

46

Doc Number: **0833064**

10/31/2013 01:43 PM

OFFICIAL RECORDS

Requested By
BRIAN GOSS

DOUGLAS COUNTY RECORDERS
Karen Ellison - Recorder

Page: 1 of 8 Fee: \$ 46.00
Bk: 1013 Pg: 6573 RPTT # 8



No A.P.N. -- unpatented mining claims

When recorded, please return to:

✓ Brian Goss
Buckskin Resources LLC
676 A Street
Elko, Nevada 89801

The undersigned hereby confirms that this document does not contain the personal information of any person.

QUITCLAIM DEED AND ROYALTY AGREEMENT

THIS QUITCLAIM DEED AND ROYALTY AGREEMENT (the "Deed") is made effective as of September 6, 2013, by and between Pilot Gold (USA) Inc., a Delaware corporation, whose address is 1031 Railroad Street, No. 110, Elko, Nevada 89801 (collectively, "Grantor"), to Buckskin Resources LLC, a Nevada limited liability company, whose address is 676 A Street, Elko, Nevada 89801 ("Buckskin Resources").

FOR GOOD AND VALUABLE CONSIDERATION, the receipt and sufficiency of which are hereby acknowledged and confirmed, Grantor does hereby remise, release and forever quitclaim unto Buckskin Resources, its successors and assigns, all of Grantor's right, title and interest in and to those unpatented mining claims more particularly described in Schedule A attached hereto and incorporated herein by reference (the "Claims").

TOGETHER WITH all of Grantor's right, title and interest in all lodes, ledges, veins and mineral bearing rock, both known and unknown, intralimital and extralateral, lying within or extending outside the boundaries of the Property, all dips, spurs, and angles, and all the ores, mineral-bearing quartz, rock and earth or other deposits therein or thereon and all of the rights, privileges and franchises thereto incident, and all and singular the tenements and hereditaments thereunto or in anywise appertaining, and the rents, issues and profits thereof; and also all the estate, right, title, interest, property, possession, claim and demand whatsoever, as well in law as in equity of Grantor, of, in or to the Property and every part and parcel thereof.

RESERVING UNTO GRANTOR a production royalty on the production and sale of mineral products produced and sold from the Claims, as more particularly described in Schedule B attached hereto and incorporated herein by reference.

IN WITNESS WHEREOF, Pilot Gold has executed this Grant, Bargain and Sale Deed as of the date first set forth above.

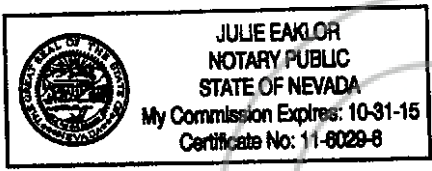
GRANTOR
Pilot Gold (USA) Inc.
a Delaware corporation

By: *Vance Spalding*
Name: Vance Spalding
Title: President

COUNTY OF ELKO)
STATE OF NEVADA) ss.
)

This instrument was acknowledged before me on 8/23/13, by Vance Spalding as President of Pilot Gold (USA) Inc., a Delaware corporation.

Witness my hand and official seal.



Julie Eaklor
Notary Public
My Commission expires: 10/31/15

[SEAL]

BUCKSKIN RESOURCES, LLC
A Nevada limited liability company

By: [Signature]
Name: Brian Goss
Title: President

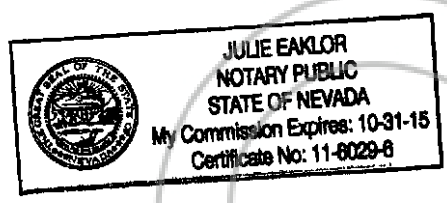
COUNTY OF ELKO)
STATE OF NEVADA) ss.
)

This instrument was acknowledged before me on 8/23/13, by Brian Goss as President of Buckskin Resources LLC, a Nevada corporation.

Witness my hand and official seal.

[Signature]
Notary Public

My Commission expires: 10/31/15



[SEAL]

**SCHEDULE A
TO QUITCLAIM DEED and ROYALTY AGREEMENT**

The Claims

The following unpatented lode mining claims in Section 1, Township 13 North, Range 23 East; Section 6, Township 13 North, Range 24 East; Section 36, Township 14 North, Range 23 East; Section 36, Township 14 North, Range 24 East; Douglas County, Nevada

Claim Name	Location Date	BLM Serial Number	County Document Number
LION 444	9/25/2004	NMC886908	633331, 637472*
LION 445	9/25/2004	NMC886909	633332, 637473*
LION 446	9/25/2004	NMC886910	633333, 637474*
LION 447	9/25/2004	NMC886911	633334, 637475*
LION 448	9/25/2004	NMC886912	633335, 637476*
LION 449	9/25/2004	NMC886913	633336, 637477*
LION 450	9/25/2004	NMC886914	633337, 637478*
LION 451	9/25/2004	NMC886915	633338, 637479*
LION 452	9/25/2004	NMC886916	633339, 637480*
LION 453	9/25/2004	NMC886917	633340, 637481*
LION 122	11/1/2005	NMC917711	666069
LION 124	11/1/2005	NMC917712	666070
LION 126	11/1/2005	NMC917713	666071
LION 175	11/1/2005	NMC917714	666072
LION 176	11/1/2005	NMC917715	666073
LION 177	11/1/2005	NMC917716	666074
LION 179	11/1/2005	NMC917717	666075
LION 180	11/1/2005	NMC917718	666076
LION 442	11/1/2005	NMC917719	666077
LION 443	11/1/2005	NMC917720	666078
LION 454	10/14/2011	NMC1063137	794839
LION 455	10/14/2011	NMC1063138	794840
LION 456	10/14/2011	NMC1063139	794841
LION 457	10/14/2011	NMC1063140	794842
LION 458	10/14/2011	NMC1063141	794843
LION 459	10/14/2011	NMC1063142	794844
LION 460	10/14/2011	NMC1063143	794845
LION 461	10/14/2011	NMC1063144	794846
LION 462	10/14/2011	NMC1063145	794847

*Certificates of Location timely received by the Recorder on December 22, 2004 and through an oversight were not recorded until December 30, 2004.

SCHEDULE B

A. Grantor reserves, and Buckskin Resources, its successors and assigns, shall pay to Grantor as a nonparticipating, non-executive production royalty, two percent (2%) of the Net Smelter Returns from any ores, metals, minerals, and materials of every kind and character found in, on or under the Claims ("Valuable Minerals"), and produced and sold from the Claims, calculated as set forth in the remainder of this Section A (the "Net Smelter Return Royalty" or "Production Royalty"). If in the future a production royalty is payable to the federal government based on the production of Valuable Minerals from the Claims (a "Federal Royalty"), the percentage of Net Smelter Returns to which Grantor is entitled shall be reduced by an amount equivalent to the percentage of Net Smelter Returns payable as the Federal Royalty (the equivalent value of such percentage to be determined by Buckskin Resources in its reasonable discretion if the Federal Royalty is calculated other than as a percentage of Net Smelter Returns). Under no circumstances, however, shall the percentage Net Smelter Return Royalty payable to Grantor be less than 1 % of the Net Smelter Returns. For example, but not by way of limitation, if the Federal Royalty (or the equivalent value thereof) was 2% of Net Smelter Returns, the Net Smelter Return Royalty payable to Grantor would be reduced to 1% of the Net Smelter Returns; if the Federal Royalty (or the equivalent value thereof) was 8% of Net Smelter Returns, the Net Smelter Return Royalty payable to Grantor would be reduced to 1 %.

"Net Smelter Returns" shall mean the actual proceeds of sale of such Valuable Minerals received by Buckskin Resources from the sale of ore, ore concentrates, bullion or other products mined, produced, and sold from the Claims from a smelter, refinery or other ore buyer, after the deduction of smelter and/or refining charges, ore or bullion treatment charges (including without limitation hauling and tolling charges that may be imposed by a buyer of ore shipped to that buyer for processing), penalties and any and all charges made by the purchaser of ore, bullion, or concentrates, less (i) any and all transportation, insurance and security costs which may be incurred in connection with the transportation of gold and/or silver ore, ore concentrates, bullion or other ore products from the point of last processing by Buckskin Resources, and costs of weighing, sampling, determining moisture content and packaging such material; (ii) all umpire charges and any taxes imposed on production (or proceeds therefrom) or severance of ore or ore concentrates, except income taxes; and (iii) any fees based on production and payable to any governmental agency (collectively, "Allowable Deductions"). For purposes of calculating Net Smelter Returns in the event Buckskin Resources elects not to sell any portion of any gold or silver derived from the Claims, but instead elects to have the final product of any such gold or silver credited to or held for its account with any smelter, refiner or broker, such gold or silver shall be deemed to have been sold at the Quoted Price on the day such gold or silver is actually credited to or placed in Buckskin Resources' account. For gold, the term "Quoted Price" shall mean the price per ounce of gold as quoted on the London P.M. gold fixing (or A.M. fixing if there is no P.M. fixing on that day) as published in the Financial Times (or any mutually agreeable substitute source if the information is not available from the Financial Times), on the date of final settlement from the smelter, refinery or other buyer of the gold on which the Production Royalty is to be paid. For silver, the term "Quoted Price" shall mean the price per ounce of silver as quoted on the London fixing for silver as published in the Financial Times (or any mutually agreeable substitute source if the information is not available from the Financial Times) on the date of final settlement from the smelter, refinery or other buyer of silver on which the Net Smelter Return Royalty is to be paid.

B. Net Smelter Return Royalty payments shall be paid by Buckskin Resources to Grantor on a calendar quarterly basis on or before the thirtieth (30th) day following the quarterly period during which each such payment is accrued to Grantor's account. Net Smelter Return Royalties shall accrue to Grantor's account upon final settlement and final payment by the smelter, refinery or other ore buyer to Buckskin Resources for the Valuable Minerals sold and for which the Net Smelter Return Royalty is payable. All Net Smelter Return Royalty payments shall be by Buckskin Resources' check. All Net Smelter Return Royalty payments shall be accompanied by a statement and settlement sheet showing the quantities and grades of metals, ores, minerals, or materials mined and sold from the Claims, proceeds of sale, costs, assays and analyses, and other pertinent information in sufficient detail to explain the calculation of the Net Smelter Return Royalty payment.

C. All payments of royalties to Grantor shall be paid by Buckskin Resources' single check made payable to Pilot Gold (USA) Inc. A payment shall be made by mailing or by delivering a check to Grantor at the address set forth in the Deed, and such a payment shall effectively, and for all purposes whatsoever, constitute full payment of the amount thereof to Grantor. If royalty payments are to be made to a third party other than Grantor, Buckskin Resources shall not be held in default for failure to make payments or tenders of payments until thirty (30) days after Grantor shall deliver to Buckskin Resources a proper, recordable instrument naming another person or entity as agent to receive such payments and tenders such person or entity's consent to act as agent.

D. Grantor, at its sole election and expense, shall have the right to procure, not more frequently than once annually following the close of each calendar year, upon not less than ten (10) days' advance notice to Buckskin Resources, during normal business hours, and for a period of not more than two (2) weeks, an audit of Buckskin Resources' accounts relating to payment of the Net Smelter Return Royalty hereunder by any certified public accountant selected by Grantor. All royalty payments made in any calendar year shall be considered final and in full satisfaction of all obligations of Buckskin Resources with respect thereto, unless Grantor gives written notice describing and setting forth a specific objection to the calculation thereof within one (1) year following the close of that calendar year. Buckskin Resources shall account for any agreed upon deficit or excess in the payment made to Grantor by adjusting the next quarterly statement following completion of such audit to account for such deficit or excess.

E. The parties acknowledge and agree that Buckskin Resources shall have the exclusive right to market and sell to third parties Valuable Minerals produced from the Claims in any manner it chooses, including without limitation the forward sale of Valuable Minerals on the commodity market and the repayment of gold loans. Grantor shall have absolutely no right to participate or obligation to share whatsoever in any price protection or hedging activities of Grantor, including any sales of Valuable Minerals derived from the Claims by Buckskin Resources on the commodity market or otherwise, or in any profits received or losses suffered by Buckskin Resources as a result of such marketing or hedging activities.

F. Buckskin Resources shall have exclusive control of all operations on or for the benefit of the Claims, and of any and all equipment, supplies, machinery, and other assets purchased or otherwise acquired or under its control in connection with such operations. Buckskin Resources may carry out, on its own or through independent contractors and consultants, such operations on

the Claims as it may, in its sole discretion, determine to be warranted. The timing, nature, manner and extent of any exploration, development or mining operations shall be within the sole discretion of Buckskin Resources. If Buckskin Resources at any time, and from time to time after commencing operations or production, desires to shut down or cease operations or production for any reason, it shall have the right to do so. Buckskin Resources may use and employ such methods of mining as it may desire or find most profitable. Buckskin Resources shall not be required to mine, preserve, or protect in its mining operations any ores, leachates, precipitates, concentrates or other products containing Valuable Minerals which, under good mining practices, cannot be mined or shipped at a reasonable profit to Buckskin Resources at the time encountered. Any decision as to the manner and form in which ores or other products containing Valuable Minerals are to be sold shall be made by Buckskin Resources in its sole discretion. Buckskin Resources shall have no obligation to begin or prosecute any exploration, development or mining operations or activities on the Claims, or to mine or remove all or any portion of the Valuable Minerals therein, and there shall be no implied covenant to do so.

G. Buckskin Resources shall have the right of mixing or commingling, either underground, at the surface, or at processing plants or other treatment facilities, any material containing Valuable Minerals mined or extracted from the Claims with any similar substances derived from other lands or properties, provided that the commingling is accomplished only after the material has been fairly and accurately weighed and sampled. Buckskin Resources shall use commingling procedures acceptable in the mining and metallurgical industry which are accurate and cost-effective for the type of mining and processing activity being conducted. The records relating to commingled ores shall be available for inspection by Grantor, at Grantor's sole expense, at all reasonable times, and shall be retained by Buckskin Resources for a period of twelve (12) months.

H. Any determination of weight, volume, moisture content, amenability, or pay metal or mineral content, and any sampling and analysis by Buckskin Resources, shall be binding upon Grantor if made in accordance with sound mining and metallurgical practices and standard sampling and analysis procedures prevailing in the mining and milling industry.

I. All determinations with respect to: (i) whether ore will be beneficiated, processed or milled by Buckskin Resources or sold in a raw state, (ii) the methods of beneficiating, processing or milling any such ore, (iii) the constituents to be recovered therefrom, and (iv) the purchasers to whom any ore, minerals or mineral substances may be sold, shall be made by Buckskin Resources in its sole and absolute discretion.

J. The ore, mine waters, leachates, pregnant liquors, pregnant slurries, and other products or compounds of metals or minerals derived from the Claims shall be the property of Buckskin Resources subject to the Production Royalty as provided for in Section A. Buckskin Resources shall not be liable for mineral values lost in mining or processing if such mining or processing is consistent with sound mining and metallurgical engineering practices. The Production Royalty provided for in Section A shall be payable only on metals, ores, or minerals recovered prior to the time waste rock, spoil, tailings, or other mine waste and residue are first disposed of as such, and such waste and residue shall be the sole property of Buckskin Resources. Buckskin Resources shall have the sole right to dump, deposit, sell, dispose of, or reprocess such waste rock, spoil, tailings, or other mine wastes and residues, and Grantor shall have no claim or

interest therein or in or to proceeds or mineral values recovered therefrom, provided that any actual sales of such materials shall be burdened by the obligation to pay the Net Smelter Returns Royalty as provided for in Section A.

K. At any time on or prior to the twentieth anniversary of the effective date of the Deed, Buckskin Resources, its successors or assigns, shall have the right to purchase one-half of the Production Royalty, thereby reducing the Production Royalty to one percent (1 %) of the Net Smelter Returns from Valuable Minerals produced and sold from the Claims, for a purchase price of \$1,000,000 (the "Royalty Buy-Down"). Buckskin Resources may exercise the Royalty Buy-Down by providing notice to Grantor on or before the twentieth anniversary of the effective date of the Deed. Upon exercise of the Royalty Buy-Down, at a closing which shall occur not less than ten (10) days after Grantor's receipt of the notice, at a time and place mutually agreeable to the parties, Buckskin Resources shall deliver a check for \$1,000,000 to Grantor (made payable to Pilot Gold (USA) Inc.), and Grantor shall deliver to Buckskin Resources a good and sufficient Royalty Deed, conveying one-half of Grantor's interest in the Production Royalty to Buckskin Resources (or its successors or assigns or any designee) free and clear of all liens, claims, charges or encumbrances arising by, through or under Grantor. If Grantor fails to comply with any of its obligations under this Section K, the parties agree that Buckskin Resources shall have the remedy of specific performance, as well as all other legal and equitable remedies available to it. Notwithstanding the foregoing, neither Buckskin Resources nor its successors shall have the right to exercise the Royalty Buy-Down if the Production Royalty payable to Grantor has already been reduced to 1 % pursuant to Section A, as the result of the imposition of a Federal Royalty.

L. Each of Buckskin Resources and Grantor shall be responsible for paying their own share of any Nevada net proceeds tax.

M. Buckskin Resources shall have no obligation to maintain the Claims, but if at any time on or prior to the twentieth anniversary of the effective date of the Deed, Buckskin Resources desires to abandon any of the Claims, Buckskin Resources shall provide Grantor at least 30 days' prior written notice (such notice to be effective upon the date of mailing said notice by certified U.S. mail, return receipt requested), and Grantor may at any time during that 30-day period notify Buckskin Resources in writing (such notification to be effective upon the date of mailing said notification by certified U.S. mail, return receipt requested) that it desires to acquire those Claims. If Grantor timely provides such notice, Buckskin Resources shall quitclaim those Claims to Grantor, without representations or warranties of any kind concerning title to or the validity of the Claims, environmental conditions at or affecting the Claims, or otherwise. If Grantor fails to timely provide such notice, Buckskin Resources may abandon those Claims with no further obligation to Grantor. If Buckskin Resources provides a notice of abandonment that is effective after August 1 of any year, Buckskin Resources shall be required to pay the claim maintenance fees and make all filings with the Bureau of Land Management required in connection therewith in order to maintain the Claims through the upcoming assessment year.