

OPTION AGREEMENT

THIS OPTION AGREEMENT made as of the 6 day of November, 2017 (the “**Effective Date**”)

AMONG:

AMERICAN PACIFIC MINING CORP., a company validly subsisting under the laws of British Columbia with an office at Suite 910 - 510 Burrard Street, Vancouver, BC V6C 3A8

(“**APM**”)

AND:

NOVO RESOURCES (USA) CORP., a company validly subsisting under the laws of Nevada with an office at 500 Coffman Street #106, Longmont, CO, USA, 80501

(“**Novo USA**”)

AND:

NOVO RESOURCES CORP., a company validly subsisting under the laws of British Columbia with an office at care of Bentall 3, Suite 2900, 595 Burrard Street, Vancouver, BC, Canada, V7X 1J5

(“**Novo**” and, together with Novo USA, the “**Seller**”)

WHEREAS:

- A. Novo USA is a wholly-owned subsidiary of Novo.
- B. Novo USA acquired the Property (as hereinafter defined) from Nevada Select Royalty, Inc. (formerly Nevada Eagle LLC) and Platoro West Incorporated (together, the “**Former Owners**”) pursuant to the Underlying Agreements (as hereinafter defined).
- C. Novo USA is the sole legal and beneficial owners of a one hundred (100%) percent right, title and interest in and to the Property.
- D. The Seller has agreed to grant to APM the exclusive right and option to acquire a one hundred (100%) percent right, title, and interest in and to the Property, subject to the Former Owners’ royalty interest pursuant to the Assumption Agreement, and the reservation by the Seller of the Royalty Interest (as hereinafter defined), on the terms and conditions hereinafter set forth.

NOW THEREFORE THIS AGREEMENT WITNESSES that in consideration of the premises and the mutual promises, covenants and agreements herein contained, the parties hereto agree as follows:

1. INTERPRETATION

1.1 In this Agreement and in the recitals and Schedules hereto, unless the context otherwise requires, the following expressions will have the following meanings:

- (a) “Additional Property” has the meaning assigned to it in section 4.1;
- (b) “Agreement” means this Option Agreement and every schedule or exhibit attached hereto, all as may be amended in writing by the agreement of the parties hereto from time to time;
- (c) “APM Shares” mean fully paid and non-assessable common shares in the capital of APM as constituted on the Listing Date;
- (d) “Area of Mutual Interest” means, subject to section 4, the area included within one-half (1/2) mile of the boundaries of the Property, as constituted from time to time;
- (e) “Assumption Agreement” mean the assumption and assignment agreement to be entered into among the Former Owners, the Seller and APM pursuant to which APM will assume certain obligations and acquire certain rights of the Seller under the Underlying Agreements, the form of which is set out in Schedule D hereto.
- (f) “Business Day” means a day other than a Saturday, Sunday or a statutory holiday in the Province of British Columbia;
- (g) “CSE” means the Canadian Securities Exchange, or such other exchange on which the APM Shares are listed;
- (h) “Encumbrance” means any mortgage, lien, pledge, charge, encumbrance, royalty, hypothecation, assignment, license, option or right to acquire or any other third person claim or security interest of any nature, regardless of the form, whether or not negotiated or registrable and whether or not consensual or arising by law (statutory or otherwise);
- (i) “Expenditures” means all reasonable costs, expenses, obligations and liabilities of whatever kind or nature actually incurred by, under the direction of, on behalf of or for the benefit of APM in connection with the exploration, evaluation, legal and economic studies and development of the Property, including, without limiting the generality of the foregoing, costs incurred to acquire rights to minerals within the Area of Mutual Interest, monies expended on government fees for licenses with respect to the Property, maintaining the Property in good standing by doing and filing assessment work, in doing geophysical, geochemical and geological surveys, drilling, other surface exploration, drifting and other underground work, assaying and metallurgical testing and engineering, project evaluation, study, modeling, report writing, in acquiring Facilities, in paying the fees, wages, salaries, travelling expenses, and fringe benefits (whether or not required by law) of all persons engaged in work with respect to and in proportion of their time spent for the benefit of the Property, in paying for the food, lodging, travel and other reasonable needs of such persons and including all costs at prevailing charge out rates for any personnel, contractors, consultants, directors or officers of APM who from time to time are engaged directly in work on the Property, such rates to be in accordance with industry standards, and a charge in lieu of overhead, management and other unallocable costs equal to ten (10%) percent of all such expenditures for contracts;
- (j) “Facilities” means all mines and plants, including, without limitation, all pits, shafts, haulageways, and other underground workings, and all buildings, plants, and other structures, fixtures and improvements, and all other property, whether fixed or moveable, as the same may exist at any time in, or on the Property or outside the Property if for the exclusive benefit of the Property only;

- (k) "Listing Date" means the date APM Shares are listed on the CSE;
- (l) "Option" means the option granted by the Seller to APM pursuant to section 3;
- (m) "Ore" means any material containing a mineral or minerals of commercial economic value mined from the Property;
- (n) "Outside Date" means July 31, 2018;
- (o) "Product" means Ore mined from the Property and any concentrates or other materials or products derived therefrom, provided, however, that if any such Ore, concentrates or other materials or products are further treated as part of the mining operation in respect of the Property, such Ore, concentrates or other materials or products shall not be considered to be "Product" until after they have been treated;
- (p) "Property" means the claims and other rights as more particularly set forth and described in Schedule "A" attached hereto;
- (q) "Royalty Interest" means the one half percent (0.5%) net smelter returns royalty in respect of the Property which is payable by APM to the Seller in accordance with the terms of this Agreement, calculated and payable in accordance with Schedule "B" hereto; and
- (r) "Underlying Agreements" mean the Exploration Lease and the Option to Purchase Agreement, and the Deed with Reservation of Royalty, dated November, 7, 2014 and November 7, 2016, respectively, made between the Seller and the Former Owners, attached hereto as Schedule "C".

2. REPRESENTATIONS, WARRANTIES AND COVENANTS

2.1 APM represents, warrants and covenants to the Seller that:

- (a) APM is a body corporate duly formed, organized and validly subsisting under the laws of British Columbia and is duly qualified to carry on business and to locate, acquire, own, explore and develop the Property;
- (b) APM has full power and authority to carry on its business and to enter into this Agreement and any agreement or instrument referred to or contemplated by this Agreement; and
- (c) the execution and delivery of this Agreement and any agreements contemplated hereby will not violate or result in the breach of the laws of any jurisdiction applicable or pertaining thereto or of its constating documents;
- (d) all corporate authorizations have been obtained for the execution of this Agreement and for the performance of its obligations hereunder;
- (e) this Agreement constitutes a legal, valid and binding obligation of APM enforceable against it in accordance with its terms;
- (f) APM will use commercially reasonable efforts to expeditiously undertake a going public transaction and obtain a listing of its securities on the CSE;

- (g) APM will take all commercially reasonable steps to enter into the Assumption Agreement with the Former Owners and the Seller substantially in the form attached hereto;
- (h) the issuance of APM Shares by APM will not conflict with, and will not result in a breach of, any of the terms of APM's incorporating documents or any agreement or instrument to which APM is a party or by which it is bound, and the APM Shares to be issued to the Seller pursuant to Article 3 hereof will, upon issuance, be issued and outstanding as fully paid and non-assessable shares;
- (i) APM is not a party to any actions, suits or proceedings which could materially affect its respective business or financial condition, and to the best of APM's knowledge no such actions, suits or proceedings are contemplated or have been threatened; and
- (j) there are no judgments against APM which are unsatisfied, nor is APM subject to any consent decrees or injunctions.

2.2 The representations and warranties hereinbefore set out in section 2.1 are conditions on which the Seller has relied in entering into this Agreement and will survive the execution of this Agreement for a period of three (3) years.

2.3 The Seller represents, warrants, and covenants to APM that:

- (a) it has full power and authority to enter into this Agreement and any agreement or instrument referred to or contemplated by this Agreement, and is duly qualified to locate, acquire, own, explore and develop the Property;
- (b) the execution and delivery of this Agreement and any agreements contemplated hereby will not violate or result in the breach of the laws of any jurisdiction applicable or pertaining thereto;
- (c) except as otherwise set out in this Agreement, it has the exclusive right to enter into this Agreement and to dispose of all of its interest in the Property in accordance with the terms of this Agreement;
- (d) Novo USA is the sole 100% legal, beneficial and recorded owners of the Property and is in exclusive possession of and own the Property free and clear of all Encumbrances and defects in title, subject to the royalty interest set out in the Underlying Agreements;
- (e) Novo USA is in actual possession of the Property, and all of the Property claims are good and valid, not in conflict either with any other mining claims or with the possession of others asserting mineral entries;
- (f) to the Seller's knowledge, the Property claims were properly located, staked, filed and recorded on public domain land open to mineral entry in compliance with all applicable laws and for each of the Property claim, sufficient assessment work for all assessment years to and including the assessment year ending on August 31, 2017, was timely and properly performed and appropriate affidavits evidencing such work were timely and properly filed and recorded as required by applicable laws, and all claim rental or maintenance fees required to maintain the Property through the assessment year as noted immediately above, and all recordings and filings required in connection therewith, and all payments required

in connection with such recordings and filings, have been timely and properly made with the appropriate governmental authority;

- (g) the Seller will take all commercially reasonable steps to enter into the Assumption Agreement with the Former Owners and APM substantially in the form attached hereto;
- (h) there is no adverse claim or challenge against or to the ownership of the Property nor, to the best of its knowledge, is there any basis therefore, there are no outstanding agreements or options to acquire or purchase the Property or any portion thereof, no person, firm or corporation has any proprietary or possessory interest in the Property other than the Seller and APM pursuant to this Agreement, and no person is entitled to any royalty or other payment in the nature of rent or royalty on any Product other than the Former Owners, who are entitled to same solely pursuant to the Underlying Agreements, and the Seller, who is entitled to the Royalty Interest pursuant to the terms and conditions of this Agreement;
- (i) to the Seller's knowledge, its ownership and operations of the Property are in compliance with and are not in violation of any laws (including without limitation any environmental laws), nor causing or permitting any damage (including environmental damage, as defined below) or impairment to the health, safety or enjoyment of any person at or on the Property or in the general vicinity of the Property; and
- (j) to the Seller's knowledge, there are no outstanding orders or directions relating to environmental matters requiring any work, repairs, construction or capital expenditures with respect to the Property and the conduct of the operations related thereto, it has not received any notice of the same and it is not aware of any basis on which any such orders or direction could be made.

2.4 The representations and warranties hereinbefore set out in section 2.3 are conditions on which APM has relied in entering into this Agreement and will survive the execution of this Agreement for a period of three (3) years.

2.5 Each party will indemnify and save the other harmless from all loss, damage, costs, actions and suits (including legal costs on a solicitor and own client or indemnity basis) arising out of or in connection with any breach of any representation, warranty, covenant, agreement or condition made by such party and contained in this Agreement.

3. OPTION

3.1 The Seller hereby gives and grants to APM the sole, exclusive and irrevocable right and option to acquire a one hundred (100%) percent right, title and interest in and to the Property.

3.2 In consideration of the Option, APM will:

- (a) subject to section 15, make cash payments to the Seller of three hundred and seventy-five Canadian dollars (CAD\$375,000), in three equal installments of one hundred and twenty-five thousand Canadian dollars (CAD\$125,000) as follows:
 - (i) the first instalment due on the earlier of the Listing Date and January 31, 2018;
 - (ii) the second instalment due on the earlier of the first anniversary of the Listing Date and January 31, 2019; and

- (iii) the third instalment due on the earlier of the second anniversary of the Listing Date and January 31, 2020;
- (b) subject to section 15, issue two hundred thousand Canadian dollars (CAD\$200,000) in APM Shares to Novo in three equal instalments determined in accordance with section 3.3, with one-third issued on each of the Listing Date and the first and second anniversaries of the Listing Date; and
- (c) subject to sections 3.5, 3.6, 15 and 16, complete one hundred thousand US dollars (USD\$100,000) in Expenditures on the Property annually starting on the twelve (12) month period commencing on the first anniversary of the Listing Date and per each successive 12 month period thereafter.

3.3 The number of APM Shares to be issued shall be determined on the Listing Date by dividing the amount of two hundred thousand (CAD\$200,000) Canadian dollars by the CAD\$ listing price of the APM Shares on the Listing Date. The CAD\$ listing price of the APM Shares on the Listing Date shall be deemed to be equal to the price at which APM Shares are sold in the last equity financing closed on or before the Listing Date. In the event that the APM Shares are consolidated, subdivided, exchanged or reclassified or in any way substituted for the APM Shares after the Listing Date, the APM Shares issuable pursuant to section 3.2 after such event will be similarly adjusted.

3.4 Upon APM completing the payments and share issuances as required by section 3.2, the beneficial interest in the Property will pass to APM, or its designee, in accordance with the terms of this Agreement and the Seller will expeditiously execute all agreements and instruments necessary or advisable in the discretion of APM to transfer, record and register all interest in the Property in favour of APM or its designee.

3.5 Any excess in the amount of Expenditures incurred by APM on the Property during any one of the periods referred to in subsection 3.2(c) will be applied as a credit against Expenditures required to be incurred by APM during any subsequent period of time with respect to the Property.

3.6 Any deficiency in the amount of Expenditures incurred by APM on the Property during any one of the periods referred to in subsection 3.2(c) may be cured by APM, at its sole discretion, if APM pays to the Seller in cash within 30 days of notice of the deficiency an amount equal to the deficiency in such Expenditures for such Property, in which case APM will not lose any of its rights hereunder and the Option on such Property will not terminate (the parties having agreed that this is an alternative for APM to maintain in force the Option, but it will not be required in order for APM to terminate the Option pursuant to section 6 of this agreement).

3.7 A written notice by APM to the Seller, accompanied by:

- (a) A certificate of a senior officer of APM certifying the amount of Expenditures for the period specified in subsection 3.2(c) has been made; and
- (b) A reasonably itemized statement of such Expenditures;

will be conclusive evidence of the making thereof unless the Seller delivers to APM a notice in writing questioning the accuracy and/or reasonableness of such statement within 30 days of receipt by the Seller thereof. The certificate, notice and itemized statement of Expenditures will be delivered by APM to the Seller not later than 45 days from the expiration of each period set out in subsection 3.2(c). Upon delivery by the Seller of a notice questioning the accuracy of such certificate, the matter will be referred to the

auditor of APM for final determination. If the auditor of APM determines that APM has not spent the required Expenditures within the time specified in subsections 3.2(c), APM will not lose any of its rights hereunder and the Option on such Property will not terminate if APM completes additional expenditures or otherwise pays the amount of the deficiency within 60 days of receipt of the auditor's determinations of the deficiency in such Expenditures for such Property.

3.8 Notwithstanding any other provision in this Agreement, if the Listing Date has not occurred prior to the Outside Date, this Agreement shall automatically terminate.

4. AREA OF MUTUAL INTEREST

4.1 There will exist an Area of Mutual Interest being the area included within a one-half (1/2) mile of the boundaries of the Property (as constituted from time to time). If either party directly or indirectly acquires any rights to minerals located wholly or partially within the Area of Mutual Interest after the Effective Date, such mineral rights will, at the election of the other party (made by it within 30 days of written notice), be made part of the Property for all purposes and may be referred to as "**Additional Property**".

5. SECURITIES LAWS

5.1 The Parties hereto acknowledge that the issuance of the APM Shares by APM to Novo as contemplated herein will be made pursuant to an exemption from the registration and prospectus requirements of applicable securities laws pursuant to Section 2.13 of National Instrument 45-106 - *Prospectus and Registration Exemptions*.

5.2 Novo confirms to and covenants with APM that:

- (a) it will comply with all requirements of applicable securities laws in connection with the issuance to it of the APM Shares; and
- (b) the APM Shares have not been registered under the United States *Securities Act of 1933*, as amended (the "**U.S. Securities Act**") or the securities laws of any State of the United States and that APM does not intend to register the APM Shares under the U.S. Securities Act, or the securities laws of any State of the United States and has no obligation to do so. Novo is not a "**U.S. person**" (as that term is defined in Regulation S under the U.S. Securities Act) and is not purchasing the APM Shares for the account or benefit of any U.S. persons; provided, however, that Novo may sell or otherwise dispose the APM Shares pursuant to registration thereof under the U.S. Securities Act and any applicable State securities laws or pursuant to any available exemption from such registration requirements.

5.3 Upon the issuance of the APM Shares to Novo, and until such time as is no longer required under applicable securities laws, the certificates representing the APM Shares will bear the following legend(s) required under the National Instrument 45-102 - *Resale Restrictions* in substantially the following form:

"Unless permitted under securities legislation, the holder of this security must not trade the security before the date that is 4 months and one day after the later of

(i) [insert the distribution date], and (ii) the date the issuer became a reporting issuer in any province or territory.”

6. TERMINATION

6.1 The Option in respect of the Property will terminate (unless otherwise agreed in writing) to the extent not exercised pursuant to section 10.1 hereof:

- (a) subject to sections 15 and 16, upon the Seller giving written notice to APM, if any of the cash payments or the APM Share issuances required pursuant to subsections 3.2(a) and 3.2(b), respectively, are not satisfied, or subject to section 3.6, Expenditures required to be completed or incurred by APM pursuant to subsection 3.2(c) are not completed, incurred or cured by the anniversary dates set out in section 3.2, as applicable;
- (b) subject to sections 15 and 16, upon APM giving written notice to the Seller if the Seller has breached or is in default of a provision of this Agreement; or
- (c) upon APM giving written notice to the Seller in the event that the Assumption Agreement with the Former Owners and APM substantially in the form attached hereto has not been entered into on or before 45 days following the Effective Date;
- (d) upon APM giving 30 days written notice to the Seller that it has abandoned the Option on the Property.

6.2 In the event of such termination under section 6.1, this Agreement will, except for the provisions of this section 6.2 and section 11, be of no further force and effect save and except for any obligations of APM incurred prior to the effective date of termination.

7. RIGHT OF ENTRY

7.1 During the Option term, APM, its employees, agents and independent contractors will have, subject to the terms of this Agreement, the sole and exclusive right and option to:

- (a) enter upon the Property;
- (b) have exclusive and quiet possession thereof;
- (c) do such prospecting, exploration, development or other mining work thereon and thereunder as APM in its sole discretion may consider advisable;
- (d) bring and erect upon the Property such Facilities as APM may consider necessary or advisable to carry out exploration, development and evaluation activities; and
- (e) remove from the Property and sell or otherwise dispose of Product, but only for the purpose of obtaining assays or testing.

7.2 APM's rights pursuant to section 7.1 will at all times be subject to any restrictions that may be required by laws of any jurisdiction applicable or pertaining thereto or by regulatory authority.

8. COVENANTS OF THE SELLER

8.1 During the currency of this Agreement, the Seller will:

- (a) not do any act, omission or thing which would or might in any way adversely affect the rights of APM hereunder;
- (b) make available to APM and its representatives all records and files relating to the Property in the possession of the Seller;
- (c) promptly provide APM with any and all notices and correspondence from government agencies in respect of the Property;
- (d) co-operate fully with APM at APM's expense in obtaining any surface and other rights and government permits on, over or related to the Property as APM deems desirable;
- (e) execute and deliver to APM such powers of attorney, consents and authorizations as are, in the reasonable opinions of counsel to APM, necessary or desirable to permit APM to carry out activities on or with respect to the Property as contemplated hereunder; and
- (f) indemnify and save APM harmless from any and all claims, suits, demands, losses and expenses including, without limitation, with respect to environmental matters, made or brought against them as a result of work done or any act or thing done or omitted to be done by the Seller on or with respect to the Property prior to the date of execution of this agreement.

9. COVENANTS OF APM

9.1 During the Option period, APM will:

- (a) keep the Property in good standing and free and clear of all liens, charges and Encumbrances arising from its operations hereunder (except liens for taxes not yet due, other inchoate liens or liens contested in good faith by APM) and proceed with all diligence to contest or discharge any lien that is filed;
- (b) permit the Seller, or their representatives duly authorized by it in writing, at their own risk and expense, access to the Property at all reasonable times and to all technical data, records and reports, if any, prepared by APM in connection with work done on or with respect to the Property;
- (c) conduct all work on or with respect to the Property in a careful and miner-like manner and in compliance with all applicable federal, state and local laws, rules, orders and regulations, and indemnify and save the Seller harmless from any and all claims, suits, demands, losses and expenses including, without limitation, with respect to environmental matters, made or brought against it as a result of work done or any act or thing done or omitted to be done by APM on or with respect to the Property as from the date of execution of this Agreement;
- (d) maintain true and correct books, accounts and records of Expenditures; and
- (e) provide the Seller yearly itemized summaries of the Expenditures carried out on the Property including results of exploration in core analysis, location, azimuths of drillholes, etc. and copies of all the important invoices (assays, drilling costs, geophysical surveys etc) related to such Expenditures.

10. EXERCISE OF OPTION

10.1 Upon APM completing the payments and issuances as required by section 3.2, APM, upon notice to the Seller, may exercise the Option with respect to the Property at any time, to acquire a one hundred (100%) percent right, title and interest in and to the Property free and clear of any interest of the Former Owners and the Seller, subject only to the Former Owners' rights pursuant to the Assumption Agreement and the right of the Seller to receive, and the obligation of APM to pay, the Seller's Royalty Interest.

10.2 APM will pay the Seller's Royalty Interest to the Seller in accordance with the terms set out in Schedule "B".

10.3 Notwithstanding any other provision in the Agreement, APM will be under no obligation whatsoever to place any Property into commercial production and if the Property is placed into commercial production, APM will have the right at any time to curtail, suspend or terminate such commercial production as APM in its sole discretion deems advisable.

10.4 APM may, at any time after exercising the Option, elect by notice in writing delivered to the Seller to purchase all of the right, title and interest of the Seller in and to entirety of the Seller's Royalty Interest in respect of the Property (which for greater certainty will reduce the Seller's Royalty Interest payable to the Seller to nil (0%)) and, upon such election being made, the Seller will sell all right, title and interest in and to such 0.5% of the Seller's Royalty Interest to APM for five hundred thousand (USD\$500,000) US dollars, payable within thirty (30) days of such election by APM. In connection with the exercise of such right to elect, the Seller will execute and deliver such documents, agreements, instruments of transfer and quit claims as the solicitors for APM may reasonably require.

11. OBLIGATIONS OF APM AFTER TERMINATION

11.1 In the event of termination of the Option for any reason other than through the exercise thereof, APM will:

- (a) leave the Property:
 - (i) except in the case of termination pursuant to subsections 6.1(b) or 6.1(c), such that it is in good standing for a period of six (6) months from the date notice of termination is sent by filing all required work assessments and paying all required fees,
 - (ii) free and clear of all liens, charges and Encumbrances arising from its operations hereunder,
 - (iii) in a safe and orderly condition, and
 - (iv) in a condition which is in compliance with all rules and orders, including labour, environmental, of governmental authorities with respect to reclamation and rehabilitation of all disturbances resulting from APM's use and occupancy of the Property;
- (b) transfer any Additional Property to the Seller, or as the Seller may direct, at the Seller's expense within six (6) months of the effective date of termination;

- (c) deliver to the Seller, within ninety (90) days of a written request, a summary on all work carried out by APM on the Property together with copies of all sample location maps, drill hole assay logs, assay results, cores and cuttings APM has, and other technical data compiled by APM with respect to the Property; and
- (d) have the right (and, if requested by the Seller within six (6) months of the effective date of termination, the obligation) to remove from the Property, within twelve (12) months of the effective date of termination, all Facilities erected, installed or brought upon the Property by or at the instance of APM, failing which such Facilities will then become the property of the Seller.

12. DISPOSITION OF INTEREST

12.1 APM may at any time sell, transfer or otherwise dispose of all or any portion of its interest in and to the Property, the Option and this Agreement after having first obtained the written consent of the Seller (such consent not to be unreasonably withheld or delayed), provided that any purchaser, grantee or transferee of any such interest will have first delivered to APM, and the Seller its agreement related to this Agreement and to the Property, containing:

- (a) a covenant with the Seller by such transferee to perform all the obligations of APM to be performed under this Agreement in respect of the interest to be acquired by it from the Seller;
- (b) a provision subjecting any further sale, transfer or other disposition of such interest in the Property and this Agreement or any portion thereof to the restrictions contained in this subsection 12.1;

whereupon APM will be released from any further liability hereunder in respect of such interest.

13. CONFIDENTIAL NATURE OF INFORMATION

13.1 The parties agree that all information obtained from the work carried out hereunder will be the exclusive property of the parties and not used other than for the activities contemplated hereunder except as required by law or by the rules and regulations of any regulatory authority or stock exchange having jurisdiction, or with the written consent of both parties, such consent not to be unreasonably withheld. Notwithstanding the foregoing, it is understood and agreed that a party will not be liable to the other party for the fraudulent or negligent disclosure of information by any of its employees, servants or agents, provided that such party has taken reasonable steps to ensure the preservation of the confidential nature of such information. The parties also acknowledge and agree that, notwithstanding the foregoing, the confidentiality agreement dated August 4, 2017 made between Novo and APM remains in full force and effect.

14. NOTICE

14.1 Any notice, direction or other instrument required or permitted to be given under this Agreement will be in writing and may be given by the delivery of the same or by mailing the same by courier or by sending the same by email, in each case addressed as follows:

- (a) if to APM at:
Suite 910 - 510 Burrard Street
Vancouver, BC V6C 3A8

E-mail: W@DataSystems.ca
Attention: Warwick Smith, President

(b) if to Novo at:

Bentall 3, Suite 2900, 595 Burrard Street
Vancouver, BC, Canada, V7X 1J5

E-mail: ronan@novoresources.com
Attention: Ronan Sabo-Walsh, Chief Financial Officer & Corporate Secretary

(c) if to Novo USA at:

500 Coffman Street #106
Longmont, CO, USA, 80501

E-mail: quinton@novoresources.com
Attention: Quinton Hennigh, President & Director

14.2 Any notice, direction or other instrument aforesaid will, if delivered, be deemed to have been given and received on the day it was delivered, and if mailed, be deemed to have been given and received on the fifth Business Day following the day of sending, except in the event of disruption of the postal services in which event notice will be deemed to be received only when actually received and, if sent by facsimile, e-mail or other similar form of electronic communication, be deemed to have been given or received on the day it was so sent if its receipt is confirmed.

Any party may at any time give to the other, notice in writing of any change of address of the party giving such notice and from and after the giving of such notice, the address or addresses therein specified will be deemed to be the address of such party for the purposes of giving notice hereunder.

15. DEFAULT

15.1 Notwithstanding anything in this Agreement to the contrary, if any party (a “**Defaulting Party**”) is in default of any requirement herein set forth, the party affected by such default will give written notice to the Defaulting Party specifying the default and the Defaulting Party will not lose any rights under this Agreement, unless within thirty (30) days after the giving of notice of default to the Defaulting Party, the Defaulting Party has failed to take reasonable steps to cure the default by the appropriate performance and if the Defaulting Party fails within such period to take reasonable steps to cure any such default, the affected party will be entitled to seek any remedy it may have on account of such default. With respect to cash payments and deliveries of APM Shares as provided herein, payment or delivery, as the case may be, must be made within 14 days in order to avoid default.

16. FORCE MAJEURE

16.1 No party will be liable for its failure to perform any of its obligations under this Agreement due to a cause beyond its control (except those caused by its own lack of funds) (each an “**Intervening Event**”) including, but not limited to, acts of God, fire, flood, explosion, strikes, lockouts or other industrial disturbances, oppositions or disturbances created by rural or agrarian communities which impede or do not authorize APM free access to the Property or that may prevent the performance of the mining works contemplated herein, laws, rules and regulations or orders of any duly constituted governmental authority

for the performance of the mining activities set forth in this document, or non-availability of materials or transportation.

16.2 All time limits imposed by this Agreement will be extended by a period equivalent to the period of delay resulting from an Intervening Event.

16.3 A party relying on the provisions of this section 16 will give the other party notice, as soon as is practicable, of both the start and the termination of an Intervening Event and will take all reasonable steps to eliminate an Intervening Event and, if possible, will perform its obligations under this Agreement as far as practical, but nothing herein will require such party to settle or adjust any labour dispute or to question or to test the validity of any law, rule, regulation or order of any duly constituted governmental authority or to complete its obligations under this Agreement if an Intervening Event renders completion impossible.

17. SURRENDER OF PROPERTIES

17.1 APM will have the right at any time before the exercise of the Option, to surrender all or any part of the claims comprised in the Property (the “**Surrendered Claims**”) by delivering a notice, in accordance with section 14, in writing of its intention to do so to the Seller at least thirty (30) days prior to the proposed surrender, such notice to list the proposed Surrendered Claims. Upon delivery of a notice to surrender, APM will have no further obligations in respect of the Surrendered Claims, save and except as set forth in subsection 11.1 with respect to the Surrendered Claims. If all the claims comprised in the Property are surrendered, then the Option and this Agreement will terminate with respect to the Property. The surrender of part of the claims comprised in the Property will not affect APM’s rights in any way to exercise the Option under this Agreement.

18. ARBITRATION

18.1 The parties agree to attempt to resolve all disputes arising out of or in connection with this Agreement, including, but not limited to, its existence and validity or its breach or termination by either party, by arbitration in Vancouver, British Columbia pursuant to the terms of the *Commercial Arbitration Act* (British Columbia). The arbitral tribunal will be comprised of a single arbitrator agreed upon by the parties. If the parties are unable to agree to the appointment of an arbitrator within fifteen (15) days of delivery of a request for arbitration by either party to the other, a request for appointment of the arbitrator may be made to the Executive Director of the British Columbia International Commercial Arbitration Centre. If for any reason the Executive Director is unable to make the appointment requested, a request will be made for appointment of the arbitrator to the Supreme Court of British Columbia.

18.2 Each party will bear its own costs of legal representation and assistance. All other costs, including, but not limited to, the fees and expenses of the arbitrator and administrative fees and charges, will be shared equally by the parties, unless otherwise determined by the arbitrator in the award.

19. GENERAL

19.1 This Agreement constitutes the entire agreement between the parties and replaces and supersedes all prior agreements, memoranda, correspondence, communications, negotiations and representations, whether verbal or written, express or implied, statutory or otherwise between the parties with respect to the subject matter herein, including for greater certainty, the letter agreement dated August 18, 2017.

19.2 This is an option only and except as specifically provided otherwise, nothing herein contained will be construed as obligating APM to do any acts or make any payments hereunder except as herein set forth,

and any act or acts or payment or payments as may be made hereunder will not be construed as obligating APM to do any further act or make any further payment or payments except as herein provided.

19.3 The parties hereto agree that they and each of them will execute all documents and do all acts and things within their respective powers to carry out and implement the provisions or intent of this Agreement.

19.4 The phrase "to the knowledge of" a party hereto or like phrases means to the knowledge of the senior officers after due inquiry.

19.5 The headings to the respective sections herein will not be deemed part of this Agreement but will be regarded as having been used for convenience only.

19.6 Except as otherwise specifically provided in this Agreement, each of the parties hereto will bear their own expenses (including those of counsel, accountants and advisers) incurred in connection with this Agreement and the transactions contemplated by this Agreement.

19.7 This Agreement will be governed by and interpreted in accordance with the laws of the Province of British Columbia and the federal laws of Canada applicable therein and the parties hereby irrevocably attorn to the jurisdiction of the Courts of the Province of British Columbia.

19.8 All payments to be made to any party hereunder will be made by cash, certified cheque, wire transfer or bank draft mailed or delivered to such party at its address for notice purposes as provided herein, or for the account of such party at such bank or banks in Canada as such party may designate from time to time by written notice. Said bank or banks will be deemed the agent of the designating party for the purpose of receiving, collecting and receipting such payment.

19.9 Subject to section 12, this Agreement will enure to the benefit of and be binding upon the parties hereto and their respective successors and permitted assigns.

19.10 This Agreement may be executed in any number of counterparts with the same effect as if all parties to this Agreement had signed the same document and all counterparts will be construed together and will constitute one and the same instrument and any facsimile or electronic signature will be taken as an original.


IN WITNESS WHEREOF the parties hereto have executed this agreement as of the day and year first above written.

AMERICAN PACIFIC RESOURCES CORP.

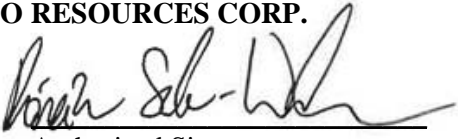
A handwritten signature in dark ink, appearing to be "M. J." followed by a long, sweeping horizontal stroke.

Per: _____
Authorized Signatory

NOVO RESOURCES (USA) CORP.

Per: 
Authorized Signatory

NOVO RESOURCES CORP.

Per: 
Authorized Signatory

SCHEDULE "A"

The Property is located approximately 65km (40 mi.) north-northwest of Elko, in NW Elko County, Nevada, within the Tuscarora Mining District. The Property comprises 24 unpatented lode claims situated in sections 2 and 3, Township 39 North, Range 51 and section 35, Township 40 North, Range 51 East, Elko County, Nevada. The claims are roughly centered at 116° 13' 05" West longitude and 41° 18' 17" North latitude or 565711m E, 4573061m N.

Novo Resources (USA) Corp. acquired a 100% interest in the Tuscarora Property pursuant to the Underlying Agreements.

The 24 unpatented claims are registered in the name of Novo USA and are in good standing as follows:

| Claim | BLM# | Area (sq.km.) |
|--------------------------------|---------|---------------|
| TN 1 | 1105496 | 0.084 |
| TN 2 | 1105497 | 0.084 |
| TN 3 | 1105498 | 0.084 |
| TN 4 | 1105499 | 0.080 |
| TN 5 | 1105500 | 0.084 |
| TN 6 | 1105501 | 0.080 |
| TN 7 | 1105502 | 0.080 |
| TN 8 | 1105503 | 0.080 |
| TN 9 | 1105504 | 0.084 |
| TN 10 | 1105505 | 0.080 |
| TN 11 | 1105506 | 0.084 |
| TN 12 | 1105507 | 0.084 |
| TN 13 | 1105508 | 0.084 |
| TN 14 | 1105509 | 0.084 |
| TN 19 | 1105510 | 0.063 |
| TN 20 | 1105511 | 0.063 |
| TN 21 | 1105512 | 0.063 |
| TN 22 | 1105513 | 0.084 |
| TN 23 | 1105514 | 0.084 |
| TN 24 | 1105515 | 0.084 |
| TN 25 | 1105516 | 0.084 |
| TN 26 | 1105517 | 0.084 |
| TN 27 | 1105518 | 0.054 |
| TN 28 | 1105519 | 0.042 |
| Approximate Total Area: | | 2.0 |

SCHEDULE "B"

NET SMELTER RETURNS ROYALTY

1. The Royalty Interest will be one half percent (0.5%) of Net Smelter Returns. "Net Smelter Returns" means the actual proceeds received by APM for its own account from the sale of ore, or ore concentrates or other products from the Property to a smelter or other ore buyer after deduction of smelter and/or refining charges, ore treatment charges, penalties and any and all charges made by the purchaser of ore or concentrates, less all umpire charges which the purchaser may be required to pay.
2. Not less than 60 days prior to the commencement of any fiscal year of APM, the Seller will have the right to receive the Royalty Interest in kind for such fiscal year of APM. Upon the Seller giving such notice, the Seller and APM will enter into good faith negotiations with each other to settle the manner in which the payment will be calculated and paid, it being the intent that the payment received in kind will be commercially equivalent to the payment that the Seller would have been received if it had been made in the form of money.
2. Payment of the Royalty Interest by APM to the Seller will be made semi-annually within 60 days after the end of each fiscal half year of APM and will be accompanied by unaudited financial statements pertaining to the operations carried out by APM on the Property. Within 120 days after the end of each fiscal year of APM in which the Royalty Interest is payable to the Seller, the records relating to the calculation of Net Smelter Returns for such year will be audited and any resulting adjustments in Royalty Interest payable to the Seller will be made forthwith. A copy of the said audit will be delivered to the Seller within 30 days of the end of such 120-day period.
3. Each annual audit will be final and not subject to adjustment unless the Seller delivers to APM written exceptions in reasonable detail within six months after the Seller receives the report. The Seller, or its representative duly authorized in writing, at its expense, will have the right to audit the books and records of APM related to Net Smelter Returns to determine the accuracy of the report, but will not have access to any other books and records of APM. The audit will be conducted by a chartered or certified public accountant of recognized standing. APM will have the right to condition access to its books and records on execution of a written agreement by the auditor that all information will be held in confidence and used solely for purposes of audit and resolution of any disputes related to the report. A copy of the Seller's report will be delivered to APM upon completion, and any discrepancy between the amount actually paid by APM and the amount which should have been paid according to the Seller's report will be paid forthwith, one party to the other. In the event that the said discrepancy is to the detriment of the Seller and exceeds 5% of the amount actually paid by APM, then APM will pay the entire cost of the audit.
4. Any dispute arising out of or related to any report, payment, calculation or audit will be resolved solely by arbitration as provided in the Agreement. No error in accounting or in interpretation of the Agreement will be the basis for a claim of breach of fiduciary duty, or the like, or give rise to a claim for exemplary or punitive damages or for termination or rescission of the Agreement or the estate and rights acquired and held by APM under the terms of the Agreement.

SCHEDULE "C"

UNDERLYING AGREEMENTS

[See attached Exploration Lease and Option to Purchase Agreement, and Deed with Reservation of Royalty.]

**Exploration Lease and Option to Purchase Agreement
Tuscarora Project**

This Exploration Lease and Option to Purchase Agreement Tuscarora Project ("Agreement") is made and entered into by and among Nevada Eagle LLC, a Nevada limited liability company ("NEL"), and Platoro West Incorporated, a Nevada corporation ("Platoro", with NEL collectively "Owner"), and Novo Resources (USA) Corp., a Nevada corporation ("Novo").

Recitals

A. Each of NEL and Platoro owns an undivided one-half (1/2) interest in the TN unpatented mining claims situated in Elko County, Nevada, described in Exhibit A attached to and by this reference incorporated in this Agreement (collectively the "Property").

B. Owner desires to lease the Property to Novo on the terms and conditions of this Agreement.

Now, therefore, in consideration of their mutual promises, the parties agree as follows:

1. **Definitions.** The following defined terms, wherever used in this Agreement, shall have the meanings described below:
 - 1.1 "Annual Minimum Royalty Payments" means the minimum royalty payments payable by Novo in accordance with Section 4.2.
 - 1.2 "Area of Interest" means the geographic area within one-half (1/2) mile of the exterior boundaries of the Property existing on the Effective Date.
 - 1.3 "Deed" means the conveyance of the Property to be executed and delivered by Owner on the closing of the Option as provided in Section 5.
 - 1.4 "Effective Date" means November 7, 2014.
 - 1.5 "Governmental Regulations" means all directives, laws, orders, ordinances, regulations and statutes of any federal, state or local agency, court or office.
 - 1.6 "Lease Year" means each one (1) year period following the Effective Date and each anniversary of the Effective Date.
 - 1.7 "Minerals" means all minerals and mineral materials, including, without limitation, gold, silver, platinum and platinum group metals, base metals (including, for example, antimony, chromium, cobalt, copper, lead, manganese, mercury, nickel, molybdenum, titanium, tungsten, zinc), and other metals and mineral materials which are on, in or under the Property.
 - 1.8 "Minimum Payments" means the minimum payments payable by Novo in accordance with Section 4.1.

1.9 "Net Smelter Returns" means the net smelter returns from the production of Minerals from the Property as calculated and determined in accordance with Exhibit 1 attached to this Agreement.

1.10 "Novo" means Novo Resources (USA) Corp., a Nevada corporation, and its successors and assigns.

1.11 "Option" means the option and right granted by Owner to Novo to purchase the Property in accordance with Section 5.

1.12 "Owner" means collectively NEL and Platoro and their successors and assigns.

1.13 "Precious Metals" means gold, silver and platinum group metals.

1.14 "Property" means the unpatented mining claims situated in Elko County, Nevada, more particularly described in Exhibit A.

1.15 "Royalty" means the production royalty payable by Novo to Owner in accordance with Section 4.2.

2. **Lease and Grant of Rights.** Owner leases the Property exclusively to Novo and grants to Novo the rights and privileges described in this Section.

2.1 **Lease.** Novo is granted the exclusive right to use the Property, without disturbance, for the purposes of exploration for and development of Minerals, provided, however, that Novo shall have no right to commence the development or operation of a commercial mine on the Property without first having exercised and closed the Option. Novo's conduct of bulk sampling for the purpose of pilot testing shall not constitute the commencement of the development of a commercial mine or mining operations on the Property.

2.2 **Water Rights.** Subject to the regulations of the State of Nevada concerning the appropriation and taking of water, Novo shall have the exclusive right to appropriate and use water, to drill wells for the water on the Property and to lay and maintain all necessary water lines as may be required by Novo in its operations on the Property.

3. **Term.** The term of this Agreement shall commence on the Effective Date and shall continue for ten (10) years, subject to Novo's right to exercise the Option and to purchase the Property, unless the parties otherwise cancel, terminate or extend this Agreement in accordance with its terms.

4. **Payments.** Novo shall make the following payments to Owner:

4.1 **Minimum Payments.** On the dates described below, Novo shall pay as Minimum Payments to Owner the sums described below:

| Date | Payment Amount |
|--|---|
| Effective Date | \$5,000.00 and reimbursement of Property location and maintenance fees in the total of \$6,794.20 |
| First anniversary of the Effective Date | \$20,000.00 |
| Second anniversary of the Effective Date | \$75,000.00 |

If Novo exercises and closes the Option, the Minimum Payments paid by Novo to Owner shall cumulatively be credited against the Purchase Price.

4.2 Annual Minimum Royalty Payments. Subject to Novo's exercise and closing of the Option and purchase, beginning on the third anniversary of the Effective Date and on each succeeding anniversary of the Effective Date, Novo shall pay to Owner as an Annual Minimum Royalty Payment in the following amounts:

| | |
|---------------------------------------|-------------|
| Third through fifth anniversaries | \$4,000.00 |
| Sixth through tenth anniversaries | \$8,000.00 |
| Eleventh and succeeding anniversaries | \$12,000.00 |

The Annual Minimum Royalty Payments shall be credited cumulatively to Novo's account against its Royalty payment obligations under the Deed.

4.3 Production Royalty. Novo shall pay to Owner a production royalty (the "Royalty") based on the Net Smelter Returns from the production and sale of Minerals from the Property. The Royalty percentage rate for Precious Metals shall be based on the average daily price per troy ounce of gold (New York COMEX) during the period of production of Minerals from the Property for which the Royalty is payable, as follows:

| | |
|--|----------------------|
| Less than or equal to \$1,500.00 | Two percent (2.0%) |
| Greater than \$1,500.00 but less than or equal to \$2,000.00 | Three percent (3.0%) |
| Greater than \$2,000.00 | Four percent (4.0%) |

The Royalty percentage rate for all other Minerals shall be two and one-half percent (2.5%) of the Net Smelter Returns.

4.4 Method of Payment. All payments by Novo to Owner shall be paid one-half (1/2) to each of NEL and Platoro by checks or by wire transfer to account which NEL and Platoro designate.

5. Option to Purchase the Property. Owner grants to Novo the exclusive, irrevocable right to acquire ownership of the Property, free and clear of adverse liens, charges and encumbrances except only for the Royalty reserved by Owner and subject to Novo's obligations

under the Deed to be executed and delivered by Owner on the closing of the Option which shall be in the form of Exhibit B attached to and by this reference incorporated in this Agreement. Novo may exercise the Option at any time during the term of this Agreement. The Purchase Price payable on exercise of the Option shall be One Hundred Thousand Dollars (\$100,000.00). The Minimum Payments paid by Novo pursuant to Section 4.1 shall be credited against the Purchase Price.

5.1 Notice of Election. If Novo elects to exercise the Option, Novo shall deliver written notice to Owner. On Owner's receipt of Novo's notice of exercise of the Option, the parties shall make diligent efforts to close the conveyance of the Property and shall do so within thirty (30) days after Owner's receipt of the notice.

5.2 Real Property Transfer Taxes. Novo shall pay the real property transfer taxes, if any, the costs of escrow and all recording costs incurred in closing of the Option.

5.3 Proration of Taxes. Payment of any and all state and local real property and personal property taxes levied on the Property, if any, and not otherwise provided for in this Agreement shall be prorated between the parties as of the closing of any transaction on the basis of a thirty (30) day month.

5.4 Payment on Closing. On closing of the Option, Novo shall pay the balance of the Purchase Price one-half (1/2) to each of NEL and Platoro in cash or by wire transfer to accounts designated by Owner.

5.5 Owner's Deliveries on Closing. If Novo exercises and closes the Option, Owner shall, concurrently with the payment under section 5.4, execute and deliver to Novo (a) the Deed; (b) a declaration of value to be submitted on recording of the Deed; and (c) an affidavit of non-foreign taxpayer status in accordance with Internal Revenue Code Section 1445.

5.6 Effect of Closing. On closing of the Option, Novo shall own the Property, subject to the Royalty reserved by Owner and Novo's obligations stated in the Deed.

6. Compliance With The Law. Novo shall, at Novo's sole cost, comply with all Governmental Regulations relating to the condition, use or occupancy of the Property by Novo, including but not limited to all exploration and development work performed by Novo during the term of this Agreement. Novo shall, at its sole cost, promptly comply with all applicable Governmental Regulations regarding reclamation of the Property. Owner agrees to cooperate with Novo in Novo's application for governmental licenses, permits and approvals, the costs of which shall be borne by Novo.

7. Novo's Work Practices and Reporting.

7.1 Work Practices. Novo shall work the Property in a miner-like fashion.

7.2 Inspection of Data. During the term of this Agreement, Owner and Owner's representatives shall have the right to examine and make copies of the technical data regarding the Property in Novo's possession during normal business hours and upon reasonable prior

notice to Novo, provided, however, that the rights of Owner to examine such data shall be exercised in a manner that does not interfere with the operations of Novo.

7.3 Reports. On or before three (3) months after the end of each Lease Year, Novo shall deliver to Owner digital copies of the factual data generated during the preceding Lease Year as a result of Novo's activities conducted on the property, including information about Novo's geological, geochemical and geophysical mapping and surveying of the Property, exploration drilling results and assaying of mineral samples taken from the Property and information about Novo's production and sale of Minerals.

8. Scope of Agreement. This Agreement shall extend to and include the unpatented mining claims described in Exhibit A of this Agreement (and any amendments or relocations of the unpatented mining claims) and the portions of any unpatented mining claims located by the parties which are within the Area of Interest. Novo agrees and covenants that this Section shall be binding on the parties and their respective affiliates and any assignee of this Agreement and the affiliates of any such assignee.

9. Liens. Novo agrees to pay all indebtedness and liabilities incurred by or for Novo arising from or relating to Novo's activities on the Property, except that Novo need not discharge or release any such lien, charge or encumbrance so long as Novo is contesting the same in good faith. Novo may grant an encumbrance, lien or security interest solely in Novo's interest under this Agreement for the purpose of securing financing for Novo's operations and mineral exploration and development activities.

10. Taxes.

10.1 Real Property Taxes. Owner shall pay any and all taxes assessed and due against the Property before the Effective Date. Novo shall pay promptly before delinquency all taxes and assessments, general, special, ordinary and extraordinary, that may be levied or assessed during the term of this Agreement upon the Property. All such taxes for the year in which this Agreement is executed and for the year in which this Agreement terminates shall be prorated between Owner and Novo, except that neither Owner nor Novo shall be responsible for the payment of any taxes which are based upon income, net proceeds, production or revenues from the Property assessed solely to the other party.

10.2 Personal Property Taxes. Each party shall promptly when due pay all taxes assessed against such party's personal property, improvements or structures placed or used on the Property.

10.3 Income Taxes. Novo shall not be liable for any taxes levied on or measured by Owner's income, net proceeds or payments made to Owner under this Agreement.

10.4 Delivery of Tax Notices. If Owner receives tax bills or claims which are Novo's responsibility, Owner shall promptly forward them to Novo for payment.

11. Insurance and Indemnity. Novo shall provide, maintain and keep in force comprehensive all risk, public liability insurance against claims for personal injury, including, without limitation, bodily injury, death or property damage occurring on, in or about the

Property, such insurance to afford immediate minimum protection to a limit of not less than Two Million Dollars (\$2,000,000.00) with respect to personal injury or death to any one or more persons or damage to property. Novo shall on Owner's request furnish to Owner a certificate of all policies of required insurance which shall identify Owner as a named or additional insured. Each policy shall contain a provision that the policy will not be cancelled or materially amended, which terms shall include any reduction in the scope or limits of coverage, without at least fifteen (15) days' prior written notice to Owner. If Novo fails to provide, maintain, keep in force or deliver and furnish to Owner the policies of insurance required under this Section, Owner may, but is not obligated to, procure such insurance or single-interest insurance for such risks covering Owner's interest and Novo shall promptly reimburse Owner for all costs incurred by Owner to obtain the insurance. Owner shall not be liable to Novo and Novo waives all claims against Owner for injury to or death of any person or damage to or destruction of any personal property or equipment or theft of property occurring on or about the Property or arising from or relating to Novo's business conducted on the Property. Novo shall defend, indemnify and hold harmless Owner and its members, officers, directors, agents and employees from and against any and all claims, judgments, damage, demands, losses, expenses, costs or liability arising in connection with injury to person or property from any activity, work, or things done, permitted or suffered by Novo or Novo's agents, partners, servants, employees, invitees or contractors on or about the Property, or from any breach or default by Novo in the performance of any obligation on the part of Novo to be performed under the terms of this Agreement, excluding, however, the negligence of Owner. Owner shall defend, indemnify and hold harmless Novo and its members, officers, directors, agents and employees from and against any and all claims, judgments, damage, demands, losses, expenses, costs or liability arising from or in connection with injury to person or property from any activity, work, or things done, permitted or suffered by Owner or Owner's agents, partners, servants, employees, invitees or contractors on or about the Property.

12. Property Maintenance and Work Commitment.

12.1 Annual Assessment Work. To the extent required by law, beginning with the annual assessment work period of September 1, 2015, to September 1, 2016, and for each subsequent following annual assessment work year commencing during the term of this Agreement, Novo shall perform for the benefit of the Property work of a type customarily deemed applicable as assessment work and of sufficient value to satisfy the annual assessment work requirements of all applicable federal, state and local laws, regulations and ordinances, if any, and shall prepare evidence of the same in form proper for recordation and filing, and shall timely record and/or file such evidence in the appropriate federal, state and local office as required by applicable federal, state and local laws, regulations and ordinances, provided that if Novo elects to terminate this Agreement more than two (2) months before the deadline for performance of annual assessment work for the following annual assessment year, Novo shall have no obligation to perform annual assessment work nor to prepare, record and/or file evidence of the same for the following annual assessment year.

12.2 Federal Mining Claim Maintenance Fees. If under applicable federal laws and regulations federal annual mining claim maintenance fees are required to be paid for the unpatented mining claims which constitute all or part of the Property, beginning with the annual assessment work period of September 1, 2015, to September 1, 2016, Novo shall timely and

properly pay the federal annual mining claim maintenance fees, and shall execute and record or file, as applicable, proof of payment of the federal annual mining claim maintenance fees and of Owner's intention to hold the unpatented mining claims which constitute the Property. If Novo elects to terminate this Agreement more than two (2) months before the deadline for payment of the federal annual mining claim maintenance fees for the following annual assessment year, Novo shall have no obligation to pay the federal annual mining claim maintenance fees for the Property for the following assessment year. If Novo does not terminate this Agreement more than two (2) months before the deadline for payment of the federal annual mining claim maintenance fees for the following annual assessment year, Novo shall pay the annual maintenance fees for the Property for the following assessment year.

13. Amendment of Mining Laws. The parties acknowledge that legislation for the amendment or repeal of the mining laws of the United States applicable to the Property has been, and in the future may be, considered by the United States Congress. The parties desire to insure that any and all interests of the parties in the lands subject to the unpatented mining claims which comprise all or part of the Property, including any rights or interests acquired in such lands under the mining laws as amended, repealed or superseded, shall be part of the Property and shall be subject to this Agreement. If the mining laws applicable to the unpatented mining claims subject to this Agreement are amended, repealed or superseded, the conversion or termination of Owner's interest in the Property pursuant to such amendment, repeal or supersession of the mining laws shall not be considered a deficiency or defect in Owner's title in the Property, and Novo shall have no right or claim against Owner resulting from the conversion, diminution, or loss of Owner's interest in and to the Property, except as expressly provided in this Agreement. If pursuant to any amendment or supersession of the mining laws Owner is granted the right to convert its interest in the unpatented mining claims comprising the Property to a permit, license, lease, or other right or interest, all converted interests or rights shall be deemed to be part of the Property subject to this Agreement. Upon the grant or issuance of such converted interests or rights, the parties shall execute and deliver an addendum to this Agreement, in recordable form, by which such converted interests or rights are made subject to this Agreement.

14. Relationship of the Parties.

14.1 No Partnership. This Agreement shall not be deemed to constitute any party, in its capacity as such, the partner, agent or legal representative of any other party, or to create any joint venture, partnership, mining partnership or other partnership relationship between the parties.

14.2 Competition. Except as expressly provided in this Agreement, each party shall have the free and unrestricted right independently to engage in and receive the full benefits of any and all business endeavors of any sort outside the Property or outside the scope of this Agreement, whether or not competitive with the endeavors contemplated under this Agreement, without consultation with or participation of the other party. In particular, without limiting the foregoing, neither party to this Agreement shall have any obligation to the other as to any opportunity to acquire any interest, property or right offered to it outside the scope of this Agreement.

14.3 Limitation. Novo's performance of its duties and obligations under this Agreement shall not obligate Novo to perform any additional services to Owner, nor, except as expressly provided in this Agreement, to conduct or to invest any funds of any nature whatsoever in the exploration of, development or production of minerals on or under the Property. Novo may explore, conduct geological, geochemical and geophysical investigations, drill, sample or otherwise explore for or develop Minerals in the manner and to the extent that Novo, in its sole discretion, deems advisable. Only the express duties and obligations described in this Agreement are binding on Novo and Novo shall have no duties or obligations, implied or otherwise, to explore for, develop or mine minerals. Owner acknowledges that Novo's express undertakings under this Agreement and the Minimum Payments are in lieu of any implied duties or obligations.

15. Inspection. Until the Option is exercised, Owner or Owner's duly authorized representatives shall be permitted to enter on the Property and Novo's workings at reasonable times and on five (5) days' advance notice to Novo for the purpose of inspection, but they shall enter on the Property at their own risk and in such a manner which does not unreasonably hinder, delay or interfere with Novo's operations. Owner's indemnification obligations in Section 11 shall apply to Owner's inspection activities. If Novo is conducting exploration, development or mining during Owner's inspection, Owner agrees that Owner will comply with all of Novo's safety rules and regulations, including the requirement that Owner and Owner's representatives be accompanied by Novo's representatives during the inspection.

16. Representations and Warranties.

16.1 Title. Except as expressly provided in this Agreement, Owner represents as follows: (a) to its knowledge and belief, the unpatented mining claims which are part of the Property were properly located in accordance with applicable federal and state laws and regulations; (b) the unpatented mining claims which are part of the Property are in good standing; (c) subject to the paramount title of the United States, the unpatented mining claims are free and clear of adverse claims, liens, or encumbrances; and (d) Owner owns all right, title and interest in and to the Property. Owner represents and warrants that it has not created or granted any claims, encumbrances, liens or royalties against the Property and that Owner has not received from any third party notice of a claim, encumbrance, lien or royalty. Owner disclaims any representation or warranty concerning the existence or proof of a discovery of locatable minerals on or under the Property.

16.2 Lesser Interest. If Owner owns an interest in the Property which is less than the entire and undivided estate in the Property, the Minimum Payments and the Royalty payments shall be reduced proportionately in accordance with the nature and extent of Owner's interest so that the Minimum Payments and the Royalty payments shall be paid to Owner only in the proportion that Owner's interest bears to the entire and undivided estate in the Property. Such reduction shall in no way be construed as a measure of damages that may be suffered by Novo or to in any way limit the rights of Novo to seek the remedies available to it.

16.3 Escrow for Disputes. If at any time a third party asserts a claim of ownership in the Property or the Minerals which is adverse to the interest of Owner or Novo, or if Novo is advised by legal counsel for Novo that it appears that a third party may have such a claim, Novo

may deposit any payments which would otherwise be due to Owner into escrow and give notice of such deposit to Owner. In the event of a dispute as to ownership of the Property, the Minerals, the surface of the Property, or the Royalty, payment of the Minimum Payments or the Royalties may be deferred until twenty (20) days after Novo is furnished satisfactory evidence that such dispute has been finally settled and all provisions as to keeping this Agreement in force shall relate to such extended time for payment.

16.4 Survival of Remedies. The provisions of this Section shall survive any termination of this Agreement.

17. Covenants, Warranties and Representations. Each of the parties covenants, warrants and represents for itself as follows:

17.1 Compliance with Laws. That it has complied with all applicable laws and regulations of any governmental body, federal, state or local, regarding the terms of and performance of its obligations under this Agreement. Each party shall maintain its standing as a business entity in accordance with the laws of the jurisdiction of its organization.

17.2 No Pending Proceedings. That there are no lawsuits or proceedings pending or threatened which affect its ability to perform the terms of this Agreement.

17.3 Costs. That it shall pay all costs and expenses incurred or to be incurred by it in negotiating and preparing this Agreement and in closing and carrying out the transactions contemplated by this Agreement.

17.4 Brokers. That it has had no dealings with any agent, broker or finder in connection with this Agreement, and shall indemnify, defend and hold the other party harmless from and against any claims that may be asserted through such party that any agent's broker's or finder's fee is due in connection with this Agreement.

17.5 Patriot Act. That it is not on the Specially Designated National & Blocked Persons List of the Office of Foreign Assets Control of the United States Treasury Department and is not otherwise blocked or banned by any foreign assets office rule or any other law or regulation, including the USA Patriot Act or Executive Order 13224.

18. Termination by Owner. Any failure by Novo to perform any of its covenants, liabilities, obligations or responsibilities under this Agreement shall be a default. Owner may give Novo written notice of a default. If a payment default is not remedied within five (5) days after receipt of the notice or any other default is not remedied within thirty (30) days after receipt of the notice, provided the default can reasonably be cured within that time, or, if not, if Novo has not within that time commenced action to cure the same or does not after such commencement diligently prosecute such action to completion, Owner may terminate this Agreement by delivering notice to Novo of Owner's termination of this Agreement, provided that if Novo contests Owner's notice of default or Owner's assertion that Novo has not timely cured or commenced action to cure the alleged default, Owner may not terminate this Agreement unless and until issues of the alleged default and failure to cure the alleged default had been determined by a court of competent jurisdiction. In such case, Novo shall have such time as provided by the decree or order of the court having jurisdiction of the dispute concerning the

alleged default or failure to cure the alleged default. On termination of this Agreement based on Novo's default, within ten (10) days Novo shall execute and deliver to Owner a release and termination of this Agreement in form acceptable for recording.

19. Termination and Surrender of Mining Claims by Novo. Novo may at any time terminate this Agreement by giving written notice to Owner. If Novo terminates this Agreement, Novo shall perform all obligations and pay all payments which accrue or become due before the termination date. On Novo's termination of this Agreement, within ten (10) days Novo shall execute and deliver to Owner a release and termination of this Agreement in form acceptable for recording.

20. Force Majeure. Novo's obligations under this Agreement, except its obligations to pay the Minimum Payments and their obligations under Sections 6, 9, 10, 11, 12.2, 22, and 23, shall be suspended during the time and to the extent that Novo is prevented from compliance, in whole or in part, by war or war conditions (actual or potential), earthquake, fire, flood, strike, labor stoppage, accident, riot, unavoidable casualty, act or restraint, present or future, or any lawful authority, statute, act of God, act of public enemy, inability to obtain or delays in obtaining governmental approvals, consents, licenses or permits (including any of the foregoing relating to the change of the use or points of diversion and use of water resources), labor or transportation, or other delays or cause of the same or other character beyond the reasonable control of Novo. If Novo invokes force majeure, it shall notify Owner in writing within ten (10) days of the force majeure event and shall diligently attempt to cure, end or remediate the force majeure event. Novo shall notify Owner in writing within ten (10) days of termination of the force majeure event.

21. Surrender of Property. On expiration or termination of this Agreement, Novo shall surrender the Property promptly to Owner and at Novo's sole cost shall remove from the Property all of Novo's buildings, equipment and structures. Novo shall reclaim the Property in accordance with all applicable Governmental Regulations.

22. Data. Promptly following the parties' execution of this Agreement, Owner shall deliver to Novo copies of all of the technical and title data Owner possesses regarding the Property and the Area of Interest. Within thirty (30) days following termination of this Agreement, Novo shall deliver to Owner copies of the technical data regarding the Property in Novo's possession at the time of termination which before termination Novo has not furnished to Owner.

23. Confidentiality. The data and information, including the terms of this Agreement, coming into Owner's possession by virtue of this Agreement shall be deemed confidential and shall not be disclosed to outside third parties except as may be required to publicly record or protect title to the Property or to publicly announce and disclose information under Governmental Regulations or under the rules and regulations of any stock exchange on which the stock of Owner, or the parent or affiliates of such party, is listed. If Owner negotiates for a transfer of all or any portion of Owner's interest in the Property or under this Agreement or negotiates to procure financing or loans relating to the Property, in order to facilitate any such negotiations Owner shall have the right to furnish information to third parties, provided that each third party to whom the information is disclosed agrees to maintain its confidentiality in the manner provided in this Section.

24. Assignment.

24.1 Novo's Assignment. Novo shall have the right, without Owner's prior written consent, to assign, convey, sublease, license or otherwise transfer all or any part of its interest in this Agreement or the Property to any affiliated or subsidiary company of Novo or any joint venture, limited liability company or partnership of which Novo is the controlling member or owner. Novo shall not assign, convey, encumber, sublease, grant any concession, or license or otherwise transfer to a third party (each a "Transfer") all or any part of its interest in this Agreement or the Property, without, in each case, Owner's prior written consent, which shall not be withheld unreasonably. Owner shall respond to Novo's request for consent within ten (10) days following Owner's receipt of Novo's request, and if Owner does not timely inform Novo that Owner does not consent to the proposed Transfer, Owner shall be deemed to have approved the Transfer. Each assignee of any interest in this Agreement shall execute and deliver an instrument by which the assignee agrees to assume and perform the obligations of the assignor under this Agreement.

24.2 Owner's Assignment. Owner shall have the right to assign or otherwise transfer all or any part of its interest in this Agreement or the Property. No change in ownership of Owner's interest in the Property shall affect Novo's obligations under this Agreement unless and until Owner delivers and Novo receives copies of the documents which demonstrate the change in ownership of Owner's interest. Until Novo receives Owner's notice and the documents required to be delivered under this Section, Novo may continue to make all payments under this Agreement as if the transfer of Owner's Ownership interest had not occurred. No division of Owner's ownership as to all or any part of the Property shall enlarge Novo's obligations or diminish Novo's rights under this Agreement. Each assignee of any interest in this Agreement shall execute and deliver an instrument by which the assignee agrees to assume and perform the obligations of the assignor under this Agreement.

25. Memorandum Agreement. The parties shall execute and deliver a memorandum of this Agreement. The execution of the memorandum shall not limit, increase or in any manner affect any of the terms of this Agreement or any rights, interests or obligations of the parties.

26. Notices. Any notices required or authorized to be given by this Agreement shall be in writing and shall be sent either by commercial courier, facsimile, or by certified U.S. mail, postage prepaid and return receipt requested, addressed to the proper party at the address stated below or such address as the party shall have designated to the other parties in accordance with this Section. Such notice shall be effective on the date of receipt by the addressee party, except that any facsimiles received after 5:00 p.m. of the addressee's local time shall be deemed delivered the next day.

If to Owner: Nevada Eagle LLC
P. O. Box 18127
Reno, Nevada 89511

Platoro West Incorporated
11521 Warren Street
Hayden, ID 83835

If to Novo:

Novo Resources (USA) Corp.

1980 – 1075 West Georgia Street
Vancouver, BC, V6E 3C9

27. Binding Effect of Obligations. This Agreement shall be binding upon and inure to the benefit of the respective parties and their successors or assigns.

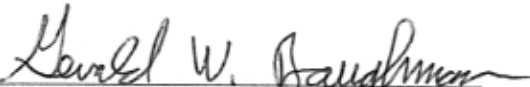
28. Entire Agreement. The parties agree that the entire agreement between them is written in this Agreement and in a memorandum of agreement of even date. There are no terms or conditions, express or implied, other than expressly stated in this Agreement. This Agreement may be amended or modified only by a written instrument signed by the parties with the same formality as this Agreement.

29. Governing Law and Forum Selection. This Agreement shall be construed and enforced in accordance with the laws of the State of Nevada. The forum for any action regarding the construction or enforcement of this Agreement shall be the Second Judicial District Court, Washoe County, Reno, Nevada.

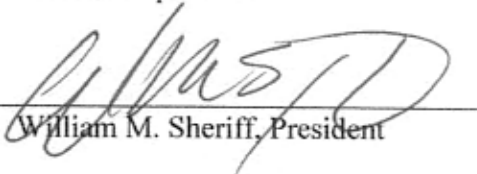
30. Multiple Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original, but all of which shall constitute the same Agreement.

31. Severability. If any part, term or provision of this Agreement is held by a court of competent jurisdiction to be illegal or in conflict with any Governmental Regulations, the validity of the remaining portions or provisions shall not be affected, and the rights and obligations of the parties shall be construed and enforced as if the Agreement did not contain the particular part, term or provision held to be invalid. The parties have executed this Agreement effective as of the Effective Date.

Nevada Eagle LLC

By 
Gerald W. Baughman, Manager

Platoro West Incorporated

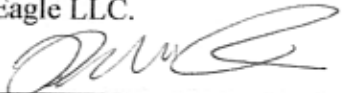
By 
William M. Sheriff, President

Novo Resources (USA) Corp.

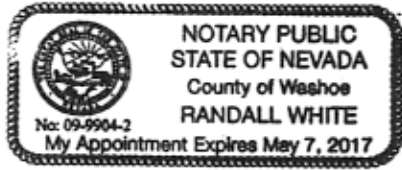
By _____
Quinton Hennigh, President

STATE OF NEVADA)
) ss.
COUNTY OF WASHOE)

This Exploration Lease and Option to Purchase Agreement Tuscarora Project was acknowledged before me on November 7th, 2014, by Gerald W. Baughman, Manager of Nevada Eagle LLC.

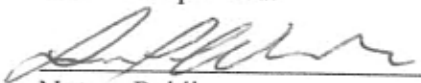


Notary Public

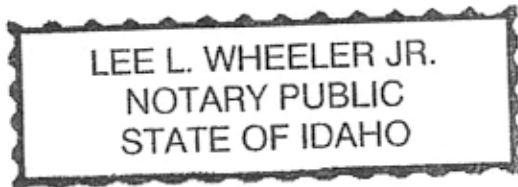


STATE OF IDAHO)
) ss.
COUNTY OF Kootenai)

This Exploration Lease and Option to Purchase Agreement Tuscarora Project was acknowledged before me on November 7th, 2014, by William M. Sheriff, President of Platoro West Incorporated.



Notary Public



STATE OF COLORADO)
) ss.
COUNTY OF DENVER)

This Exploration Lease and Option to Purchase Agreement Tuscarora Project was acknowledged before me on November , 2014, by Quinton Hennigh, President of Novo Resources (USA) Corp.

Notary Public

**Mining Lease Agreement
Tuscarora Project**

Exhibit A

**Description of Property
Elko County Nevada**

23 UNPATENTED LODGE CLAIMS SITUATED IN SECTION 2 & 3 TOWNSHIP 39 NORTH,
RANGE 51 *and* SECTION 35 TOWNSHIP 40 NORTH, RANGE 51 EAST, MDB&M, ELKO
COUNTY, STATE OF NEVADA.

| CLAIM NAME | BLM NMC # |
|------------|--------------|
| TN 1 | 1105496 |
| TN 2 | 1105497 |
| TN 3 | 1105498 |
| TN 4 | 1105499 |
| TN 5 | 1105500 |
| TN 6 | 1105501 |
| TN 7 | 1105502 |
| TN 8 | 1105503 |
| TN 9 | 1105504 |
| TN 10 | 1105505 |
| TN 11 | 1105506 |
| TN 12 | 1105507 |
| TN 13 | 1105508 |
| TN 14 | 1105509 |
| TN 19 | 1105510 |
| TN 20 | 1105511 |
| TN 21 | 1105512 |
| TN 22 | 1105513 |
| TN 23 | 1105514 |
| TN 24 | 1105515 |
| TN 25 | 1105516 |
| TN 26 | 1105517 |
| TN 27 | 1105518 |
| TN 28 | 1105519 |

**Mining Lease Agreement
Tuscarora Project**

**Exhibit B
Form of Deed**

[see attached Deed With Reservation of Royalty]

No APN – unpatented mining claims

Recorded at the request of
and when recorded return to:
Novo Resources (USA) Corp.
[insert address when Deed is executed]

**Deed With Reservation of Royalty
Tuscarora Project**

This Deed With Reservation of Royalty Tuscarora Project dated effective _____ (“Deed”) is made by and among Nevada Eagle LLC, a Nevada limited liability company (“NEL”), and Platoro West Incorporated, a Nevada corporation (“Platoro” and with any NEL collectively “Owner”), and Novo Resources (USA) Corp., a Nevada corporation (“Novo”).

Recitals

A. Owner and Novo are parties to the Mining Lease and Option to Purchase Agreement Tuscarora Project dated effective November ____, 2014 (the “Agreement”), concerning the unpatented mining claims situated in Elko County, Nevada, more particularly described in Exhibit A attached to and by this reference incorporated in this Deed (collectively the “Royalty Property”), in accordance with which Owner agreed to sell to Novo all of Owner’s right, title and interest in and to the Royalty Property, subject to Owner’s reservation to Owner of the mineral production royalty (the “Royalty”) and other obligations described in this Deed.

B. Owner and Novo have closed the purchase and sale of the Royalty Property in accordance with the Agreement.

In consideration of the parties’ rights and obligations under the Agreement, the parties agree as follows:

1. **Deed.** Owner conveys, grants and transfers to Novo, and its assigns and successors forever, all of Owner’s right, title and interest in the Royalty Property, except and subject to Owner’s reserved Royalty and the parties’ rights and obligations under this Deed.

2. Royalty. Owner grants, reserves and retains to itself, and Owner's assigns and successors forever, and Novo agrees and covenants to pay to Owner, and Owner's assigns and successors, the Royalty. The Royalty percentage rate for the production of precious metals (which are gold, silver and platinum group metals) (collectively "Precious Metals") shall be based on the average daily price per troy ounce of gold (New York Comex) during the period of production of Precious Metals from or on the Royalty property, as follows:

| | |
|--|----------------------|
| Less than or equal to \$1,500.00 | Two percent (2.0%) |
| Greater than \$1,500.00 but less than or equal to \$2,000.00 | Three percent (3.0%) |
| Greater than \$2,000.00 | Four percent (4.0%) |

The Royalty percentage rate for all other Minerals shall be two and one half percent (2.5%) of the Net Smelter Returns. The Royalty shall apply to the production of all Minerals from any mining claims in the Area of Interest consisting of the geographic area within the exterior boundaries of the Royalty Property and the Area of Interest described in Exhibit A.

2.1 Burden on Royalty Property. The Royalty shall burden and run with the Royalty Property, including any amendments, conversions to a lease or other form of tenure, relocations or patent of all or any of the unpatented mining claims which comprise all or part of the Royalty Property. On amendment, conversion to a lease or other form of tenure, relocation or patenting of any of the unpatented mining claims which comprise all or part of the Royalty Property, Novo agrees and covenants to execute, deliver and record in the office of the recorder in which all or any part of the Royalty Property is situated an instrument by which Novo grants to Owner the Royalty and subjects the amended, converted or relocated unpatented mining claims and the patented claims, as applicable, to all of the burdens, conditions, obligations and terms of this Deed.

2.2 Minimum Payments. Beginning on the third anniversary of the Effective Date of the Agreement, Novo shall pay to Owner an annual minimum advance royalty payment ("Minimum Payment") in the amounts described in this Section:

| | |
|---------------------------------------|-------------|
| Third through fifth anniversaries | \$4,000.00 |
| Sixth through tenth anniversaries | \$8,000.00 |
| Eleventh and succeeding anniversaries | \$12,000.00 |

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Tuscarora Deed 101414 v2

The Minimum Payments shall be credited cumulatively to Novo's account against its Royalty payment obligations under this Deed.

2.3 Payment of Royalty. Novo shall calculate and pay the Royalty monthly in accordance with the provisions of Exhibit 1. If Novo does not timely pay the Royalty, Owner may give written notice to Novo that Novo is in default of its obligations under this Deed, and unless within five (5) business days following receipt by Novo of such notice Owner receives the delinquent Royalty payment, then Novo shall pay interest on the delinquent payment at the LIBOR Rate plus two percent per annum which shall accrue from the day the delinquent Royalty payment was due to the date of payment of the Royalty and accrued interest.

2.4 Production Records. Novo shall keep true and accurate accounts, books and records of all of its activities, operations and production of minerals on the Royalty Property.

2.5 Delivery of Payments. Novo shall deliver the payments under this Deed one-half (1/2) to each of NEL and Platoro by checks delivered to the addresses designated by NEL and Platoro or by wire transfers to the accounts designated by NEL and Platoro.

3. Commingling. Novo shall have the right to commingle minerals from the Royalty Property with minerals mined from other properties. Not less than sixty (60) days before commencement of commingling, Novo shall notify Owner and shall deliver to Owner Novo's proposed commingling plan for Owner's review. Before Novo commingles any minerals produced from the Royalty Property with minerals from other properties, the minerals produced from the Royalty Property and other properties shall be measured and sampled in accordance with sound mining and metallurgical practices for metal, commercial minerals and other appropriate content. Novo shall keep detailed accounts and records which show measures, assays of metal, commercial minerals, and other appropriate content and penalty substances, and gross metal content of the minerals. From this information, Novo shall determine the amount of the Royalty due and payable to Owner for minerals produced from the Royalty Property commingled with minerals from other properties.

4. Reports. Not later than March 1 of each calendar year, Novo shall deliver to Owner a comprehensive report of all exploration, development and mining activities and operations conducted by Novo on or relating to the Property during the preceding calendar year. Such annual report shall include estimates of proposed expenditures upon, anticipated production from, and estimated mineral reserves and resources on the Royalty Property for the succeeding year. Novo shall provide Owner access to all data and information regarding the Royalty Property and the mineral reserves and resources on the Royalty Property.

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Tuscarora Deed 101414 v2

3

**EXHIBIT B
TO BE EXECUTED AND DELIVERED ON THE CLOSING OF THE PURCHASE OPTION**

5. Inspections. Owner, or its authorized agents or representatives, may enter upon all surface and subsurface portions of the Royalty Property, for the purpose of inspecting the Royalty Property and all improvements and operations on the Royalty Property, as well as inspecting and copying all accounts and records, including without limitation such accounts and records which are maintained electronically, pertaining to all activities and operations on or relating to the Royalty Property, the improvements or operations.

6. Compliance with Laws, Reclamation, Environmental Obligations and Indemnities.

6.1 Compliance with Laws. Novo shall at all times comply with all applicable federal, state and local laws, regulations and ordinances relating to Novo's activities and operations on or relating to the Royalty Property.

6.2 Reclamation, Environmental Obligations and Indemnities. Novo shall perform all reclamation required under federal, state and local laws, regulations and ordinances relating to Novo's activities or operations on or relating to the Royalty Property. Novo shall defend, indemnify and hold harmless Owner from and against any and all actions, claims, costs, damages, expenses (including attorney's fees and legal costs), liabilities and responsibilities arising from or relating to Novo's activities or operations on or relating to the Royalty Property, including those under laws, regulations and ordinances intended to protect or preserve the environment or to reclaim the Royalty Property. Novo's obligations under this Section shall survive the abandonment, surrender or transfer of the Royalty Property.

7. Tailings and Residues. All tailings, residues, waste rock, spoiled leach materials and other materials (collectively "Materials") resulting from Novo's operations and activities on the Royalty Property shall be Novo's sole property, but shall remain subject to the Royalty if they are processed or reprocessed and Novo receives revenues from such processing or reprocessing. If Materials are processed or reprocessed, the Royalty payable shall be determined by using the best engineering, metallurgical and technical practices and standards then available.

8. Title Maintenance.

8.1 Title Maintenance and Taxes. Novo shall maintain title to the Royalty Property, including without limitation, paying when due all taxes on or with respect to the Royalty Property and doing all things and making all payments necessary or appropriate to maintain the right, title and interest of Novo and Owner, respectively, in the Royalty Property and under this Deed. Novo shall deliver to Owner proof of Novo's compliance with this Section not less than fifteen (15) days before the applicable deadline.

8.2 Assessment Work and Claim Maintenance Fees. Novo shall perform all required assessment work on, pay all mining claim maintenance fees and make such filings and recordings as are necessary to maintain title to the Royalty Property in accordance with applicable federal and state laws and regulations. Novo shall deliver to Owner proof of Novo's compliance with this Section not less than thirty (30) days before the applicable deadline. If Novo abandons or surrenders any of the unpatented mining claims included in the Royalty Property pursuant to Section 8.3 and such abandonment occurs within two (2) months before the applicable deadline for performance of assessment work or payment of mining claim maintenance fee for the abandoned or surrendered mining claims and filing and recording of the proof of such payment, Novo shall perform such obligations and pay all such fees for the unpatented mining claims which Novo abandons or surrenders.

8.3 Abandonment. If Novo intends to abandon or surrender any of the Royalty Property (the "Abandonment Property"), Novo shall first give notice of such intention to Owner at least thirty (30) days in advance of the proposed date of abandonment or surrender. At any time before the date of Novo's proposed abandonment or surrender of the Royalty Property Owner may deliver notice to Novo that Owner desires Novo to convey the Abandonment Property to Owner. In such case, Novo shall convey the Abandonment Property to Owner free and clear of any claims, encumbrances or liens created by, through or under Novo. If Owner does not timely request reconveyance of the Abandonment Property, Owner's right to do so shall be irrevocably terminated. On Novo's abandonment or reconveyance to Owner of the Abandonment Property, Novo's obligation to pay the Royalty and the Minimum Payments shall terminate in respect of the Abandonment Property.

9. General Provisions.

9.1 Conflict. If a conflict arises between the provisions of this Deed and the provisions of the Agreement, the provisions of the Agreement shall prevail.

9.2 Entire Agreement. This Deed and the Agreement constitute the entire agreement between the parties.

9.3 Additional Documents. The parties shall from time to time execute all such further instruments and documents and do all such further actions as may be necessary to effectuate the purposes of this Deed.

9.4 Binding Effect. All of the covenants, conditions, and terms of this Deed shall bind and inure to the benefit of the parties and their successors and assigns.

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Tuscarora Deed 101414 v2

5

**EXHIBIT B
TO BE EXECUTED AND DELIVERED ON THE CLOSING OF THE PURCHASE OPTION**

9.5 No Partnership. Nothing in this Deed shall be construed to create, expressly or by implication, a joint venture, mining partnership or other partnership relationship between the parties.

9.6 Governing Law. This Deed is to be governed by and construed under the laws of the State of Nevada.

9.7 Rule Against Perpetuities. To the extent the Royalty applies to any amendments or relocations of the unpatented mining claims subject to the Royalty made in accordance with the Mining Law of 1872, as from time-to-time amended, repealed, replaced or superseded, or any other federal law or regulation, including the conversion of any present interest in the unpatented mining claims included the Property to a lease, license, permit or other form of tenure or to any other rights or interests (including mineral rights) acquired by Owner within the boundaries of the Property (each an "Acquired Interest"), Owner's Royalty rights in such Acquired Interest shall vest on the date of acquisition by Owner, and Owner's successors in interest, as applicable, subject to the terms of this Deed and the terms of this Deed. It is the express intention of the parties that the Royalty in respect of any Acquired Interest shall vest in Owner, and Owner's successors and assigns, as applicable, within a period of time that complies with the Rule Against Perpetuities (Uniform Act), NRS 111.103 et seq, as it may be amended from time-to-time, and the parties agree and covenant that a court of competent jurisdiction may reform the Royalty in a manner that implements the parties' intentions such that the Royalty is an effective and valid interest in the Acquired Interest. The parties irrevocably release and waive the applicability of the Rule Against Perpetuities to the Royalty and the Acquired Interest. Each of Owner and Novo agrees and covenants, for itself and its successors and assigns, that it will not commence any action or arbitration proceeding to declare the Royalty ineffective, invalid or void based on the Rule Against Perpetuities, and that it will not in any action or arbitration proceeding commenced by the other party, or its successors and assigns, as applicable, assert as a claim for relief or an affirmative defense against any claim for relief for enforcement of this Deed that this Deed is ineffective, invalid or void based on the Rule Against Perpetuities. A party's default of its obligations under the Section shall constitute a material default and breach of this Deed.

9.8 Notices. Any notices required or authorized to be given by this Deed shall be in writing and shall be sent either by commercial courier, facsimile, or by certified U.S. mail, postage prepaid and return receipt requested, addressed to the proper party at the address stated below or such address as the party shall have designated to the other parties in accordance with this Section. Such notice shall be effective on the date of receipt by the addressee party, except that any facsimiles received after 5:00 p.m. of the addressee's local time shall be deemed delivered the next day.

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Tuscarora Deed 101414 v2

6

EXHIBIT B
TO BE EXECUTED AND DELIVERED ON THE CLOSING OF THE PURCHASE OPTION

If to Owner: Nevada Eagle LLC
[insert address on date of execution]

If to Novo: Novo Resources (USA) Corp.
[insert address on date of execution]

This Deed is effective _____, regardless of the date on which the parties execute this Deed.

Nevada Eagle LLC

By _____
Name _____
Title _____

Platoro West Incorporated

By _____
Name _____
Title _____

Novo Resources (USA) Corp.

By _____
Name _____
Title _____

STATE OF _____)
) ss.
COUNTY OF _____)

This Deed With Reservation of Royalty Tuscarora Project was acknowledged before me on _____, by _____, as the _____ of Nevada Eagle LLC.

Notary Public

STATE OF _____)
) ss.
COUNTY OF _____)

This Deed With Reservation of Royalty Tuscarora Project was acknowledged before me on _____, by _____, as the _____ of Platoro West Incorporated.

Notary Public

STATE OF _____)
) ss.
COUNTY OF _____)

This Deed With Reservation of Royalty Tuscarora Project was acknowledged before me on _____, by _____, as the _____ of Novo Resources (USA) Corp.

Notary Public

Deed With Reservation of Royalty
Exhibit A
Description of Area of Interest and Description of Property

Area of Interest – One-half mile as measured from the outside perimeter of the claims contained in the Property.

Property –
23 UNPATENTED LODGE CLAIMS SITUATED IN SECTION 2 & 3 TOWNSHIP 39 NORTH,
RANGE 51 and SECTION 35 TOWNSHIP 40 NORTH, RANGE 51 EAST, MDB&M, ELKO
COUNTY, STATE OF NEVADA.

| CLAIM NAME | BLM NMC # |
|------------|-----------|
| TN 1 | 1105496 |
| TN 2 | 1105497 |
| TN 3 | 1105498 |
| TN 4 | 1105499 |
| TN 5 | 1105500 |
| TN 6 | 1105501 |
| TN 7 | 1105502 |
| TN 8 | 1105503 |
| TN 9 | 1105504 |
| TN 10 | 1105505 |
| TN 11 | 1105506 |
| TN 12 | 1105507 |
| TN 13 | 1105508 |
| TN 14 | 1105509 |
| TN 19 | 1105510 |
| TN 20 | 1105511 |
| TN 21 | 1105512 |
| TN 22 | 1105513 |
| TN 23 | 1105514 |
| TN 24 | 1105515 |
| TN 25 | 1105516 |
| TN 26 | 1105517 |
| TN 27 | 1105518 |
| TN 28 | 1105519 |

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Tuscarora Deed 101414 v2

EXHIBIT B
TO BE EXECUTED AND DELIVERED ON THE CLOSING OF THE PURCHASE OPTION

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Tuscarora Deed 101414 v2

EXHIBIT B
TO BE EXECUTED AND DELIVERED ON THE CLOSING OF THE PURCHASE OPTION

Exhibit 1
Net Smelter Returns

Payor: Novo Resources (USA) Corp. ("Payor")

Recipient: Nevada Eagle LLC and Platoro West Incorporated ("Recipient")

1. Definitions. The terms defined in the instrument to which this Exhibit is attached and made part of shall have the same meanings in this Exhibit. The following definitions shall apply to this Exhibit.

1.1 "Gold Production" means the quantity of refined gold outturned to Payor's account by an independent third party refinery for gold produced from the Property during the month on either a provisional or final settlement basis.

1.2 "Gross Value" shall be determined on a monthly basis and have the following meanings with respect to the following Minerals:

1.2.1 Gold

(a) If Payor sells gold concentrates, dore or ore, then Gross Value shall be the value of the gold contained in the gold concentrates, dore and ore determined by utilizing: (1) the mine weights and assays for such gold concentrates, dore and ore; (2) a reasonable recovery rate for the refined gold recoverable from such gold concentrates, dore and ore (which shall be adjusted annually to reflect the actual recovery rate of refined metal from such gold concentrates, dore and ore); and (3) the Monthly Average Gold Price for the month in which the gold concentrates, dore and ore were sold.

(b) If Payor produces refined gold (meeting the specifications of the London Bullion Market Association, and if the London Bullion Market Association no longer prescribes specifications, the specifications of such other association generally accepted and recognized in the mining industry) from Minerals, and if Section 1.2.1(a) above is not applicable, then for purposes of determining Gross Value, the refined gold shall be deemed to have been sold at the Monthly Average Gold Price for the month in which it was refined. The Gross Value shall be determined by multiplying Gold Production during the month by the Monthly Average Gold Price.

1.2.2 Silver.

(a) If Payor sells silver concentrates, dore or ore, then Gross Value shall be the value of the silver contained in the silver concentrates, dore and ore determined by utilizing: (1) the mine weights and assays for such silver concentrates, dore and ore; (2) a reasonable recovery rate for the refined silver recoverable from such silver concentrates, dore and ore (which shall be adjusted annually to reflect the actual recovery rate of refined metal from such silver concentrates, dore and ore); and (3) the Monthly Average Silver Price for the month in which the silver concentrates, dore and ore were sold.

(b) If Payor produces refined silver (meeting the specifications for refined silver subject to the New York Silver Price published by Handy & Harmon, and if Handy & Harmon no longer publishes such specifications, the specifications of such other association or entity generally accepted and recognized in the mining industry) from Minerals, and if Section 1.2.2(a) above is not applicable, the refined silver shall be deemed to have been sold at the Monthly Average Silver Price for the month in which it was refined. The Gross Value shall

be determined by multiplying Silver Production during the month by the Monthly Average Silver Price.

1.2.3 All Other Minerals.

(a) If Payor sells any concentrates, dore or ore of Minerals other than gold or silver, then Gross Value shall be the value of such Minerals determined by utilizing: (1) the mine weights and assays for such Minerals; (2) a reasonable recovery rate for the Minerals (which shall be adjusted annually to reflect the actual recovery rate of recovered or refined metal or product from such Minerals); and (3) the monthly average price for the Minerals or product of the Minerals for the month in which the concentrates, dore or ore was sold. The monthly average price shall be determined by reference to the market for such Minerals or product which is recognized in the mining industry as authoritative and reflective of the market for such Minerals or product.

(b) If Payor produces refined or processed metals from Minerals other than refined gold or refined silver, and if Section 1.2.3(a) above is not applicable, then Gross Value shall be equal to the amount of the proceeds received by Payor during the month from the sale of such refined or processed metals. Payor shall have the right to sell such refined or processed metals to an affiliated party, provided that such sales shall be considered, solely for purposes of determining Gross Value, to have been sold at prices and on terms no less favorable than those that would be obtained from an unaffiliated third party in similar quantities and under similar circumstances.

1.3 "Minerals" means gold, silver, platinum, antimony, mercury, copper, lead, zinc, and all other mineral elements and mineral compounds, and geothermal resources, which are contemplated to exist on the Property or which are after the Effective Date discovered on the Property and which can be extracted, mined or processed by any method presently known or developed or invented after the Effective Date.

1.4 "Monthly Average Gold Price" means the average London Bullion Market Association Afternoon Gold Fix, calculated by dividing the sum of all such prices reported for the month by the number of days for which such prices were reported during that month. If the London Bullion Market Association Afternoon Gold Fix ceases to be published, all such references shall be replaced with references to prices of gold for immediate sale in another established market selected by Payor, as such prices are published in Metals Week magazine, and if Metals Week magazine no longer publishes such prices, the prices of such other association or entity generally accepted and recognized in the mining industry.

1.5 "Monthly Average Silver Price" means the average New York Silver Price as published daily by Handy & Harmon, calculated by dividing the sum of all such prices reported for the month by the number of days in such month for which such prices were reported. If the Handy & Harmon quotations cease to be published, all such references shall be replaced with references to prices of silver for immediate sale in another established market selected by Payor as published in Metals Week magazine, and if Metals Week magazine no longer publishes such prices, the prices of such other association or entity generally accepted and recognized in the mining industry.

1.6 "Net Smelter Returns" means the Gross Value of all Minerals received by or credited to the account of Payor, less the following costs, charges and expenses paid or incurred by Payor with respect to the refining and smelting of such Minerals:

1.6.1 Charges for smelting and refining (including sampling, assaying and penalty charges), but not any charges or costs of agglomeration, beneficiation, crushing, extraction, milling, mining or other processing; and

1.6.2 Actual costs of transportation (including loading, packaging, freight, insurance, security, transaction taxes, handling, port, demurrage, delay, storage, forwarding, customs and customs clearance, import or export duties and permit costs and related administration expenses incurred by reason of or in the course of such transportation) of concentrates or dore metal from the Property to the smelter or refinery and from such smelter or refinery to the final point of sale or point of delivery in kind, but not any charges or costs of transportation of Minerals or ores from any mine on the Property to an autoclave, concentrator, crusher, heap or other leach process, mill or plant which is not a smelter or refinery.

1.6.3 All sales and marketing costs and commissions actually incurred by Payor in selling or otherwise disposing of Minerals or Minerals products to an unaffiliated third party.

1.6.4 All sales, production, extraction, net proceeds, use, gross receipts, and severance taxes, value added tax, excise, export, import and other taxes, custom duties, and other governmental charges, including without limitation mining taxes chargeable on proceeds, if any, payable by Payor with respect to the severance, production, removal, sale, import, export, transportation, or disposition of ore, concentrates, matte, refined metals, by-products, or other Minerals or Minerals products produced from the Royalty Property, but excluding taxes based on net or gross income of Payor and its affiliates, the value of the Royalty Property and any value added or other taxes that are recoverable by Payor.

1.7 "Property" means the real property described in the instrument to which these Net Smelter Returns provisions are attached and made a part.

1.8 "Silver Production" means the quantity of refined silver outturned to Payor's account by an independent third-party refinery for silver produced from the Property during the month on either a provisional or final settlement basis.

2. Payment Procedures.

2.1 Accrual of Obligation. Payor's obligation to pay the royalty shall accrue and become due and payable upon the sale or shipment from the Property of unrefined metals, dore metal, concentrates, ores or other Minerals or Minerals products or, if refined metals are produced, upon the outturn of refined metals meeting the requirements of the specified published price to Payor's account.

2.2 Futures or Forward Sales, Etc.. Except as provided in Sections 1.2.1(a), 1.2.2(a) and 1.2.3 (a) (regarding sales of unprocessed gold and silver and sales of Minerals other than gold and silver), Gross Value shall be determined irrespective of any actual arrangements for the sale or other disposition of Minerals by Payor, specifically including but not limited to forward sales, futures trading or commodities options trading, and any other price hedging, price protection, and speculative arrangements that may involve the possible delivery of gold, silver or other metals produced from Minerals.

2.3 Monthly Calculations and Payments. Net Smelter Returns royalties shall be determined on a monthly basis. Payor shall pay Recipient each monthly royalty payment on or before the last business day of the month immediately following the month in which the royalty payment obligation accrued. Payor acknowledges that late payment by Payor to Recipient of royalty payments will cause Recipient to incur costs, the exact amount of which will be difficult

to ascertain. Accordingly, if any amount due and payable by Payor is not received by Recipient within ten (10) days after such amount is due, then Payor shall pay to Recipient a late charge equal to ten percent (10%) of such overdue amount. Recipient's acceptance of such late charge shall not constitute a waiver of Payor's default with respect to such overdue amount, nor prevent Recipient from exercising any of Recipient's other rights and remedies. If any amount payable by Payor remains delinquent for a period in excess of thirty (30) days, Payor shall pay to Recipient, in addition to the late payment, interest from and after the due date at the statutory interest rate.

2.4 Statements. At the time of payment of the royalty, Payor shall accompany such payment with a statement which shows in detail the quantities and grades of refined gold, silver or other metals or dore, concentrates or ores produced and sold or deemed sold by Payor in the preceding month; the Monthly Average Gold Price and Monthly Average Silver Price, as applicable; costs and other deductions, and other pertinent information in detail to explain the calculation of the payment with respect to such month. Payment shall be made to the address provided in the agreement or instrument to which this Exhibit is attached for purposes of notices or by wire transfer to an account which Recipient designates.

2.5 Inventories and Stockpiles. Payor shall include in all monthly statements a description of the quantity and quality of any gold or silver dore that has been retained as inventory for more than ninety (90) days. Recipient shall have thirty (30) days after receipt of the statement to either: (a) elect that the dore be deemed sold, with Gross Value to be determined as provided in Sections 1.2.1 (b), with respect to gold, and 1.2.2(b), with respect to silver, as of such thirtieth (30th) day utilizing the mine weights and assays for such dore and utilizing a reasonable recovery rate for refined metal and reasonable deemed charges for all deductions which Payor is authorized to take, or (b) elect to wait until such time as the royalty payment otherwise would become payable pursuant to Sections 1.2.1(b) and 1.2.2(b). The Payor's failure [NTD: I think this should be "Recipient's failure" rather than "Payor's failure"].]to respond within such time shall be deemed to be an election to use the methods described in Sections 1.2.1(b) and 1.2.2(b).

2.6 Audit. Upon reasonable notice and at a reasonable time, the Recipient shall have the right to audit and examine the Payor's accounts and records relating to the calculation of the Net Smelter Returns royalty payments. If such audit determines that there has been a deficiency or an excess in the payment made to Recipient, such deficiency or excess shall be resolved by adjusting the next monthly royalty payment due Recipient. Recipient shall pay all costs of such audit unless a deficiency of five percent (5%) or more of the royalty payment due for the calendar month in question is determined to exist. All books and records used by Payor to calculate the royalty payments shall be kept in accordance with generally accepted accounting principles applicable to the mining industry.

3. Confidential Information.

3.1 Definition. All information, data, reports, records, feasibility studies, agreements, assays, test results, analyses and calculations relating to the Royalty Property, the Minerals and Minerals products, the Royalty, and the activities of Payor in respect of the Royalty Property or pursuant to this Deed is in this article referred to as "Confidential Information"; provided that it does not include information which is generally available to or known by the public other than as a result of improper disclosure by Recipient.

3.2 Permitted Disclosure. Recipient will not disclose any Confidential Information to any person except as expressly permitted herein. The Recipient may disclose Confidential Information:

- (a) to its auditors, legal counsel, institutional lenders, brokers, underwriters and investment bankers, provided that such non-party users are advised of the confidential nature of the Confidential Information, are required to maintain the confidentiality thereof and are strictly limited to their use of the Confidential Information to those purposes necessary for such non-party users to perform the services for which they were retained by Recipient;
- (b) to potential purchasers of the Royalty, provided that such purchasers are advised of the confidential nature of the Confidential Information, are required to maintain the confidentiality thereof and are strictly limited in their use of the Confidential Information to those purposes necessary for such purchaser to evaluate the Royalty;
- (c) where such disclosure is necessary to comply with Recipient's disclosure obligations under any securities law, rules or regulations or stock exchange listing agreements, policies or requirements; or
- (d) with the consent of Payor, which consent shall not be unreasonably withheld or delayed.

No APN -- unpatented mining claims

Recorded at the request of
and when recorded return to:
Novo Resources (USA) Corp.
c/o Novo Resources Corp.
Suite 1980, 1075 West Georgia St.
Vancouver, BC, Canada V6E 3C9



718228

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

**Deed with Reservation of Royalty
Tuscarora Project**

Nevada Select Royalty, Inc., a Nevada corporation and Platoro West Incorporated, a Nevada corporation, collectively referred to herein as "Owner," and Novo Resources (USA) Corp., a Nevada corporation referred to herein as "Novo," agree as follows:

1. **Deed.** Nevada Select Royalty, Inc. conveys, grants and transfers to Novo, and its assigns and successors forever, all of Nevada Select Royalty, Inc.'s right, title and interest in the unpatented federal mining claims described in Exhibit A attached hereto, subject to the paramount title of the United States of America and Nevada Select Royalty, Inc.'s reserved Royalty and the parties' rights and obligations further described in Section 2 of this Deed.

2. **Royalty.** Owner grants, reserves and retains to itself, and Owner's assigns and successors forever, and Novo agrees and covenants to pay to Owner, and Owner's assigns and successors, the Royalty. The Royalty percentage rate for the production of precious metals (which are gold, silver and platinum group metals) (collectively "Precious Metals") shall be based on the average daily price per troy ounce of gold (New York Comex) during the period of production of Precious Metals from or on the Royalty property, as follows:

| | |
|--|----------------------|
| Less than or equal to \$1,500.00 | Two percent (2.0%) |
| Greater than \$1,500.00 but less than or equal to \$2,000.00 | Three percent (3.0%) |
| Greater than \$2,000.00 | Four percent (4.0%) |



The Royalty percentage rate for all other Minerals shall be two and one half percent (2.5%) of the Net Smelter Returns. The Royalty shall apply to the production of all Minerals from any mining claims in the Area of Interest consisting of the geographic area within the exterior boundaries of the Royalty Property and the Area of Interest described defined as the geographic area within one-half (1/2) mile of the exterior boundaries of the Royalty Property.

2.1 Burden on Royalty Property. The Royalty shall burden and run with the Royalty Property, including any amendments, conversions to a lease or other form of tenure, relocations or patent of all or any of the unpatented mining claims which comprise all or part of the Royalty Property. On amendment, conversion to a lease or other form of tenure, relocation or patenting of any of the unpatented mining claims which comprise all or part of the Royalty Property, Novo agrees and covenants to execute, deliver and record in the office of the recorder in which all or any part of the Royalty Property is situated an instrument by which Novo grants to Owner the Royalty and subjects the amended, converted or relocated unpatented mining claims and the patented claims, as applicable, to all of the burdens, conditions, obligations and terms of this Deed.

2.2 Minimum Payments. Beginning on the third anniversary of the Effective Date of the Agreement, Novo shall pay to Owner an annual minimum advance royalty payment ("Minimum Payment") in the amounts described in this Section:

| | |
|---------------------------------------|-------------|
| Third through fifth anniversaries | \$4,000.00 |
| Sixth through tenth anniversaries | \$8,000.00 |
| Eleventh and succeeding anniversaries | \$12,000.00 |

The Minimum Payments shall be credited cumulatively to Novo's account against its Royalty payment obligations under this Deed.

2.3 Payment of Royalty. Novo shall calculate and pay the Royalty monthly in accordance with the provisions of Exhibit B. If Novo does not timely pay the Royalty, Owner may give written notice to Novo that Novo is in default of its obligations under this Deed, and unless within five (5) business days following receipt by Novo of such notice Owner receives the delinquent Royalty payment, then Novo shall pay interest on the delinquent payment at the LIBOR Rate plus two percent per annum which shall accrue from the day the delinquent Royalty payment was due to the date of payment of the Royalty and accrued interest.

2.4 Production Records. Novo shall keep true and accurate accounts, books and records of all of its activities, operations and production of minerals on the Royalty Property.

2.5 Delivery of Payments. Novo shall deliver the payments under this Deed one-half (1/2) to each of Nevada Select and Platoro by checks delivered to the



addresses designated by Nevada Select and Platoro or by wire transfers to the accounts designated by Nevada Select and Platoro.

3. Commingling. Novo shall have the right to commingle minerals from the Royalty Property with minerals mined from other properties. Not less than sixty (60) days before commencement of commingling, Novo shall notify Owner and shall deliver to Owner Novo's proposed commingling plan for Owner's review. Before Novo commingles any minerals produced from the Royalty Property with minerals from other properties, the minerals produced from the Royalty Property and other properties shall be measured and sampled in accordance with sound mining and metallurgical practices for metal, commercial minerals and other appropriate content. Novo shall keep detailed accounts and records which show measures, assays of metal, commercial minerals, and other appropriate content and penalty substances, and gross metal content of the minerals. From this information, Novo shall determine the amount of the Royalty due and payable to Owner for minerals produced from the Royalty Property commingled with minerals from other properties.

4. Reports. Not later than March 1 of each calendar year, Novo shall deliver to Owner a comprehensive report of all exploration, development and mining activities and operations conducted by Novo on or relating to the Property during the preceding calendar year. Such annual report shall include estimates of proposed expenditures upon, anticipated production from, and estimated mineral reserves and resources on the Royalty Property for the succeeding year. Novo shall provide Owner access to all data and information regarding the Royalty Property and the mineral reserves and resources on the Royalty Property.

5. Inspections. Owner, or its authorized agents or representatives, may enter upon all surface and subsurface portions of the Royalty Property for the purpose of inspecting the Royalty Property and all improvements and operations on the Royalty Property, as well as inspecting and copying all accounts and records, including without limitation such accounts and records which are maintained electronically, pertaining to all activities and operations on or relating to the Royalty Property, the improvements or operations.

6. Compliance with Laws, Reclamation, Environmental Obligations and Indemnities.

6.1 Compliance with Laws. Novo shall at all times comply with all applicable federal, state and local laws, regulations and ordinances relating to Novo's activities and operations on or relating to the Royalty Property.

6.2 Reclamation, Environmental Obligations and Indemnities. Novo shall perform all reclamation required under federal, state and local laws, regulations and ordinances relating to Novo's activities or operations on or relating to the



Royalty Property. Novo shall defend, indemnify and hold harmless Owner from and against any and all actions, claims, costs, damages, expenses (including attorney's fees and legal costs), liabilities and responsibilities arising from or relating to Novo's activities or operations on or relating to the Royalty Property, including those under laws, regulations and ordinances intended to protect or preserve the environment or to reclaim the Royalty Property. Novo's obligations under this Section shall survive the abandonment, surrender or transfer of the Royalty Property.

7. Tailings and Residues. All tailings, residues, waste rock, spoiled leach materials and other materials (collectively "Materials") resulting from Novo's operations and activities on the Royalty Property shall be Novo's sole property, but shall remain subject to the Royalty if they are processed or reprocessed and Novo receives revenues from such processing or reprocessing. If Materials are processed or reprocessed, the Royalty payable shall be determined by using the best engineering, metallurgical and technical practices and standards then available.

8. Title Maintenance.

8.1 Title Maintenance and Taxes. Novo shall maintain title to the Royalty Property, including without limitation, paying when due all taxes on or with respect to the Royalty Property and doing all things and making all payments necessary or appropriate to maintain the right, title and interest of Novo and Owner, respectively, in the Royalty Property and under this Deed. Novo shall deliver to Owner proof of Novo's compliance with this Section not less than fifteen (15) days before the applicable deadline.

8.2 Assessment Work and Claim Maintenance Fees. Novo shall perform all required assessment work on, pay all mining claim maintenance fees and make such filings and recordings as are necessary to maintain title to the Royalty Property in accordance with applicable federal and state laws and regulations. Novo shall deliver to Owner proof of Novo's compliance with this Section not less than thirty (30) days before the applicable deadline. If Novo abandons or surrenders any of the unpatented mining claims included in the Royalty Property pursuant to Section 8.3 and such abandonment occurs within two (2) months before the applicable deadline for performance of assessment work or payment of mining claim maintenance fee for the abandoned or surrendered mining claims and filing and recording of the proof of such payment, Novo shall perform such obligations and pay all such fees for the unpatented mining claims which Novo abandons or surrenders.

8.3 Abandonment. If Novo intends to abandon or surrender any of the Royalty Property (the "Abandonment Property"), Novo shall first give notice of such intention to Owner at least thirty (30) days in advance of the proposed date of abandonment or surrender. At any time before the date of Novo's proposed abandonment or surrender of the Royalty Property Owner may deliver notice to Novo that Owner



desires Novo to convey the Abandonment Property to Owner. In such case, Novo shall convey the Abandonment Property to Nevada Select (50%) and Platoro West (50%) free and clear of any claims, encumbrances or liens created by, through or under Owner. If Owner does not timely request reconveyance of the Abandonment Property, Owner's right to do so shall be irrevocably terminated. Should one Owner request conveyance and the other Owner does not, the Owner requesting conveyance shall be re-conveyed 100%. On Novo's abandonment or reconveyance to Owner of the Abandonment Property, Novo's obligation to pay the Royalty and the Minimum Payments shall terminate in respect of the Abandonment Property.

9. General Provisions.

9.1 Conflict. If a conflict arises between the provisions of this Deed and the provisions of the Agreement, the provisions of the Agreement shall prevail.

9.2 Entire Agreement. This Deed and the Agreement constitute the entire agreement between the parties.

9.3 Additional Documents. The parties shall from time to time execute all such further instruments and documents and do all such further actions as may be necessary to effectuate the purposes of this Deed.

9.4 Binding Effect. All of the covenants, conditions, and terms of this Deed shall bind and inure to the benefit of the parties and their successors and assigns.

9.5 No Partnership. Nothing in this Deed shall be construed to create, expressly or by implication, a joint venture, mining partnership or other partnership relationship between the parties.

9.6 Governing Law. This Deed is to be governed by and construed under the laws of the State of Nevada.

9.7 Rule Against Perpetuities. To the extent the Royalty applies to any amendments or relocations of the unpatented mining claims subject to the Royalty made in accordance with the Mining Law of 1872, as from time-to-time amended, repealed, replaced or superseded, or any other federal law or regulation, including the conversion of any present interest in the unpatented mining claims included the Property to a lease, license, permit or other form of tenure or to any other rights or interests (including mineral rights) acquired by Owner within the boundaries of the Property (each an "Acquired Interest"), Owner's Royalty rights in such Acquired Interest shall vest on the date of acquisition by Owner, and Owner's successors in interest, as applicable, subject to the terms of this Deed. It is the express intention of the parties that the Royalty in respect of any Acquired Interest shall vest in Owner, and Owner's successors and assigns, as applicable, within a period of time that complies with the Rule Against



Perpetuities (Uniform Act), NRS 111.103 et seq, as it may be amended from time-to-time, and the parties agree and covenant that a court of competent jurisdiction may reform the Royalty in a manner that implements the parties' intentions such that the Royalty is an effective and valid interest in the Acquired Interest. The parties irrevocably release and waive the applicability of the Rule Against Perpetuities to the Royalty and the Acquired Interest. Each of Owner and Novo agrees and covenants, for itself and its successors and assigns, that it will not commence any action or arbitration proceeding to declare the Royalty ineffective, invalid or void based on the Rule Against Perpetuities, and that it will not in any action or arbitration proceeding commenced by the other party, or its successors and assigns, as applicable, assert as a claim for relief or an affirmative defense against any claim for relief for enforcement of this Deed that this Deed is ineffective, invalid or void based on the Rule Against Perpetuities. A party's default of its obligations under the Section shall constitute a material default and breach of this Deed.

9.8 Notices. Any notices required or authorized to be given by this Deed shall be in writing and shall be sent either by commercial courier, facsimile, or by certified U.S. mail, postage prepaid and return receipt requested, addressed to the proper party at the address stated below or such address as the party shall have designated to the other parties in accordance with this Section. Such notice shall be effective on the date of receipt by the addressee party, except that any facsimiles received after 5:00 p.m. of the addressee's local time shall be deemed delivered the next day.

If to Nevada Select: Nevada Select Royalty, Inc
PO Box 18127
197 North Argyle Court
Reno, NV 89511
phone (775)-853-1913
email: jbaughman@elygoldinc.com

If to Platoro West: by courier:
Platoro West Incorporated
11900 N Anna Cade Rd,
Fate, TX 75132
phone (214)-304-9552
email: jel@goldenpredator.com

by mail:
Platoro West Incorporated
PO Box 538
Rockwall, TX, USA 75087
phone (214)-304-9552
email: jel@goldenpredator.com

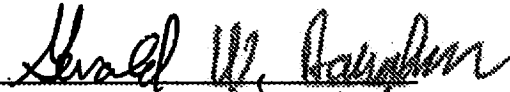


If to Novo:

Novo Resources (USA) Corp.
Novo Resources Corp.
Suite 1980, 1075 West Georgia St.
Vancouver, BC, Canada V6E 3C9
Phone: (778) 330-7824
Email: ronan@novoresources.com

This Deed is effective November 7, 2016 regardless of the date on which the parties execute this Deed.

NEVADA SELECT ROYALTY, INC.

By: 
Gerald W. Baughman, President

PLATORO WEST INCORPORATED

By: _____
William Sheriff, President

NOVO RESOURCES (USA) CORP.

By: _____
Herrick Lau, Secretary & Treasurer



If to Novo:

Novo Resources (USA) Corp.
Novo Resources Corp.
Suite 1980, 1075 West Georgia St.
Vancouver, BC, Canada V6E 3C9
Phone: (778) 330-7824
Email: ronan@novoresources.com

This Deed is effective November 7, 2016 regardless of the date on which the parties execute this Deed.

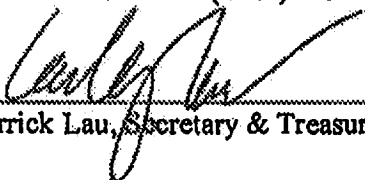
NEVADA SELECT ROYALTY, INC.

By: _____
Gerald W. Baughman, President

PLATORO WEST INCORPORATED

By: 
William Sheriff, President

NOVO RESOURCES (USA) CORP.

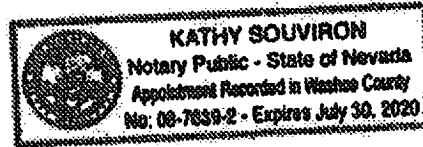
By: 
Herrick Lau, Secretary & Treasurer



STATE OF NEVADA)
) ss.
COUNTY OF WASHOE)

This Deed with Reservation of Royalty Tuscarora Project was acknowledged before me on November 14, 2016, by Gerald W. Baughman, as the President of Nevada Select Royalty, Inc.

Kathy Souviron
Notary Public



STATE OF _____)
) ss.
COUNTY OF _____)

This Deed with Reservation of Royalty Tuscarora Project was acknowledged before me on November ____, 2016, by William Sheriff, as the President of Platoro West Incorporated.

Notary Public

Province of British Columbia)
) ss.
County of Vancouver)

This Deed with Reservation of Royalty Tuscarora Project was acknowledged before me on November ____, 2016, by Herrick Lau, as the Secretary and Treasurer of Novo Resources (USA) Corp.

Notary Public



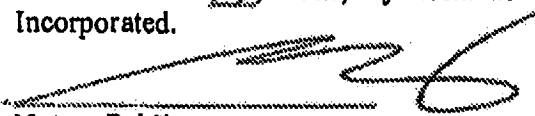
STATE OF NEVADA)
) ss.
COUNTY OF WASHOE)

This Deed with Reservation of Royalty Tuscarora Project was acknowledged before me on November __, 2016, by Gerald W. Baughman, as the President of Nevada Select Royalty, Inc.

Notary Public

^{Territory}
STATE OF YUKON)
COUNTRY) ss.
COUNTY OF CANADA)

This Deed with Reservation of Royalty Tuscarora Project was acknowledged before me on November 21, 2016, by William Sheriff, as the President of Platoro West Incorporated.



Notary Public

GRAHAM E. C. LANG
BARRISTER & SOLICITOR
LAMARCHE & LANG
505 LAMBERT STREET
WHITEHORSE, YUKON Y1A1Z8
(867) 458-3303

Province of British Columbia)
) ss.
County of Vancouver)

This Deed with Reservation of Royalty Tuscarora Project was acknowledged before me on November 14, 2016, by Herrick Lau, as the Secretary and Treasurer of Novo Resources (USA) Corp.



Notary Public

RON G. PATON
Barrister & Solicitor
P.O. Box 49130
2900-595 BURRARD STREET
VANCOUVER, B.C. V7X 1J5
(604) 691-7504



Exhibit A
Description of Area of Interest and Description of Property

AREA OF INTEREST-

ONE-HALF MILE AS MEASURED FROM THE OUTSIDE PERIMETER OF THE CLAIMS CONTAINED IN THE PROPERTY

PROPERTY-

23 UNPATENTED LODGE CLAIMS SITUATED IN SECTION 2 & 3 TOWNSHIP 39 NORTH, RANGE. 51 AND SECTION 35 TOWNSHIP 40 NORTH, RANGE 51 EAST, MDB&M. ELKO COUNTY, STATE OF NEVADA

| CLAIM NAME | BLM NMC# |
|-------------------|-----------------|
| TN 1 | 1105496 |
| TN 2 | 1105497 |
| TN 3 | 1105498 |
| TN 4 | 1105499 |
| TN 5 | 1105500 |
| TN6 | 1105501 |
| TN 7 | 1105502 |
| TN8 | 1105503 |
| TN 9 | 1105504 |
| TN 10 | 1105505 |
| TN 11 | 1105506 |
| TN 12 | 1105507 |
| TN 13 | 1105508 |
| TN 14 | 1105509 |
| TN 19 | 1105510 |
| TN 20 | 1105511 |
| TN 21 | 1105512 |
| TN 22 | 1105513 |
| TN 23 | 1105514 |
| TN 24 | 1105515 |
| TN25 | 1105516 |
| TN26 | 1105517 |
| TN 27 | 1105518 |
| TN 28 | 1105519 |



**Exhibit B
Net Smelter Returns**

Payor: Novo Resources (USA) Corp.

Recipients: Nevada Select Royalty, Inc and Platoro West Incorporated

1. **Definitions.** The terms defined in the instrument to which this Exhibit is attached and made part of shall have the same meanings in this Exhibit. The following definitions shall apply to this Exhibit.

1.1 "Gold Production" means the quantity of refined gold outturned to Payor's account by an independent third party refinery for gold produced from the Property during the month on either a provisional or final settlement basis.

1.2 "Gross Value" shall be determined on a month basis and have the following meanings with respect to the following Minerals:

1.2.1 Gold

(a) If Payor sells gold concentrates, dore or ore, then Gross Value shall be the value of the gold contained in the gold concentrates, dore and ore determined by utilizing: (1) the mine weights and assays for such gold concentrates, dore and ore; (2) a reasonable recovery rate for the refined gold recoverable from such gold concentrates, dore and ore (which shall be adjusted annually to reflect the actual recovery rate of refined metal from such gold concentrates, dore and ore); and (3) the Monthly Average Gold Price for the month in which the gold concentrates, dore and ore were sold.

(b) If Payor produces refined gold (meeting the specifications of the London Bullion Market Association, and if the London Bullion Market Association no longer prescribes specifications, the specifications of such other association generally accepted and recognized in the mining industry) from Minerals, and if Section 1.2.1(a) above is not applicable, then for purposes of determining Gross Value, the refined gold shall be deemed to have been sold at the Monthly Average Gold Price for the month in which it was refined. The Gross Value shall be determined by multiplying Gold Production during the month by the Monthly Average Gold Price.

1.2.2 Silver.

(a) If Payor sells silver concentrates, dore or ore, then Gross Value shall be the value of the silver contained in the silver concentrates, dore and ore determined by utilizing: (1) the mine weights and assays for such silver concentrates, dore and ore; (2) a reasonable recovery rate for the refined silver recoverable from such silver concentrates, dore and ore (which shall be adjusted annually to reflect the actual recovery rate of refined metal from such silver concentrates, dore and ore); and (3) the Monthly Average Silver Price for the month in which the silver concentrates, dore and ore were sold.

(b) If Payor produces refined silver (meeting the specifications for refined silver subject to the New York Silver Price published by Handy & Harmon, and if Handy & Harmon no longer publishes such specifications, the specifications of such other association or entity generally accepted and recognized in the mining industry) from Minerals, and if Section 1.2.2(a) above is not applicable, the refined silver shall be deemed



to have been sold at the Monthly Average Silver Price for the month in which it was refined. The Gross Value shall be determined by multiplying Silver Production during the month by the Monthly Average Silver Price.

1.2.3 All Other Minerals.

(a) If Payor sells any concentrates, dore or ore of Minerals other than gold or silver, then Gross Value shall be the value of such Minerals determined by utilizing: (1) the mine weights and assays for such Minerals; (2) a reasonable recovery rate for the Minerals (which shall be adjusted annually to reflect the actual recovery rate of recovered or refined metal or product from such Minerals); and (3) the monthly average price for the Minerals or product of the Minerals for the month in which the concentrates, dore or ore was sold. The monthly average price shall be determined by reference to the market for such Minerals or product which is recognized in the mining industry as authoritative and reflective of the market for such Minerals or product.

(b) If Payor produces refined or processed metals from Minerals other than refined gold or refined silver, and if Section 1.2.3(a) above is not applicable, then Gross Value shall be equal to the amount of the proceeds received by Payor during the month from the sale of such refined or processed metals. Payor shall have the right to sell such refined or processed metals to an affiliated party, provided that such sales shall be considered, solely for purposes of determining Gross Value, to have been sold at prices and on terms no less favorable than those that would be obtained from an unaffiliated third party in similar quantities and under similar circumstances.

1.3 "Minerals" means gold, silver, platinum, antimony, mercury, copper, lead, zinc, and all other mineral elements and mineral compounds, and geothermal resources, which are contemplated to exist on the Property or which are after the Effective Date discovered on the Property and which can be extracted, mined or processed by any method presently known or developed or invented after the Effective Date.

1.4 "Monthly Average Gold Price" means the average London Bullion Market Association Afternoon Gold Fix, calculated by dividing the sum of all such prices reported for the month by the number of days for which such prices were reported during that month. If the London Bullion Market Association Afternoon Gold Fix ceases to be published, all such references shall be replaced with references to prices of gold for immediate sale in another established market selected by Payor, as such prices are published in Metals Week magazine, and if Metals Week magazine no longer publishes such prices, the prices of such other association or entity generally accepted and recognized in the mining industry.

1.5 "Monthly Average Silver Price" means the average New York Silver Price as published daily by Handy & Harmon, calculated by dividing the sum of all such prices reported for the month by the number of days in such month for which such prices were reported. If the Handy & Harmon quotations cease to be published, all such references shall be replaced with references to prices of silver for immediate sale in another established market selected by Payor as published in Metals Week magazine, and if Metals Week magazine no longer publishes such prices, the prices of such other association or entity generally accepted and recognized in the mining industry.

1.6 "Net Smelter Returns" means the Gross Value of all Minerals, less the following costs, charges and expenses paid or incurred by Payor with respect to the refining and smelting of such Minerals:



1.6.1 Charges for smelting and refining (including sampling, assaying and penalty charges), but not any charges or costs of agglomeration, beneficiation, crushing, extraction, milling, mining or other processing; and

1.6.2 Actual costs of transportation (including freight, insurance, security, transaction taxes, handling, port, demurrage, delay and forwarding expenses incurred by reason of or in the course of such transportation) of concentrates or dore metal from the Property to the smelter or refinery, but not any charges or costs of transportation of Minerals or ores from any mine on the Property to an autoclave, concentrator, crusher, heap or other leach process, mill or plant which is not a smelter or refinery.

1.7 "Property" means the real property described in the instrument to which these Net Smelter Returns provisions are attached and made a part.

1.8 "Silver Production" means the quantity of refined silver outturned to Payor's account by an independent third-party refinery for silver produced from the Property during the month on either a provisional or final settlement basis.

2. Payment Procedures.

2.1 **Accrual of Obligation.** Payor's obligation to pay the royalty shall accrue and become due and payable upon the sale or shipment from the Property of unrefined metals, dore metal, concentrates, ores or other Minerals or Minerals products or, if refined metals are produced, upon the outturn of refined metals meeting the requirements of the specified published price to Payor's account.

2.2 **Futures or Forward Sales, Etc..** Except as provided in Sections 1.2.1(a), 1.2.2(a) and 1.2.3 (a) (regarding sales of unprocessed gold and silver and sales of Minerals other than gold and silver), Gross Value shall be determined irrespective of any actual arrangements for the sale or other disposition of Minerals by Payor, specifically including but not limited to forward sales, futures trading or commodities options trading, and any other price hedging, price protection, and speculative arrangements that may involve the possible delivery of gold, silver or other metals produced from Minerals.

2.3 **Monthly Calculations and Payments.** Net Smelter Returns royalties shall be determined on a monthly basis. Payor shall pay Recipient each monthly royalty payment on or before the last business day of the month immediately following the month in which the royalty payment obligation accrued. Payor acknowledges that late payment by Payor to Recipient of royalty payments will cause Recipient to incur costs, the exact amount of which will be difficult to ascertain. Accordingly, if any amount due and payable by Payor is not received by Recipient within ten (10) days after such amount is due, then Payor shall pay to Recipient a late charge equal to ten percent (10%) of such overdue amount. Recipient's acceptance of such late charge shall not constitute a waiver of Payor's default with respect to such overdue amount, nor prevent Recipient from exercising any of Recipient's other rights and remedies. If any amount payable by Payor remains delinquent for a period in excess of thirty (30) days, Payor shall pay to Recipient, in addition to the late payment, interest from and after the due date at the statutory interest rate.

2.4 **Statements.** At the time of payment of the royalty, Payor shall accompany such payment with a statement which shows in detail the quantities and grades of refined gold, silver or other metals or dore, concentrates or ores produced and sold or deemed sold by Payor in the preceding month; the Monthly Average Gold Price and Monthly Average Silver Price, as applicable; costs and other deductions, and other pertinent information in



detail to explain the calculation of the payment with respect to such month. Payment shall be made to the address provided in the agreement or instrument to which this Exhibit is attached for purposes of notices or by wire transfer to an account which Recipient designates.

2.5 Inventories and Stockpiles. Payor shall include in all monthly statements a description of the quantity and quality of any gold or silver dore that has been retained as inventory for more than ninety (90) days. Recipient shall have thirty (30) days after receipt of the statement to either: (a) elect that the dore be deemed sold, with Gross Value to be determined as provided in Sections 1.2.1 (b), with respect to gold, and 1.2.2(b), with respect to silver, as of such thirtieth (30th) day utilizing the mine weights and assays for such dore and utilizing a reasonable recovery rate for refined metal and reasonable deemed charges for all deductions which Payor is authorized to take, or (b) elect to wait until such time as the royalty payment otherwise would become payable pursuant to Sections 1.2.1(b) and 1.2.2(b). The Payor's failure to respond within such time shall be deemed to be an election to use the methods described in Sections 1.2.1(b) and 1.2.2(b).

2.6 Audit. Upon reasonable notice and at a reasonable time, the Recipient shall have the right to audit and examine the Payor's accounts and records relating to the calculation of the Net Smelter Returns royalty payments. If such audit determines that there has been a deficiency or an excess in the payment made to Recipient, such deficiency or excess shall be resolved by adjusting the next monthly royalty payment due Recipient. Recipient shall pay all costs of such audit unless a deficiency of three percent (3%) or more of the royalty payment due for the calendar month in question is determined to exist. All books and records used by Payor to calculate the royalty payments shall be kept in accordance with generally accepted accounting principles applicable to the mining industry.

SCHEDULE "D"
ASSUMPTION AGREEMENT