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IN THE UNITED STATES BANKRUPTCY COURT

FOR THE DISTRICT OF ARIZONA

In re: ELEVATION GOLD MINING CORPORATION et al., Debtors in a Foreign Proceeding.	Chapter: 15 Jointly Administered Case Nos. 2:24-bk-06359-EPB 2:24-bk-06364-DPC 2:24-bk-06367-BKM 2:24-bk-06368-MCW 2:24-bk-06370-EPB 2:24-bk-06371-DPC
SANDSTORM GOLD LTD., a successor by vertical amalgamation to Nomad Royalty Company Ltd., a Canadian business corporation, Plaintiff, v. ELEVATION GOLD MINING CORPORATION, a British Columbia company; ECLIPSE GOLD MINING CORPORATION, a British Columbia company; GOLDEN VERTEX CORP., an Arizona business corporation, Defendants.	Adv. No. 2:24-ap-00252-EPB **STATEMENT OF FACTS IN SUPPORT OF DEFENDANTS' MOTION FOR SUMMARY JUDGMENT AGAINST SANDSTORM GOLD LTD.**

Elevation Gold Mining Corporation ("Elevation") and its direct and indirect subsidiaries, which include Eclipse Gold Mining Corporation ("Eclipse"), and Golden Vertex Corp. ("GVC") (collectively, "Defendants"), through undersigned counsel, submit the following Statement of Facts ("SOF") in support of their Motion for Summary Judgment.

A. Procedural Background

1. Defendants obtained protection from their creditors in proceedings (the "Canadian Proceeding") commenced under Canada's Companies' Creditors Arrangement Act, R.S.C. 1985, c. C-36 (as amended, the "CCAA"), pending before the Supreme Court of British Columbia (the "Canadian Court") as Action No. S-245121.

2. This instant Chapter 15 case was commenced ancillary to the Canadian Proceeding**. [DE 49]**.

3. This Court entered an order setting forth that: (i) the Canadian Proceeding is recognized as a "foreign main proceeding" under 11 U.S.C. § 1517 and (ii) giving full force and effect in the United States to the Initial Order of the Canadian Court made by Justice Fitzpatrick dated August 1, 2024 and the Amended and Restated Initial Order dated August 12, 2024. **[DE 49]**.

4. On November 18, 2024, Sandstorm filed this instant adversary proceeding asserting a claim for declaratory relief regarding the royalty interest in the Moss Mine, breach of contract, breach of implied covenant of good faith and fair dealing, conversion and constructive trust, aiding and abetting against unnamed defendants, accounting against the Defendants, declaratory judgment regarding the royalty amount due under the agreement, and injunctive relief. **[D.E. 34].**

B. The Moss Mine and the Letter Agreement

5. GVC owns the Moss Mine in Mohave County, Arizona, which is comprised of certain patented (fee owned) and unpatented mining claims and state land mineral exploration permits. *See* Decl. of Bobby Kofmam ("Kofman Decl.") ¶ 5, attached as **Exhibit 1**.

6. Portions of the Moss Mine are burdened with certain payment obligations. **Ex. 1 ¶ 6.**

7. One of these payment obligations is to Nomad Royalty Company Limited, which is now Sandstorm Gold Limited, ("Sandstorm"). **Ex. 1 ¶ 7**. Specifically, in March 2004, Patriot Gold Corp. entered into the "Letter Agreement" with MinQuest, Inc. ("MinQuest"). A true and correct copy of the Letter Agreement is attached to Kofman's Declaration as **Exhibit 1-A**.

8. The Letter Agreement provided that it would be binding until such time as MinQuest and Patriot Gold entered into a "formal and comprehensive agreement." **Ex. 1 ¶ 8; Ex. 1-A.**

9. No additional agreement was documented. **Ex. 1 ¶ 8.**

10. The Letter Agreement itself relates to certain patented and unpatented lode claims and specified areas of interest at the Moss Mine ("Property"). **Ex 1 ¶ 9; Ex. 1-A.**

11. GVC is the successor-in-interest to Patriot Gold's rights and obligations under the Letter Agreement pursuant to the Assignment and Assumption Agreement, recorded as Fee #2016023502 in the Official Records of Mohave County. **Ex. 1 ¶ 10.**

12. On July 17, 2017, MinQuest assigned its rights and obligations under the Letter Agreement to Great Basin Resources, Inc. **[D.E. 34 ¶ 35]**

13. Great Basin Resources, Inc. assigned its rights and obligations under the Letter Agreement to Great Basin Royalty, LLC. **[D.E. 34 ¶ 36]**

14. Great Basin Royalty, LLC then assigned its rights and obligations under the Letter Agreement to Valkyrie Royalty, Inc. **[D.E. 34 ¶ 37]**

15. Sandstorm has asserted that on January 1, 2022, Valkyrie Royalty, Inc. became Nomad Royalty, Ltd. **[D.E. 34 ¶ 38].**

16. Pursuant to *Ex Parte Motion to Amend Case Caption and Notice of Name Change*, Nomad Royalty, Ltd. became Sandstorm by vertical amalgamation. **[D.E. 44].**

C. The Letter Agreement's Provisions

17. The "Production Royalties" section of the Letter Agreement provides for a "production royalty" in the form of "[a] 3% Net Smelter Return on any and all production derived from unpatented mining claims listed under 'Property' and on public lands within 1 mile of MinQuest, Inc.'s outside perimeter of the present claim boundary," and "a 1.0% NSR on patented claims with no other royalty within the Property," and "a 0.5% overriding Net Smelter Return on all production within the Property derived from patented claims with other royalty interests" ("Production Royalties"). **Ex. 1-A.**

18. The Letter Agreement contains no express language that it is binding on successors and assigns. **Ex. 1-A.**

19. The Letter Agreement provides for a term of "20 years with automatic extensions so long as Patriot Gold holds all or portions of the 'Property" ("Term").**Ex. 1-A.**

20. The Letter Agreement states that it is assignable "freely by either party so long as Assignee accepts terms and conditions of the Lease in writing." **Ex. 1-A.**

21. The Letter Agreement contains no obligation for GVC to pay the annual maintenance fees for the unpatented claims that comprise the Property. **Ex. 1-A.**

22. The Letter Agreement contains no obligation for GVC to report to anyone in any form or fashion or to notice anyone of any material events, including a sale, relating to the Property. **Ex. 1-A.**

23. The Letter Agreement contains no covenants of production, no indemnity provisions of any type or kind, and no security provisions. **Ex. 1-A.**

24. The Letter Agreement contains no obligations or any requirements to hold proceeds from the sale of minerals in trust or to otherwise segregate any funds for the benefit of Sandstorm. **Ex. 1-A.**

25. Sandstorm asserts that the Letter Agreement "unambiguously creates a royalty in real property." *See* Pl.'s Resps. and Objs. to Defs.' Requests for Admis. to Pl. Nomad Royalty Company Ltd., attached as **Exhibit 2 ¶ 1.**

26. Neither Sandstorm nor any of its predecessor entities have ever filed a UCC-1 financing statement relating to the Moss Mine. **Ex. 1 ¶ 11.**

27. Prior to the Canadian Proceeding, GVC's Secured Lender, Maverix Metals Inc. ("Maverix"), injected funds into GVC's operation to keep it afloat. . **Ex. 1 ¶ 12.**

DATED this 3rd day of July, 2025.

FENNEMORE CRAIG, P.C.

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COPY of the foregoing served via CM/ECF this 3rd day of July, 2025 upon all parties Registered to receive notices via CM/ECF and e-mailed to:

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