuest Inc.	399011
Moss 142	MinQuest Inc.	399012
Moss 143	MinQuest Inc.	399013
Moss 144	MinQuest Inc.	399014
Moss 145	MinQuest Inc.	399015
Moss 146	MinQuest Inc.	399016
Moss 147	MinQuest Inc.	399017
Moss 148	MinQuest Inc.	399018

Total Moss Claims	104
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Official Receipt
Mohave County Recorder's Office

Carol Meier, Recorder
700 W Beale Street
P.O. Box 70
Kingman, AZ 86402
(928) 753-0701

Receipt: 584542

Product	Name	Extended
QCD	Quitclaim Deed	\$10.00
Document # 2013021914, # Pages 4, # Pages of Affidavit 2, Paid By: MINQUEST		
Total		\$10.00
Tender (Check)		\$10.00
Check# 3322		

Thank you!