

LEASE

Between

WALKER RIVER IRRIGATION DISTRICT, LANDLORD

and

NEVADA COPPER, INC.,

TENANT

Effective as of December 1, 2018

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THIS LEASE effective this 1st day of December, 2018, between WALKER RIVER IRRIGATION DISTRICT, an irrigation district organized under N.R.S. Chapter 539 herein referred to as “Landlord”, and NEVADA COPPER, INC., a Nevada corporation herein referred to as “Tenant.”

WHEREAS, Tenant is engaged in mining, processing and marketing copper, gold, silver and iron;

WHEREAS, Landlord owns certain real property located in Lyon County, State of Nevada, more particularly described in Exhibit “A” attached hereto and by this reference incorporated herein; and

WHEREAS, Landlord desires to lease to Tenant and Tenant desires to lease from Landlord the property described in Exhibit “A.” Said property is hereinafter referred to as the “Leased Property.”

NOW, THEREFORE, it is mutually agreed by and between the parties hereto as follows:

ARTICLE I Premises, Use and Term of Lease

Section 1.1 Landlord hereby demises and leases to Tenant, and Tenant hereby hires and leases from Landlord, for the term and upon the conditions and provisions hereinafter set forth, the Leased Property.

Section 1.2 The Leased Property shall be used for the purposes of the storage, packing, shipping and transportation of Tenant’s raw materials and other goods and products, for the receipt of supplies, for administrative and general office purposes for Tenant’s business and operations, and for other purposes reasonably related thereto, and for no other purpose.

Section 1.3 The term of this Lease shall commence at 12:01 a.m. on December 1, 2018 (the “Commencement Date”) and shall end at 11:59 p.m. on November 30, 2048 (the “Lease Term”).

Section 1.4 If not in default on any of its obligations under this Lease, Tenant will have the option to extend this Lease at the expiration of the Lease Term for an additional term of 10 years. The option to extend will be exercisable by a written notice from the Tenant to the Landlord given in accordance with the terms hereof at least six months prior to the expiration of the Lease Term. During the extension period, the Tenant will pay to the Landlord annual rent computed in accordance with Article II and the other amounts set forth in Article III and will perform all the Tenant’s other duties and obligations under this Lease.

ARTICLE II Consideration

Section 2.1 Subject to the provisions of Section 2.2, the annual rent for the initial Lease Year (as defined below) shall be \$25,000. The annual rent for each subsequent Lease Year shall be determined in accordance with Section 2.2.

Section 2.2 The annual rent shall be increased, but not decreased, at the beginning of each Lease Year by an amount equal to the lesser of (a) three percent (3%), or (b) the increase in the Consumer Price Index over the prior Lease Year in the manner hereinafter set forth. For purposes of the foregoing subsection (b), the index to be used shall be the Consumer Price Index for All Urban Consumers, US City Average for All Items, published by the Bureau of Labor Statistics of the United States Department of Labor (the “Consumer Price Index”). For purposes of clarification, the increase for the Lease Year commencing December 1, 2019 and ending November 30, 2020, shall be computed by multiplying the

annual rent for the 12-month period ending December 1, 2019 (\$25,000) by a fraction, the numerator of which is the Consumer Price Index number for the month of November 2019, and the denominator of which is the Consumer Price Index number for the month of December 2018.

Section 2.3 In the event that Bureau of Labor Statistics shall change the cycle for publication of the Consumer Price Index so that no index number is published for a month necessary to compute an increase in annual rent pursuant to Section 2.2 above, then the index number for the nearest month before the expiration of such Lease Year shall be substituted as the numerator for the purposes set forth in Section 2.2 above. If the manner in which the Consumer Price Index is determined by the Bureau of Labor Statistics shall be substantially revised, the parties shall in good faith negotiate an adjustment to the calculation set forth in Section 2.2 above so that such revised index would produce results equivalent, as nearly as possible, to those which would have been obtained if the Consumer Price Index had not been so revised. If the 1982-1984 period shall no longer be used as an index of 100, such change shall constitute a substantial revision. If the Consumer Price Index shall become unavailable to the public because publication is discontinued, or otherwise, a comparable index based upon changes in the cost of living or purchasing power of the consumer dollar published by any other governmental agency or, if no such index shall be available, then a comparable index published by a major bank or other financial institution or by a university or a recognized financial publication shall be used to calculate the rental increases required by this Article.

Section 2.4 For the purposes of this Lease, the term “Lease Year” means each twelve (12) month period of the Lease Term.

Section 2.5 The annual rent shall be paid in advance on or before the first day of each and every Lease Year; provided that if any figures necessary to compute an increase in annual rent pursuant to Section 2.2 above are not available at such time, Tenant shall pay to Landlord the then-current amount of annual rent and shall pay any increase to annual rent promptly upon the determination of such increase.

Section 2.6 Each payment of consideration under this Article II will be made to Landlord by Tenant without demand, in good funds, at such place in the United States of America as may be designated in writing by Landlord to the order of Landlord or such other person as Landlord may from time to time specify in writing. Until further notice by Landlord, Tenant shall pay all rent to Landlord at P.O. Box 820, 410 North Main Street, Yerington, Nevada 89447.

ARTICLE III

Net Lease; Impositions and Adjustments

Section 3.1 This Lease is intended to be a net lease under which, during the term of this Lease, the rents will be absolutely net to Landlord and Tenant will pay all costs, expenses, obligations, and impositions of every kind relating directly or indirectly in any way, foreseen or unforeseen, to the Leased Property. As used herein, “Impositions” means, without limitation, all taxes (other than taxes based on the income of Landlord), assessments, water storm and sanitary sewer rents, license and permit fees, and other governmental levies, charges and impositions, general and special, ordinary and extraordinary, unforeseen as well as foreseen, of every kind and nature whatsoever imposed, assessed or levied, or which may become a lien upon the Leased Property, at any time during the term of this Lease upon or against the Leased Property or any portion of the Leased Property, other than such Impositions that arise or result from the acts or omissions of Tenant. Tenant will also pay all utility charges and other costs related to the operation of the Leased Property during the term of this Lease. Except as provided in Section 3.4, Tenant will pay all Impositions or installments of Impositions before any fine, penalty, interest or cost may be added to them, except that Tenant may pay any Imposition in installments if permitted by law to do so, even if interest accrues on the unpaid balance of the Imposition, and may contest any Imposition in accordance with Section 3.3. Tenant will, at Landlord’s request, provide Landlord with evidence of payment of any or all

Impositions.

Section 3.2 Landlord and Tenant will adjust between them the payment of all Impositions as of the beginning and end of the term of this Lease, and all refunds or rebates of Impositions allocable to periods prior to commencement, and after termination, of the term of this Lease, so that Tenant will bear the cost of all portions of Impositions allocable to the term of this Lease and Landlord will bear the cost of all Impositions allocable to periods before and after the term of this Lease. Allocations will be made in accordance with generally accepted accounting principles. At any time after the commencement of the term of this Lease, Landlord may bill Tenant, and at any time after termination of the term of this Lease, Tenant may bill Landlord, for the estimated portion of the Impositions paid by Landlord or Tenant, as the case may be, allocable to the other party and the other party will pay the sum shown on the bill within thirty (30) days after the bill is received. Estimates will be based on the prior year's Impositions. Any additional payments or refunds due after Impositions are finally determined will be made within thirty (30) days after request.

Section 3.3 Tenant may, at its own cost, contest the amount or validity of any Imposition, provided that Tenant notifies Landlord thereof, and Tenant has reserved against such Imposition in accordance with generally accepted accounting principles, or has otherwise bonded against or taken reasonable actions to prevent such contest from resulting in an Imposition on the Leased Property during the pendency of such contest, or otherwise will not place all or a portion of the Leased Property in danger of being forfeited or lost.

Section 3.4 Tenant may, at its own cost, seek a reduction in the assessed valuation of the Leased Property for tax purposes and prosecute any action or proceeding for that purpose in the name of Tenant, Landlord, or both. Tenant will be entitled to retain any tax refund resulting from a reduction in assessed valuation, except to the extent that Tenant is required by Section 3.2 to pay a portion of a refund to Landlord.

Section 3.5 Landlord will cooperate with Tenant in connection with any proceedings of the type described in Sections 3.2, 3.3 and 3.4, and will execute all documents, and do all other things, reasonably required of it by Tenant in connection with those proceedings.

ARTICLE IV Condition and Maintenance of Leased Property

Section 4.1 Tenant shall use the Leased Property in a manner which complies with applicable laws, regulations, and court decrees and shall be responsible for obtaining all governmental approvals and permits required to use the Leased Property as contemplated herein.

Section 4.2 Tenant, at its expense, shall at all times during the term of this Lease maintain the Leased Property in a manner which complies in all material respects with all laws, ordinances and regulations of all governmental authorities having jurisdiction over it.

Section 4.3 At all times during the term of this Lease, Tenant shall, at its sole cost, maintain the Leased Property in good condition, ordinary wear and tear excepted, and maintain Leased Property, the improvements on the Leased Property, and the equipment therein (collectively the "**Entire Premises**"), in a manner which complies in all material respects with all laws and regulations of all governmental authorities having jurisdiction over the Entire Premises. Tenant shall not at any time during the term of this Lease permit waste of the Leased Property.

Section 4.4 Subject to the following, Tenant has inspected the Leased Property and will be

taking possession of the Leased Property in the condition in which it is at the Commencement Date. Tenant is aware that Landlord has no express easement or other recorded right for ingress to or egress from the Leased Property and U.S. Alt. Route Alt. 95 and Tenant will take whatever measures are necessary to obtain such rights of ingress and egress thereto. Tenant has executed this Lease on the basis of Tenant's own inspection of the Leased Property and of the laws and regulations relating to the Leased Property, and Tenant has not relied on any representations or warranties of Landlord which are not expressly set forth in this Lease. Landlord represents and warrants to Tenant that, as of the Commencement Date, to Landlord's knowledge, the Leased Property complies in all respects with all federal, state and local laws, rules and regulations, including, without limitation, any Environmental Laws or the regulation or treatment of Hazardous Materials (each as hereinafter defined); as used in the foregoing, the phrase "to Landlord's knowledge," means the actual knowledge of Robert C. Bryan, Landlord's General Manager, after reasonably inquiry. Landlord represents and warrants that it has full right and authority to enter into this Lease and that Tenant, while paying the annual rent and performing its other covenants and agreements contained in this Lease, shall peaceably and quietly have, hold and enjoy the Leased Property for the Lease Term without hindrance or molestation from Landlord, subject to the terms and provisions of this Lease.

ARTICLE V

Alterations and New Construction

Section 5.1 The Tenant may make alterations to buildings or improvements on the Leased Property, demolish buildings and improvements on the Leased Property, and construct new buildings or other improvements on the Leased Property, provided that,

(a) for alteration, demolition or construction, the estimated cost of which exceeds \$100,000, Tenant shall have obtained the prior written consent of the Landlord, which will not be unreasonably withheld, conditioned or delayed,

(b) the Tenant will complete all alterations, demolition or construction on the Leased Property undertaken by it,

(c) all alterations, demolition or construction on the Leased Property will be completed in a good and workmanlike manner, in accordance with all applicable laws, ordinances and regulations, and

(d) the Tenant will first obtain all required licenses and permits relating to any alterations, demolition or construction on the Leased Property.

When seeking the Landlord's consent under this Section, Tenant shall submit detailed plans to the Landlord.

Section 5.2 The Tenant will pay all costs of alterations, construction and demolition permitted under this Article during the term of this Lease.

Section 5.3 Tenant will pay for all alterations and construction on the Leased Property in time to prevent the imposition of any workman's or materialman's lien upon the Leased Property or, if a workman's or materialman's lien is imposed upon the Leased Property because of a claim which the Tenant is contesting, the Tenant will obtain a bond or other suitable arrangements sufficient to cause the discharge of the lien.

ARTICLE VI

Initial Construction of Improvements on the Leased Property

Sections 6.1 Tenant intends to construct improvements on the Leased Property as described on Exhibit "B" (the "Initial Improvements") and Tenant shall comply with the provisions of Article V in constructing Initial Improvements. Tenant shall be responsible for arranging for all contractors,

subcontractors, architects, engineers, governmental inspectors, and other persons and entities as may be necessary for the completion of construction of the Initial Improvements. Landlord shall cooperate with Tenant in any manner as may be reasonably necessary to enable Tenant to carry out its construction plans pursuant to this Section.

Section 6.2 Whenever Tenant submits to Landlord plans and specifications (whether for the first time or after one or more reviews by Landlord) for any alteration, new construction, remodeling, or refurbishing of the Leased Property or any improvements thereon (collectively called the “Construction”) as required by Article V and this Article VI, Landlord shall respond in writing to Tenant within thirty (30) days after such submission. To the extent that Landlord fails to timely respond to such submission, Landlord shall be deemed to have no objections thereto. Without limiting any other provision hereof, if Landlord timely objects to the Construction depicted and described in such plans and specifications, it shall specifically set forth its objections and state the change to such plans and specifications requested by Landlord.

ARTICLE VII Eminent Domain

Section 7.1 If at any time during the term of this Lease any portion of the Leased Property is taken by any authority by the exercise of any right of eminent domain or in any condemnation proceeding, or by agreement between the Landlord, the Tenant and those authorized to exercise such right, the Landlord will give the Tenant prompt notice of the occurrence, describing the nature and extent of the taking or the nature of the proceedings and negotiations and the nature and extent of the taking which might result from them as the case may be.

Section 7.2 If a portion, but not all, of the Leased Property is taken or condemned, the Tenant will promptly make such repairs as are necessary to restore the Leased Property to substantially the condition as existed prior to such taking or condemnation, in which event Tenant shall be entitled to reimbursement for the costs thereof from the Tenant’s Share of the condemnation award as defined in Section 7.4; provided that if the estimated cost of such repairs exceeds Tenant’s Share of the condemnation award, Tenant shall have the option, on thirty (30) days prior written notice to Landlord, to terminate this Lease. If this Lease is terminated pursuant to this Section, rent and any other amounts due pursuant to Article III shall be paid to the date of such termination and any prepaid but unearned rent and any other amounts due pursuant to Article III shall be paid to Tenant within thirty (30) days following the date of such termination. If a taking or condemnation does not result in a termination of this Lease pursuant to this Section, the rent set forth in Article II shall be proportionately reduced based upon the square footage of the Leased Property prior to such taking or condemnation compared to the square footage of the Leased Property following such taking or condemnation. During any temporary taking or condemnation, the rent set forth in Article II shall be reduced based upon the ratio of the square footage of the Leased Property before the temporary taking or condemnation and during the temporary taking or condemnation and to the extent Landlord receives proceeds (a) from any rental abatement insurance (after all deductions have been met) or (b) from any condemnation award that is directly attributable to the loss in rent and any other amounts due hereunder as a result of the temporary taking or condemnation of all or a portion of the Leased Property.

Section 7.3 If the entire Leased Property is taken or condemned, this Lease will terminate as of the date the governmental authority takes possession of the Leased Property, with the same force and effect as though that were the date specified in Article I. A taking of a portion of the Leased Property shall be considered a taking of the entire Leased Property if the untaken portion of the Leased Property shall be insufficient for the economic and feasible operation of Tenant’s business thereon as described in Section 1.2, as determined by Tenant in its reasonable discretion.

Section 7.4 If this Lease shall have terminated as a result of a taking as provided in Section 7.3 or if Tenant is required to repair a building as a result of a partial taking as provided in Section 7.2, the Tenant's share of the condemnation award shall be that part of the net proceeds of the award attributable to the value of any buildings and improvements taken in whole or in part, plus the portion of such condemnation award that is designated as compensation for Tenant's lost profits, or for damage to or loss of moveable trade fixtures, unattached equipment and other personal property belonging to Tenant, if any. The Tenant's share of the condemnation award shall be remitted directly to the Tenant promptly after it is determined hereunder. If the Landlord and the Tenant cannot agree on the Tenant's share within thirty (30) days following the first payment ("First Payment") of the award, sale proceeds or damages, the issue shall be submitted to two appraisers, both of whom shall be residents of the State of Nevada and each of whom shall be a member of the American Institute of Real Estate Appraisers, or the successor thereto. One shall be selected by the Landlord and one shall be selected by the Tenant. Each appraiser shall independently determine the Tenant's Share of the condemnation award as defined above within 30 days of his appointment. If the appraisals submitted are within 10% of each other, then the two appraisals shall be added together and divided by two and the average so obtained shall be the Tenant's share of the condemnation award.

If the appraisals are not within 10% of each other, then the two appraisers so appointed shall confer jointly and, if possible, determine the Tenant's share of the condemnation award. If the two appraisers cannot agree within 10 days from the date on which the last appraisal was submitted, then the two appraisers shall appoint a third appraiser who shall be a resident of the State of Nevada and a member of the American Institute of Real Estate Appraisers, or the successor thereto. The third appraiser shall independently determine the Tenant's share of the condemnation award within 30 days of his appointment. If the third appraiser's determination is within 10% of one of the other appraisals, the two appraisals that are within 10% of each other shall be added together and divided by two and the average so obtained shall be determinative of the Tenant's share of the condemnation award.

If the third appraisal is not within 10% of either of the other appraisals, then the third appraisal shall bind both Landlord and Tenant and shall be determinative of the Tenant's share of the condemnation award.

The Landlord shall pay the fee of its appraiser and the Tenant shall pay the fee of its appraiser. The fee of the third appraiser shall be paid for equally by Landlord and Tenant. In the event Landlord or Tenant refuses to appoint an appraiser as is hereinabove provided, then it is mutually understood and agreed that the appraisal by the appraiser appointed by the party willing to appoint an appraiser, shall determine the Tenant's share of the condemnation award.

ARTICLE VIII

Insurance

Section 8.1 At all times during the term of this Lease, Tenant will, at its own cost and expense:

(a) Keep all buildings and other improvements on the Leased Property insured against loss or damage by fire, with all standard extended coverage, in an amount or amounts at least sufficient to ensure that if any buildings or improvements are substantially destroyed the proceeds of the insurance will be sufficient to pay for removal of all remnants of the destroyed buildings or improvements.

(b) Obtain and maintain in force commercial general liability insurance naming Landlord as additional insured in the amount of no less than \$2,000,000, single occurrence, \$4,000,000, in the aggregate.

Section 8.2 If the estimated cost of any alteration or new construction will be more than \$750,000, during the period of construction, Tenant will maintain, at its own cost and expense, or cause contractors to maintain at their cost and expense:

(a) Completed value builders risk insurance for such alteration or new construction, including building materials located or stored on the Leased Property, with all standard extended coverage, in an amount not less than Tenant's estimate of the cost of construction; and

(b) Workmen's compensation insurance in accordance with applicable law.

Section 8.3 All insurance will be with companies rated at least B+ in Best's Key Rating Index and authorized to do business in the State of Nevada. Tenant may carry any insurance required by this Article in a blanket policy carried by it or an affiliate. To the extent obtainable, each policy under which insurance coverage is obtained in order to comply with this Section will provide that it may not be canceled without thirty (30) days' prior written notice to Landlord. If such a provision cannot be obtained, Tenant will, at the request of Landlord, provide Landlord with proof of each premium payment made with regard to each policy when the payment is made.

Section 8.4 If there is a loss, Landlord and Tenant will cooperate in efforts to recover any insurance proceeds which may become due.

Section 8.5 No damage or destruction of any portion of the improvements on the Leased Property by fire or any other cause will cause an abatement of rent or in any other way affect the obligations of Tenant under this Lease. Tenant may, at its discretion and in its own expense, make any repairs necessary to reconstruct or restore any improvements on the Leased Property, whether or not the cost of those repairs is reimbursed by insurance. To the extent that Tenant elects not to undertake such repairs, Tenant shall ensure that any debris from such damage or destruction is stored and disposed of in accordance with applicable law and removed from the Leased Property prior to termination or expiration of this Lease. The proceeds of insurance resulting from any damage or destruction will be paid to Tenant.

Section 8.6 Within thirty (30) days after the Commencement Date and thereafter at least ten (10) days prior to the expiration date of any expiring policy of insurance maintained to meet the requirements of this Lease, Tenant will furnish Landlord a certificate or memorandum of each policy of insurance maintained to comply with this Article.

Section 8.7 Landlord and Tenant each waives as to the other and its agents and employees all claims and rights of recovery for any damage to the Leased Property or improvements located thereon (whether or not the damage was the fault of Landlord or Tenant or its agents and employees) to the extent, but only to the extent, of any proceeds recoverable under policies of insurance required to be maintained under this Lease (including proceeds of coverage in excess of the minimum amounts required by this Lease). Tenant and Landlord each waives as to its insurers, and will use its best efforts to cause each policy of insurance maintained by it which relates to the Leased Property or improvements on the Leased Property, to include a waiver of any rights or claims against the other by reason of subrogation, assignment of claim or otherwise.

Section 8.8 If any type or amount of insurance Tenant is required by Landlord to maintain hereunder ceases to be generally available for properties similar to the Leased Property, Tenant will not be required to maintain that type or amount of insurance but will maintain the most nearly comparable insurance which is generally available for properties similar to the Leased Property.

Section 8.9 Neither the issuance of any insurance policy required hereunder, nor the minimum

limits specified herein with respect to Tenant's insurance coverage, shall be deemed to limit or restrict in any way Tenant's liability arising under or out of this Lease.

Section 8.10 In the event that Tenant shall fail promptly to furnish any insurance coverage hereunder required to be procured by Tenant, Landlord, at its sole option, shall have the right to obtain the same and pay the premium therefor for a period not exceeding one (1) years in each instance, and the premium so paid by Landlord together with an amount equal to eight percent (8%) of such premium shall be immediately due and payable by Tenant to Landlord as additional rent.

Section 8.11 All insurance policies herein required to be procured by Tenant shall be written as primary policy coverage and not contributing with or in excess of any coverage which Landlord may carry.

ARTICLE IX Indemnification of Landlord

Section 9.1 Tenant will indemnify Landlord against, and hold Landlord harmless from, (i) any and all claims arising from Tenant's use or management of the Leased Property or from any work or other things done by Tenant on the Leased Property during the term of this Lease; (ii) any and all third party claims for loss or damage arising during the term of this Lease from the condition of any of the Leased Property arising from any cause; and (iii) all liabilities, costs and expenses, including reasonable attorneys' fees, incurred in connection with any such claim or any action or proceeding brought with regard to any such claim; provided that Tenant shall not be required to indemnify or hold Landlord harmless from any claims, liabilities, costs and expenses, including reasonable attorneys' fees, that arise from or relate to any intentional acts or omissions of Landlord. If any action or proceeding is brought against Landlord by reason of any such claim, Landlord will promptly notify Tenant of the commencement of the action or proceeding and will offer the Tenant the opportunity to assume the defense of the action or proceeding.

ARTICLE X Default

Section 10.1 Subject to the provisions of any applicable law in effect at the time each of the following events will be an event of default under this Lease:

(a) Tenant fails to pay any consideration required by Article II by the later of (i) ten (10) days after it is due or (ii) five (5) days after notice from the Landlord of Tenant's failure to pay such past due amount, except that if in any calendar year Landlord gives two notices of default in payment, any subsequent failure in that calendar year to pay within ten (10) days after it is due will be an event of default without any notice from Landlord.

(b) Tenant fails to perform or comply with any of the other terms, covenants, agreements or conditions contained in this Lease and the failure continues for more than fifteen (15) days after Landlord notifies Tenant in writing of the failure, except that if the failure cannot be cured within fifteen (15) days, there will not be an event of default if within the 15-day period, Tenant begins to cure the failure and thereafter Tenant proceeds diligently to cure it.

(c) Tenant files or consents to the filing of any petition seeking debtor's relief or a petition seeking relief is filed against Tenant and not dismissed within sixty (60) days.

(d) The making by Tenant of any assignment or arrangement for the benefit of creditors.

(e) The appointment of a Trustee or Receiver to take possession of substantially all of Tenant's assets located at the Leased Property or Tenant's interest in the Lease, and the appointment is not dismissed within sixty (60) days.

(f) The attachment, execution, or other judicial seizure of substantially all of Tenant's assets located at the Leased Property or Tenant's interest in the Lease.

(g) Tenant abandons the Leased Property.

Section 10.2 If there is an event of default under this Lease, Landlord may, at any time while the situation which constitutes an event of default continues and subject to any right of Tenant to cure such default, exercise any one or more of the following remedies:

(a) Landlord may terminate this Lease by a notice in writing to Tenant on a date (the "Early Termination Date") specified in the notice (which may be the date the notice is given), without any right by the Tenant to reinstate its rights by paying any sum which is due or otherwise curing the situation which constituted an event of default, except as otherwise expressly provided herein. On the Early Termination Date, the term of this Lease will terminate as fully and with the same effect as if that were the last day of the term of this Lease specified in Article I, Tenant shall immediately surrender possession of the Leased Property to Landlord, Tenant will have no further rights under this Lease. In addition, upon termination of this Lease under this subsection, Landlord will be entitled to recover from the Tenant (i) the worth at the time of the award of the amount by which the unpaid annual rent for the balance of the Lease Term after the time of the award exceeds the amount of unpaid annual rent that Tenant proves could reasonably have been avoided, (ii) any cost of repairing the Leased Property to the condition it is required to be kept hereunder, normal wear and tear excepted, less any insurance or other proceeds available to Landlord for that purpose; (iii) all sums due up to the Early Termination Date; and (iv) any reasonable costs, including but not limited to reasonable attorneys' fees, incurred by Landlord in recovering possession of the Leased Property.

(b) With or without terminating this Lease, as Landlord may elect, Landlord may reenter and repossess the Leased Property and lease it to any other person upon such terms as Landlord may deem reasonable, for a term or terms which may be longer or shorter than the term of this Lease. Any reletting with regard to periods prior to the termination of this Lease will be for the account of the Tenant. The Tenant will remain liable for (i) the worth at the time of the award of the amount by which the unpaid annual rent for the balance of the Lease Term less (ii) the net proceeds, if any, of any reletting effected for the account of Tenant, after deduction all Landlord's expenses reasonably incurred in connection with the reletting (including, but not limited to, repossession costs, brokerage commissions, reasonable attorneys' fees and other legal expenses, employee expenses, and other expenses of preparation for reletting), and the amount of unpaid annual rent that Tenant proves could reasonably have been avoided.

Section 10.3 If Landlord terminates this Lease or relets the Leased Property as provided in subsections (a) and (b) of Section 10.2, Landlord may remove Tenant, all persons claiming under Tenant, and their respective property, from the Leased Property, and store that property in a public warehouse or elsewhere at the cost of, and for the account of, Tenant, without service of notice or resort to legal process (all of which Tenant expressly waives) and without being deemed guilty of trespass or becoming liable for any resulting loss, damage or injury.

Section 10.4 Tenant waives, for itself and all persons claiming under or through it, all rights under present or future law to redeem any portion of the Leased Property or otherwise reinstate this Lease if the term of this Lease is terminated or Tenant takes possession of the Leased Property in accordance with this Article X.

Section 10.5 The remedies in this Article X are intended to be cumulative, except that the remedy in Section 10.2(a) is exclusive of any other remedy. No remedy made available to the Landlord in this Article X is intended to preclude Landlord from using any other remedy provided in this Lease or by law.

Section 10.6 No waiver by the Landlord of, or failure of the Landlord to seek a remedy for, any breach by Tenant of any of its obligations under this Lease will be a waiver of any subsequent or continuing breach of that or any other obligation.

ARTICLE XI

Assignment, Subleases, Transfers or Encumbrances

Section 11.1 Neither this Lease nor any interest herein, whether legal or equitable, may be assigned, alienated, pledged or hypothecated in whole or in part, voluntarily or by operation of law, or the Leased Property may not be sublet in whole or in part without the written consent of Landlord, which consent will not be unreasonably withheld. A consent to one assignment, sublease, occupation, or use by any other person shall not be deemed to be a consent to any subsequent assignment, subletting, occupation, or use by another person. Any such assignment or subletting without such consent shall be void and shall be an Event of Default. This Lease shall not, nor shall any interest therein, be assignable, as to the interest of Tenant by operation of law, without the written consent of Landlord.

Section 11.2 No subletting or assignment, even with the consent of Landlord, shall relieve Tenant of its obligation to pay the rent and to perform all other obligations to be performed by Tenant hereunder and the acceptance of rent by Landlord from any person shall not be deemed to be a waiver by Landlord of any provision of this Lease or to be a consent to any assignment or subletting.

Section 11.3 No permitted assignment or sublease shall be valid and no assignee or sublessee shall take possession of the Leased Property assigned or sublet unless, within ten (10) days after the execution thereof, Tenant shall deliver to Landlord a duly executed duplicate original of such assignment or sublease in form satisfactory to Landlord which provides (i) the assignee or sublessee assumes Tenant's obligations for the payment of rent and for the full and faithful observance and performance of the covenants, terms and conditions contained herein, and (ii) that such assignee or sublessee will, at Landlord's election, attorn directly to Landlord in the event Tenant's lease is terminated for any reason, and (iii) such assignment or sublease contains such other assurances as Landlord reasonably deems necessary.

Section 11.4 Any costs and expenses, including attorneys' fees, reasonably incurred by Landlord in connection with Landlord's review and approval of any proposed or purported assignment, transfer or sublease, shall be borne by Tenant and shall be payable to Landlord as additional rent, provided that Tenant shall not be responsible for, or otherwise required to bear or pay pursuant to the terms hereof, any such costs or expenses of Landlord in an amount in excess of \$1,000.

ARTICLE XII

Right of First Refusal to Purchase

Section 12.1 If the Landlord receives a bona fide offer to purchase the Leased Property or the Landlord's rights under this Lease (other than solely as security for indebtedness which the Landlord in good faith intends to repay) and Landlord is willing to accept the offer, the Landlord will promptly give the Tenant a written notice of the offer (a "Notice of Offer"), including its terms, a statement that the Landlord is willing to accept the offer, and the identity of the offeror, and the Tenant will have the option (the "Matching Option"), exercisable by a notice in writing given to the Landlord not later than ten (10) days after the Landlord gives the Tenant the Notice of Offer, to purchase the Leased Property on the terms set forth in the Notice of Offer, except that if the consideration to be paid is to be other than cash, the Tenant

may pay the Landlord cash with a value equal to the consideration specified in the Notice of Offer. The Landlord may not complete the transaction described in the Notice of Offer unless and until the Matching Option expires unexercised. If the Tenant does not exercise the Matching Option before it expires, the Landlord may for six months after the Matching Option expires, sell the Leased Property, as specified in the Notice of Offer, to the offeror on terms not more favorable to the purchaser than those set forth in the Notice of Offer. If Landlord does not sell the Leased Property to the offeror in accordance with the foregoing, this Article XII shall remain in full force and effect with respect to any future or subsequent offers.

Section 12.2 If the Tenant exercises a Matching Option, the closing of the sale of the Leased Property from the Landlord to the Tenant will take place at Yerington, Nevada at 11 o'clock A.M. on a day specified by the Tenant in the notice of exercise of the Matching Option which will be not later than forty-five (45) days after the notice of exercise of a Matching Option is given. At that closing:

- (a) The Tenant will deliver to the Landlord such other payment of consideration as may be required upon exercise of the Matching Option.
- (b) The Tenant will make all payments of rent and other payments to the Landlord due to have been paid prior to the date of the closing, and all payments of rent and other payments to the Landlord hereunder already made by Tenant shall be prorated as of the closing date with any balances due to Tenant credited against the purchase price due at closing.
- (c) The Landlord will deliver to the Tenant (i) a Grant Bargain and Sale Deed transferring to the Tenant title to the Leased Property free and clear of any liens or encumbrances other than (x) the liens and encumbrances of record as of the date hereof, provided that Landlord will remove any monetary encumbrances prior to closing, and (y) liens and encumbrances which arise after the date of this Lease as a result of acts of, or with the consent of, the Tenant, and (ii) a bill of sale and such other documents as may be required to transfer to the Tenant all the personal property owned by the Landlord which is included in the Leased Property at the time of transfer.

Section 12.3 If the term of this Lease terminates for any reason, the provision of this Article XII will terminate simultaneously with termination of the term of this Lease.

ARTICLE XIII **Certificates**

Section 13.1 At any time and from time to time on not less than ten (10) days prior notice by Landlord, Tenant will execute, acknowledge and deliver to Landlord a statement in writing certifying that this Lease is unmodified and in full force and effect (or, if there have been modifications, that this Lease is in full force and effect as modified, and describing the modifications), and stating (a) whether there are any offsets or defenses on the part of Tenant, (b) the dates to which the rent and other charges have been paid in advance, if any, and (c) whether, to the best knowledge of the signer of the certificate, Tenant or Landlord is in default in performance of any obligations under this Lease and, if so, specifying each such default.

Section 13.2 At any time and from time to time on not less than ten (10) days prior notice by Tenant, Landlord will execute, acknowledge and deliver to Tenant a statement in writing certifying that this Lease is unmodified and in full force and effect (or, if there have been modifications, that the Lease is in full force and effect as modified, and describing the modifications), and stating (a) the dates to which the rent and other charges have been paid in advance, if any, and (b) whether or not, to the best knowledge of the signer of the certificate, Tenant or Landlord is in default in performance of any obligations under this Lease and, if so, specifying each such default.

ARTICLE XIV
Termination of Lease

Section 14.1 Upon the termination of this Lease, whether by lapse of time or otherwise, Tenant will at once surrender the Leased Property to Landlord in the condition in which it is required to be kept under this Lease, and Landlord and Tenant will have no further obligations under this Lease, except Tenant's obligation to pay rent for periods prior to the termination of this Lease and Tenant's obligations on termination of this Lease set forth in Article X.

Section 14.2 Upon the termination of this Lease, Tenant shall have the right to remove the Initial Improvements and all other improvements made by Tenant pursuant to this Lease. Removal of said improvements shall be solely at Lessee's expense and the Leased Property shall be restored to substantially the condition it was in on the Commencement Date, subject to ordinary wear and tear. Should Lessee fail to remove said improvements within ninety (90) days after the expiration of the Lease, said improvements shall be deemed abandoned and shall belong to Landlord, and Landlord will not be required to pay any compensation for them.

Section 14.3 All furniture, furnishings, equipment and other items of personal property placed in or on any portion of the Leased Property by Tenant during the term of this Lease will remain the property of Tenant. Should Tenant fail to remove said furniture, furnishings, equipment and other items of personal property within ninety (90) days after the expiration of the Lease, said personal property shall be deemed abandoned and shall belong to Landlord, and Landlord will not be required to pay any compensation for them.

ARTICLE XV
Bankruptcy

Section 15.1 If at any time during the term of this Lease there shall be filed by or against Tenant in any court pursuant to any statute either of the United States or of any State a petition in bankruptcy or insolvency or for reorganization or for the appointment of a receiver or trustee of all or a portion of Tenant's property, or if Tenant makes an assignment for the benefit of creditors or petitions for, or enters into, an arrangement (any of which are referred to herein as "a bankruptcy event"), then the following provisions shall apply:

(a) In all cases, any debtor in possession or trustee in bankruptcy shall either expressly assume or reject this Lease within the time provided in 11 U.S.C. §5365(d).

(b) In the event of an assumption of the Lease by a debtor or by a trustee, such debtor or trustee shall immediately after such assumption (i) cure any default or provide adequate assurance that defaults will be promptly cured, (ii) compensate Landlord for actual pecuniary loss and (iii) provide adequate assurance of future performance.

(c) Where a default exists in the Lease, the trustee or debtor assuming the Lease may not require Landlord to provide services or supplies incidental to the Lease before its assumption by such trustee or debtor, unless Landlord is compensated under the terms of the Lease for such services and supplies provided before the assumption of such Lease.

(d) Subject to the provisions of Article XI, the debtor and trustee may only assign this lease if: (i) it is assumed and (ii) adequate assurance of future performance by the assignee is provided, whether or not there has been a default under the Lease.

(e) Landlord specifically reserves any and all remedies available to Landlord in this Lease or at law or in equity in respect of a bankruptcy event by Tenant to the extent such remedies are permitted by law.

ARTICLE XVI
Miscellaneous

Section 16.1 Subject to the provisions of Article XI, this Lease will inure to the benefit of Landlord, Tenant, Landlord's successors and assigns and Tenant's successors and assigns.

Section 16.2 Whenever the approval or consent of Landlord or Tenant is required for any purpose under this Lease, that approval or consent will not be unreasonably withheld, delayed or conditioned. Without limiting the foregoing or any other provision hereof, if any approval or consent is requested by either party, unless the consenting party notifies the requesting party within sixty (60) days that it will not grant the approval or consent, the consenting party will be deemed to have given the approval or consent on the 61st day.

Section 16.3 This Lease will be governed by, and construed under, the laws of the State of Nevada.

Section 16.4 The captions of the Articles of this Lease are for convenience only and in no way affect the construction of the terms and conditions of this Lease.

Section 16.5 This Lease contains the entire agreement between the parties hereto and there are no promises, agreements, conditions, undertakings, or warranties, or representations, oral or written, express or implied, between them other than as herein set forth. No change or modification of this Lease or of any of the provisions hereof shall be valid or effective unless the same is in writing and signed by the parties hereto. No alleged or contended waiver of any of the provisions of this Lease shall be valid or effective unless in writing signed by the party against whom it is sought to be enforced.

Section 16.6 All notices and other communications required or permitted to be given by Landlord or Tenant must be in writing and will be deemed given on the day when delivered in person or on the third business day after the day on which mailed from within the United States of America by certified or registered mail, return receipt requested, postage prepaid, addressed as follows:

IF TO THE LANDLORD:

General Manager
Walker River Irrigation District
P.O. Box 820
410 N. Main Street
Yerington, Nevada 89447

IF TO THE TENANT:

Nevada Copper Inc.
Attn: Bob McKnight
P.O. Box 1640
61 E. Pursel Lane
Yerington Nevada 89447

or to such other place as Landlord or Tenant may from time to time designate in a written notice to the

other.

Section 16.7 Any holding over by mutual consent after expiration of the term of this Lease and without execution of a new Lease shall be construed as a month-to-month tenancy subject to all of the provisions of this Lease.

Section 16.8 In the event of any action or proceeding brought by either party against the other under this Lease, the prevailing party shall be entitled to recover the fees of its attorneys, costs of experts, deposition costs and other costs of suit, in such action or proceeding, including costs of appeal, if any.

Section 16.9 This Lease may be executed in counterparts, all of which will constitute one and the same agreement.

Section 16.10 Landlord and Tenant each represents and warrants to the other that no person has acted as a broker or finder or in a similar capacity in connection with this Lease or the transaction embodied in it. Landlord hereby indemnifies Tenant, and Tenant hereby indemnifies Landlord, against, and each of them agrees to hold the other harmless from, any liabilities, costs or expenses (including reasonable attorneys' fees) by reason of any claim for broker's, finder's or similar fees arising out of services allegedly performed for the indemnifying party.

Section 16.11 The rights and privileges of Landlord under this Lease will be cumulative, and no one of them will preclude Landlord from taking advantage of any other of them. Neither Landlord nor Tenant will have any rights not expressly granted in this Lease.

Section 16.12 Landlord may, with twenty-four (24) hours prior written notice, at a reasonable time or times, enter upon the Leased Property to inspect and photograph them and take any measures which may be essential for the protection and maintenance of the Leased Property or of any other property owned or operated by Landlord. In connection with such entry, Landlord shall comply with Tenant's security, safety and other policies and procedures.

Section 16.13 Nothing in this Lease shall be deemed or construed to constitute an agency, partnership or joint venture between Landlord and Tenant.

Section 16.14 Subject to the Tenant's rights hereunder, including, without limitation, Tenant's right of first refusal, Landlord shall have the right to freely assign this Lease to any purchaser of Landlord's interest in the Leased Property, upon notice to the Tenant.

Section 16.15 If any provision of this Lease or the application thereof to any persons or circumstances shall to any extent be invalid or unenforceable, the remainder of this Lease, or the application of such provision to persons or circumstances other than those as to which it is invalid or unenforceable, shall not be affected thereby, and each provision of this Lease shall be valid and be enforced to the fullest extent permitted by law.

Section 16.16 No failure by Landlord to insist upon the strict performance of any term, covenant, agreement, provision, condition or limitation of this Lease to be kept, observed or performed by Tenant, and no failure by Landlord to exercise any right or remedy available upon a breach of any such term, covenant, agreement, provision, condition or limitation of this Lease, shall constitute a waiver of any such breach or of any such term, covenant, agreement, provision, condition, or limitation.

Section 16.17 Except as expressly provided in this Lease, each requirement that a sum be paid or an act performed by a specified date is an essential term of this Lease.

Section 16.18 Tenant hereby agrees that it will, at its expense, comply with all applicable laws, regulations, rules and orders, regardless of when they become or became effective, relating to Tenant's use and occupancy of the Leased Property, including without limitation those relating to health, safety, noise, environmental protection, waste disposal, and water and air quality and furnish satisfactory evidence of such compliance upon request of Landlord. Should any discharge, leakage, spillage, emission, or pollution of any type occur upon or from the Leased Property due to Tenant's use and occupancy thereof, Tenant, at its expense, shall be obligated to undertake such measures as shall be required by any governmental body having jurisdiction to eliminate and/or mitigate the affects thereof. Except in compliance with Environmental Laws, Tenant shall not bring onto the Leased Property any hazardous materials or toxic chemicals, substances, mixtures, wastes, contaminants or pollutants within the meaning of any Environmental Laws. Tenant agrees to indemnify, defend and hold harmless Landlord from and against any and all claims that are asserted against or incurred by Landlord as a result of the presence at, on or under the Leased Property of any Hazardous Material brought to the Leased Property by Tenant, or as a result of any discharge, leakage, spillage, emission, or pollution of any type occurring upon or from the Leased Property due to Tenant's use and occupancy thereof, or as a result of any violations of Environmental Laws by Tenant. Landlord agrees to indemnify, defend and hold harmless Tenant from and against any and all Claims that are asserted against or incurred by Tenant as a result of the presence at, on or under the Leased Property of any Hazardous Material occurring prior to the Lease Term, or otherwise brought to the Leased Property by Landlord or any of Landlord's predecessors or prior tenants, or as a result of any discharge, leakage, spillage, emission, or pollution of any type occurring upon or from the Leased Property related to Landlord or any of Landlord's predecessors or prior tenants, or as a result of any violations of Environmental Laws by Landlord or any of Landlord's predecessors or prior tenants.

The term "**Environmental Laws**" shall include, without limitation, the Clean Air Act, 42 U.S.C. §7401 et. seq.; the Clean Water Act, 33 U.S.C. §1251 et. seq., and the Water Quality Act of 1987; the Federal Insecticide, Fungicide, and Rodenticide Act ("FIFRA"), 7 U.S.C. §136 et. seq.; the Marine Protection, Research, and Sanctuaries Act, 33 U.S.C. §1401 et. seq.; the National Environmental Policy Act, 42 U.S.C. §4231 et. seq.; the Noise Control Act, 42 U.S.C. §4901 et. seq.; the Occupational Safety and Health Act, 29 U.S.C. §651 et. seq.; the Resource Conservation and Recovery Act ("RCRA") 42 U.S.C. §6901 et. seq., as amended by the Hazardous and Solid Waste Amendments of 1984; the Safe Drinking Water Act, 42 U.S.C. §300f, Comprehensive Environmental Response, Compensation and Liability Act "CERCLA"), 42 U.S.C. §9601 et. seq., as amended by the Superfund Amendments and Reauthorization Act, and the Emergency Planning and Community Right-to-Know Act; the Toxic Substance Control Act ("TSCA"), 15 U.S.C. §2601 et. seq.; and the Atomic Energy Act, 42 U.S.C. §2011 et. seq.; all as may be amended, with implementing regulations and guidelines. Environmental Laws shall also include all state, regional, county, municipal and other local laws, regulations and ordinances insofar as they are equivalent or similar to the federal laws recited above or purport to regulate Hazardous Materials.

The term "**Hazardous Materials**" shall include, without limitation, any hazardous substance, pollutant, or contaminant regulated under CERCLA; pesticides regulated under FIFRA; asbestos, polychlorinated biphenyls, and other substances regulated under TSCA; source material, special nuclear material and byproduct materials regulated under the Atomic Energy Act; and industrial process and pollution control wastes to the extent regulated under applicable Environmental Laws.

The term "**Claims**" shall include, without limitation, any demand, cause of action, proceedings, or suit for damages (actual or punitive), injuries to persons or property, damages to natural resources, fines, penalties, interest, costs, expenses, damages, losses, or the costs of site investigations, feasibility studies, information requests, health assessments, contribution, settlement, actions to correct, remove, remedies, respond to, clean up, prevent, mitigate, monitor, evaluate, assess, or abate the release of a Hazardous Material, or enforcing insurance, contribution or indemnification agreements.

Section 16.19 Except as otherwise expressly set forth herein, Tenant will not create or permit to exist any lien or other encumbrance on the Leased Property resulting from any acts or omissions by Tenant. If as a result of the failure of Tenant to pay any amount which Tenant is required by this Lease to pay, to make any payment to a contractor or subcontractor which the Tenant is required by this Lease to make or to make any other payment a lien is placed upon the Leased Property, Landlord may, but will not be required to, pay such sum as is required to obtain discharge of the lien, or obtain the discharge of the lien by deposit or bonding. If Landlord does that, Tenant will pay Landlord, promptly on demand as additional rent under this Lease, the entire sum spent by Landlord plus Landlord's reasonable expenses, including reasonable attorneys' fees in connection with obtaining discharge of the lien.

Section 16.20 Tenant may record a memorandum of lease, including the option and right of first refusal provided hereunder, in the official records of the county in which the Leased Property is located.

IN WITNESS WHEREOF, Landlord and Tenant have executed this Lease the date and year first written above.

LANDLORD:

TENANT:

WALKER RIVER IRRIGATION DISTRICT

NEVADA COPPER, INC.

By: _____

By: _____

Print: _____

Print: _____

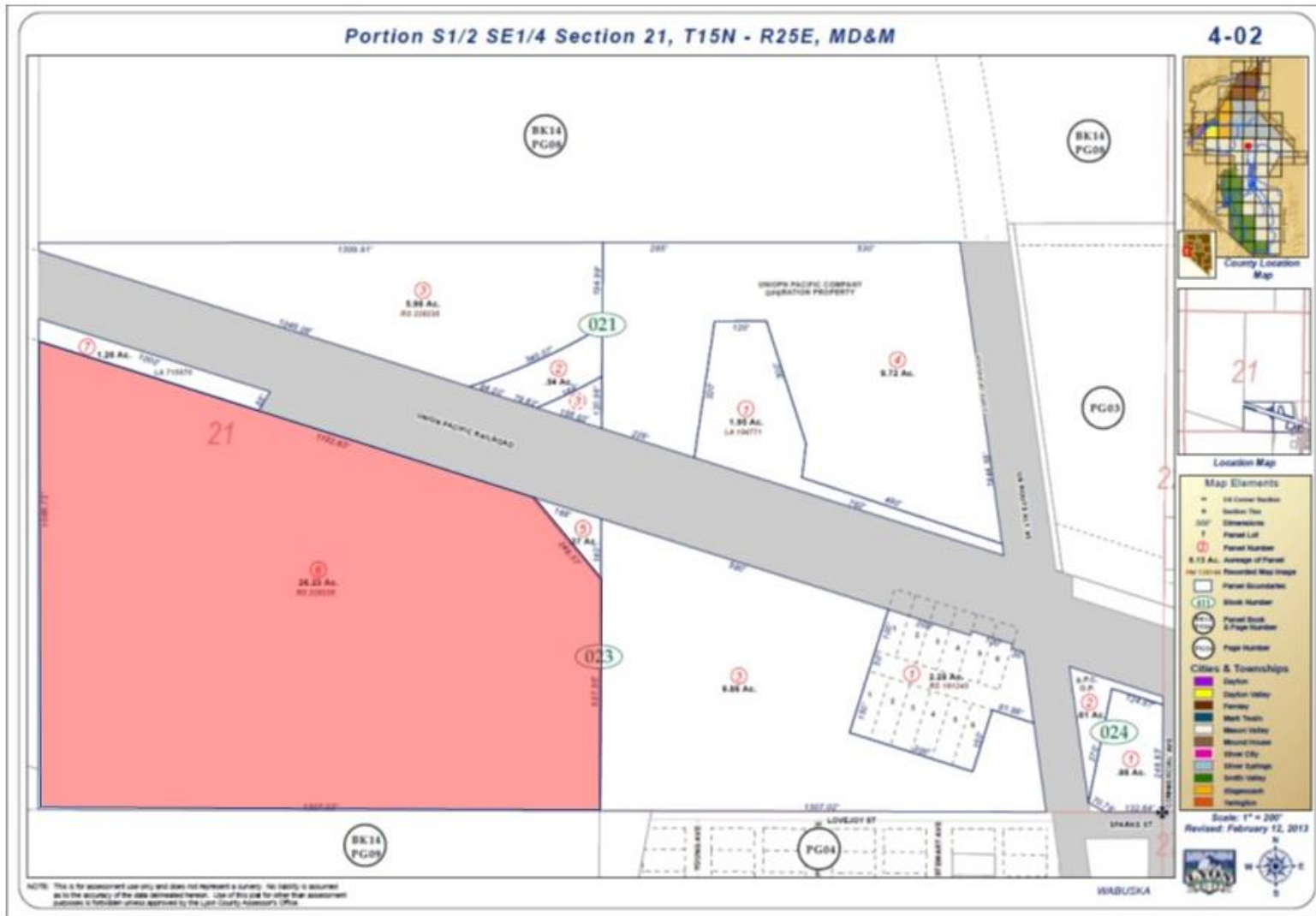
Title: _____

Title: _____

Exhibit A

Description of Leased Property

(approx. 26 acres as shown below in the red-shaded area)



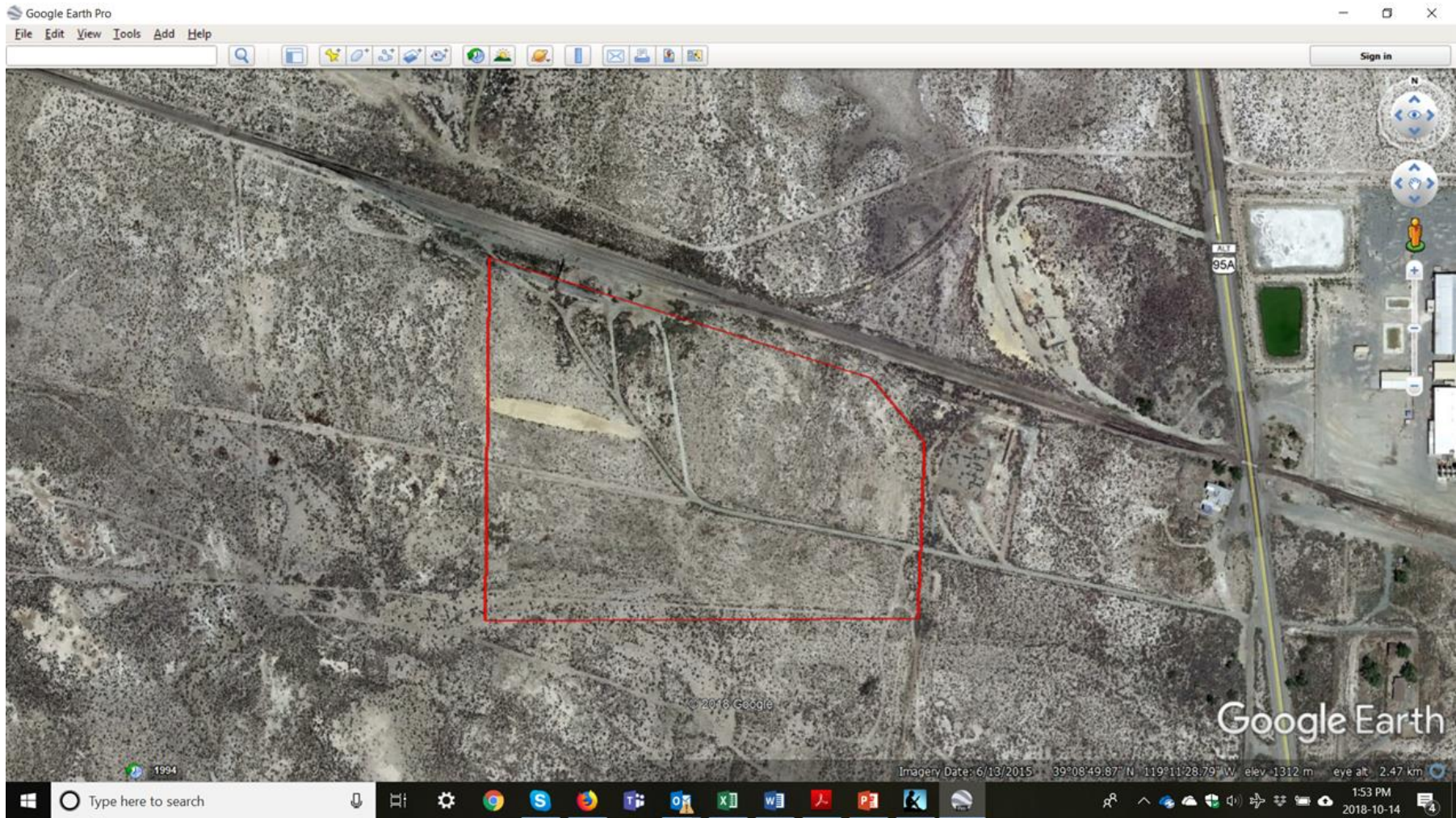


Exhibit B
Initial Improvements

- Establishment of adequate road easement and two-way road access
- Grading and ground preparation
- Establishment of site security, fencing, power and any other required infrastructure
- Construction of storage building and concrete or paved storage pads as required
- Construction of rail side loading docks
- Any other buildings, structures or infrastructure as may be deemed necessary for the proposed operations