

WATER SUPPLY AGREEMENT BETWEEN THE JICARILLA APACHE NATION AND
NEW MEXICO COPPER CORPORATION, INC.

THIS AGREEMENT (the “Agreement”) effective May 12, 2015, is between the JICARILLA APACHE NATION (the “Nation”) and New Mexico Copper Corporation, Inc. (“NM Copper”). The Nation and NM Copper are collectively referred to as the “Parties” and individually as “Party.”

EXPLANATORY RECITALS

NM Copper is in need of a water supply and water is available on a temporary basis from the Nation’s San Juan-Chama water supply, and

The Nation is the owner of certain water rights pursuant to the Jicarilla Apache Tribal Water Rights Settlement Act of October 23, 1992, 106 Stat. 2237 (the “Settlement Act”), and the Act of June 13, 1962, 76 Stat. 96 (the “NIIP/San Juan-Chama Act”), and

The Nation has the right to deplete up to 6,500 acre feet per year from the San Juan-Chama Project pursuant to the Settlement Act and paragraph 4(d) of the Contract between the Nation and the United States of America dated December 8, 1992 (the “Federal Contract” attached as Exhibit A), and

The Nation has the right to market such water pursuant to the Settlement Act and the Federal Contract, and

The Nation desires to subcontract under the Federal Contract to market water to NM Copper, and NM Copper desires to purchase such water supply under the terms and conditions of this Agreement,

ACCORDINGLY, in consideration of the mutual covenants in this Agreement, the Parties agree as follows:

ARTICLE 1
GENERAL DEFINITIONS

- 1.1 “Nation” means the Jicarilla Apache Nation. The Nation is a federally recognized Indian tribe organized under the Indian Reorganization Act.
- 1.2 “Project” means the San Juan-Chama Project created by the diversion of San Juan basin water into the Rio Grande basin with terminus storage at Heron Dam as authorized by the Act of Congress of June 13, 1962.
- 1.3 “Heron Dam” means the delivery point for the Nation’s San Juan-Chama water supply as it is defined in the Federal Contract and delivered by the United States Bureau of Reclamation (“USBR”).
- 1.4 “Notice” is proper notice provided pursuant to Article 13 of this Agreement.
- 1.5 “NEPA” means the National Environment Policy Act. 42 U.S.C. §§4321 et seq.
- 1.6 “ESA” means the Endangered Species Act. 16 U.S.C. §§1531 et seq.
- 1.9 “USBR” means the United States Bureau of Reclamation.
- 1.10 “NM Copper” means New Mexico Copper Corporation, Inc., its successors or assigns.
- 1.11 “State Engineer Approved” means a final order of the New Mexico State Engineer approving the use of water leased under the contract to offset effects of pumping on the Rio Grande.
- 1.12 “Secretary” means the Secretary of the United States Department of Interior.
- 1.13 “Commencement of mining operations” means the date on which mined rock is first fed to the mine primary crusher in order to build the ore stockpile ahead of the concentrator.
- 1.14 “Federal Contract” means the contract between the Nation and the United States dated December 8, 1992 that was authorized and adopted by Congress in the

Jicarilla Apache Tribe Water Rights Settlement Act of October 23, 1992, 106 Stat. 2237.

- 1.16 “Sublease” means any agreement, contract, subcontract, sublease, or arrangement of any kind made by NM Copper to deliver or make available for delivery to a third party all or a portion of the water made available for delivery to NM Copper under this Agreement.
- 1.17 “Subleasing” means any agreeing, contracting, subcontracting, subleasing, or arranging of any kind by NM Copper to deliver or make available for delivery to a third party all or a portion of the water made available for delivery to NM Copper under this Agreement.
- 1.18 A “Right of First Refusal” means the right of NM Copper to be given notice of a potential third party contract, the terms of that contract, and the right to match the price term and thereby keep this Agreement in full force and effect.

ARTICLE 2 CONTRACT CONDITIONS

- 2.1 This Lease is intended to meet water requirements imposed on NM Copper by the New Mexico State Engineer. If the New Mexico State Engineer directs that a lesser amount of Leased Rights than 3,000 acre feet per annum shall be allowed or required that quantity shall be the amount acquired under this Lease.
- 2.2 Compliance by the Nation with Article 11.6 is a Condition Precedent. If the New Mexico State Engineer determines that no offsetting water is required for NM Copper to pump water from its wells for this project, this contract will terminate, and neither party shall have any further obligation hereunder.

ARTICLE 3
TERM OF AGREEMENT

- 3.1 The term of this Agreement shall be from the date on which all necessary approvals are received to fifteen (15) years after commencement of mining operations, unless earlier terminated pursuant to the provisions of Article 19. The Parties may begin at the end of the twelfth year to develop new terms and conditions mutually agreeable to both Parties for any additional renewal period after the expiration of the fifteen year term of this Agreement.

ARTICLE 4
WATER AVAILABILITY

- 4.1 The Nation shall deliver to NM Copper, through USBR pursuant to the Federal Contract, up to 3,000 acre-feet of water per year beginning on the date of commencement of mining operations and continuing from the first date of delivery and at such times during the term of this agreement as best suits NM Copper's needs until fully delivered but no later than December 31st of each year for the term of this agreement. NM Copper shall give the Nation six months prior Notice of the date on which it will commence mining operations. NM Copper shall pay the Nation for the water as provided in Articles 6 and 7. Provided, however, that should, because of market conditions or unforeseen circumstances, NM Copper not require the full amount under this Agreement, the amount delivered shall be reduced to actual demand, but in no case shall payment under this Agreement fall below \$50,000.00.
- 4.2 NM Copper shall be responsible for the operation, maintenance, and replacement costs of the San Juan - Chama project that the Federal Bureau of Reclamation

bills the Nation per acre foot/year (for municipal and industrial uses) payable annually through the term of this contract to the Federal Bureau of Reclamation associated with the quantity of water leased. These charges will be in addition to lease rates set forth in Article 7.

4.3 NM Copper shall have no holdover storage rights in Heron Reservoir from year to year, and NM Copper does hereby relinquish claim to any annual water supply to which it is entitled hereunder, but has not utilized beginning with the commencement of mining operations and for the term of this Agreement. Any water subject to delivery hereunder not called for by the end of each calendar year shall become integrated with the water supply for all purposes of the Heron Reservoir at that time.

4.4 Subject to the water shortage constraints described under Article 9, obtaining the appropriate permit from the New Mexico State Engineer (“State Engineer”), and compliance with any applicable laws and regulations, NM Copper may, in its sole discretion, determine the timing and manner in which water is diverted provided that there are no operational constraints in the routing of releases through El Vado and Abiquiu dams as determined by Reclamation or the Corps of Engineers.

ARTICLE 5 WATER USE

5.1 The water provided hereunder shall be used by NM Copper, and NM Copper shall prepare and furnish such reports on water use and related data as required by the Nation and USBR.

5.2 In the event that NM Copper cannot take full delivery of water supplied under this Agreement for its purposes, then NM Copper may sublease water to third parties

only when the terms and conditions of any sublease agreement are approved in writing in advance by the Nation, which approval shall not be unreasonably withheld. NM Copper shall provide ninety (90) days written Notice to the Nation of any proposed Sublease, regardless of duration. Such Notice shall include a copy of the proposed Sublease. NM Copper is prohibited from Subleasing for a term longer than one (1) year any water supplied under this Agreement to third parties unless specifically authorized by the Nation in writing prior to execution of the Sublease. If water is subleased for a price per acre foot that is greater than that NM Copper pays to the Nation for that same water, the Parties shall share equally in the amount of the exceedance. Any Sublease may also require approval by the USBR. Every Sublease shall incorporate and be subject to the terms and conditions of this Agreement and the Federal Contract.

- 5.3 In the event that NM Copper does not want to sublease any water of which it cannot take delivery from the Nation, nothing in this paragraph shall preclude NM Copper from relinquishing any undelivered amounts to the Nation for use by the Nation in the manner it chooses.

ARTICLE 6 PAYMENT FOR LOST OPPORUNITY

- 6.1 As compensation to the Nation for its lost opportunity to market its water prior to delivery to NM Copper, NM Copper shall pay the Nation an annual payment in the amount of \$50,000.00 (payable in two (2) equal installments of \$25,000.00) for the year(s) preceding actual delivery of water subject to this Agreement. For purposes of this section a year is defined as beginning January 1st and ending December 31st.

- 6.2 The initial payment shall be made within thirty (30) days after the approval of this Agreement by the Secretary. In the event approval of the Secretary occurs prior to January 1st, the initial payment shall be prorated accordingly. Succeeding annual payments shall be made on January 1st and July 1st of each year.
- 6.3 The succeeding annual payments shall be adjusted for inflation and market value increases as provided for in subsection 6.4 herein.
- 6.4 Beginning in the second year of this Agreement and every year thereafter, the annual payments shall be adjusted for inflation. The price adjustment will be indexed to the Consumer Price Index (CPI-U Western Region) for the 12 months preceding the annual lease term or three and one-half percent (3.5%), whichever is the greater number.
- 6.5 Payments under Section 6 shall end upon actual delivery of water to NM Copper.

ARTICLE 7
PAYMENT FOR WATER DELIVERED

- 7.1 Beginning on the commencement of mining operations, NM Copper agrees to pay in advance on a semi-annual basis for 3,000 acre-feet of water, whether or not NM Copper actually takes and uses such water. The rate charged in year one (the year of commencement of mining operations) for this contract for water is \$125.00 per acre-foot per year. Payment due for year one (the year of commencement of mining operations) shall be prorated according to the date of first delivery. The amount due in each subsequent year of the contract shall be adjusted for inflation as provided in Section 6.4. The appropriate amount due for each year subsequent to the first year of delivery shall be paid in advance, on a semi-annual basis, the first payment due no later than January 31st of the year the

water is delivered. The payment will be made after both parties have signed this Agreement, approval of this Agreement by USBR, and issuance of the appropriate permit by the State Engineer.

- 7.2 The payment described in this Article and in Article 6, along with the operation and maintenance costs as set forth in Article 4.2, represents the total consideration due for the water purchased under this Agreement. Each Party shall bear its own administrative costs.
- 7.3 If NM Copper pays in advance for water supplied under the requirements of Article 7.1 and water purchased under the terms of this Agreement is not delivered to NM Copper due to circumstances beyond the control of either party, then a full refund less expenses incurred by the Nation will be made on an acre-foot basis for all water not delivered from Heron Dam and Reservoir by December 31st of the year for which water is not delivered.

ARTICLE 8 MEASUREMENT AND RESPONSIBILITY FOR DISTRIBUTION

- 8.1 The water furnished under this Agreement shall be supplied and delivered by the Nation, through USBR pursuant to the Federal Contract, to NM Copper which agrees to make arrangements for storage, diversion and conveyance of such water to places of use at NM Copper's own expense. Further, NM Copper shall bear all post – delivery water losses, including but not limited to consumptive losses, conveyance losses and channel losses.
- 8.2 NM Copper will be responsible for the measurement of water diverted from Heron Dam and Reservoir under this Agreement. Beginning in the year following the first delivery of water and for the duration of this Agreement, records of the

previous year's diversion and associated accounting by NM Copper or others will be provided to the Nation and USBR no later than January 31 of the following year.

- 8.3 The Nation shall not be responsible for the storage, diversions, control, carriage, handling, use, disposal, or distribution of water taken by NM Copper hereunder, and NM Copper shall hold the Nation harmless on account of damage or claim of damage of any nature arising out of or connected with the storage, diversion, control, carriage, handling, use, disposal, or distribution of such water.

ARTICLE 9 WATER SHORTAGES AND LIMITATIONS

- 9.1 The delivery of water during any calendar year is conditioned upon and subject to the following:
- 9.1.1 Any shortages to the San Juan-Chama Project supply that are determined to exist by the Secretary for any reason will be shared among Project beneficiaries only pursuant to all Project authorizations, the Federal Contract and any other applicable laws. In no event shall any liability accrue against the United States, the Nation or any officers, agents, or employees of either for any damage, direct or indirect, arising from a shortage for any causes.
- 9.1.2 If shortages are declared by the Secretary such that the Nation cannot supply and deliver through USBR pursuant to the Federal Contract in accordance with Article 4.1 of this Agreement all the water contracted for from the San Juan-Chama Project supply, NM Copper's payment will be reduced in proportion to the amount of water not supplied, or credited against the following year's payment or refunded.

9.1.3 This Agreement and all water delivered pursuant hereto shall be subject to and controlled by the Colorado River Compact, the Boulder Canyon Project Act, the Boulder Canyon Project Adjustment Act, the Upper Colorado River Basin Compact, the Mexican Water Treaty of February 3, 1944, the Colorado River Storage Project Act, the NIIP/San Juan-Chama Act, the Colorado River Basin Project Act and other applicable federal law. In the event deliveries to NM Copper are required to be curtailed under and by reason of any of the provisions of the foregoing, NM Copper agrees to a reduction of the amount of water delivered hereunder as the Secretary determines necessary to comply with said acts. In that event, NM Copper's Contract Rate payment to the Nation will be reduced in proportion to the amount of water not supplied.

ARTICLE 10
PAYMENT CONDITIONED UPON DELIVERY

- 10.1 NM Copper's obligation to pay the Nation is conditioned upon the delivery of the water at the outlet works of Heron Dam and Reservoir, all as provided for in this Agreement.
- 10.2 Subject to the Nation's ability to supply and deliver, through USBR pursuant to the Federal Contract, the water contracted for from San Juan-Chama Project supply or otherwise as provided in this Agreement, NM Copper shall take all the water ordered, or shall pay for the water as if taken.

ARTICLE 11
OTHER PROVISIONS

- 11.1 This Agreement incorporates by reference the Federal Contract, a true and correct copy of which is attached as Exhibit "A".

- 11.2 This Agreement is subject to the requirements of NEPA and ESA. The Parties understand that USBR will conduct a review in compliance with NEPA.
- 11.3 This Agreement is subject to the approval of the Secretary or his designee pursuant to the Federal Contract.
- 11.4 Notwithstanding the provisions of Article 17, if a Party is in default, which default continues for more than thirty (30) days after Notice, the Parties may seek to remedy the default under the Dispute Resolution provisions of this Agreement (Article 18).
- 11.5 This Agreement is dependent upon the issuance of a diversion permit for the contracted water from the State Engineer that is final and not appealable. Any payments made pursuant to Article 7 are subject to refund as provided in Article 7.3 if the diversion permit is not issued or if the decision to grant the permit is reversed. In that event, all payment obligations will cease and this Agreement will terminate as of the date of a final denial of a diversion permit by the State Engineer.
- 11.6 The Nation shall obtain all requisite approvals under the Federal Contract.
- 11.7 The Nation shall comply with all requirements of the Federal Contract related to this Agreement.
- 11.8 The Parties shall cooperate in all required approval processes.
- 11.9 Andrew Maloney, Chief Executive Officer of THEMAC Resources, represents and warrants that he has the authority to enter into this agreement and that upon his signature hereon, this Agreement is a binding obligation of NM Copper.

- 11.10 Both Parties are relying on the advice of their own technical and legal experts in entering into the Agreement and there are no warranties or representations by either Party other than those expressly contained herein. Any ambiguities herein shall not be construed in favor of or against either Party as the drafter hereof.
- 11.11 Nothing in this Agreement shall be construed to obligate the Nation to construct, install, operate or maintain pumps, pipelines, storage tanks, distribution lines, or other facilities required to take, convey or distribute water made available under this Agreement.
- 11.12 NM Copper agrees to cooperate with the Nation in its general activities to put its settlement rights to beneficial use within the Rio Chama and Rio Grande basins. NM Copper further agrees to not take legal action in the form of inter se or the filing of formal protests against the Nation regarding water rights filings in the Upper Chama adjudication or future transfers and diversions of the Nation's native Rio Grande rights or its San Juan-Chama water for the duration of this Agreement or amendments thereto.

ARTICLE 12
NOTICES

- 12.1 Any Notice, demand, or request authorized by this Agreement shall be deemed to have been given if mailed (return receipt requested), hand delivered, or faxed as follows:

To: New Mexico Copper Corporation, Inc.

Jeffrey Smith
Chief Operating Officer
New Mexico Copper Corp.
2424 Louisiana Blvd. NE Suite 301
Albuquerque, NM 87110

(505) 382 5770
(505) 881-4616

To Nation:

President
Jicarilla Apache Nation
P.O. Box 507
Dulce, NM 87528
Facsimile number 575-759-4487

With a copy to:

Jenny Dumas, Esq.
Natasha D. Cuylear, Esq.
Johnson Barnhouse & Keegan LLP
7424 4th Street NW
Los Ranchos de Albuquerque
New Mexico 87107
Facsimile number 505-842-6124

To USBR:

Regional Director
Upper Colorado Region
Attn: UC-400
125 South State Street
Room 6107
Salt Lake City, Utah 84138-1102
Facsimile number 801-524-5499

All Notices and demands given or required to be given by a Party to the other Party shall be deemed to have been properly given if and when delivered in person, sent by facsimile (with verification of receipt) or three (3) business days after having been deposited with the U.S. Postal Service and sent by registered or certified mail, postage prepaid.

In the event either party delivers a Notice by facsimile, as set forth above, such Party agrees to deposit the originals of the Notice in a Post Office, or mail depository maintained by the U.S. Postal Service, postage prepaid, and addressed

as set forth above. Such deposit in the U.S. Mail shall not affect the deemed delivery of the Notice by facsimile, provided that the procedures set above are fully complied with.

- 12.2 The designation of the addressee or the address may be changed by Notice given in the same manner as provided above in Article 12.1.

ARTICLE 13 ASSIGNMENT

- 13.1 The provisions of this Agreement shall apply to and bind the successors and assigns of the Parties, but no assignment of this Agreement or of any right or interest hereunder shall be valid until approved in writing by the other Party and the Secretary or designee, which consent shall not be unreasonably withheld.

ARTICLE 14 WATER AND AIR POLLUTION CONTROL AND WATER CONSERVATION

- 14.1 NM Copper shall comply with all applicable water and air pollution control laws now or hereafter in force, and shall be responsible for obtaining all required licenses and permits.

ARTICLE 15 EQUAL OPPORTUNITY AND RELATED LAWS

- 15.1 NM Copper or its assignee will not discriminate against any employee or applicant for employment because of race, color, religion, sex or national origin. NM Copper will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to race, color, religion, sex or national origin. Such action shall include, but not be limited to, the following: Employment, upgrading, demotion or transfer, recruitment or

recruitment advertising, layoff or termination, rates of pay or other forms of compensation, and selection for training, including apprenticeship.

15.2 NM Copper will, in all solicitations or advertisements for employees placed by or on behalf of the subcontractor, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex or national origin.

15.3 The Nation will take such action with respect to any subcontractor as the USBR may direct as a means of enforcing such provisions, including sanctions for noncompliance; provided however, if the Nation becomes involved in, or is threatened with, litigation with a subcontractor as a result of such direction, the Nation may request the United States to enter into such litigation to protect the interest of the United States.

15.4 Nothing in paragraphs 15.1 through 15.3, above, shall be read as prohibiting the Nation from requiring that subcontractors give preferential employment to members of the Jicarilla Apache Nation.

ARTICLE 16 HOLD HARMLESS

16.1 In the event that any action taken by any administrative entity or judicial forum curtails, diminishes or eliminates the San Juan-Chama water supply to which the Nation is otherwise entitled, and results in the curtailment, diminishment or elimination of deliveries to NM Copper under this Agreement the Agreement will terminate and NM Copper will hold the Nation harmless and will not seek to enforce the terms and conditions of this Agreement except for NM Copper's right to a refund or reimbursement as described in Articles 7 and 9 above.

ARTICLE 17
FORCE MAJEURE

17.1 Neither Party shall be considered to be in default in respect to any obligation hereunder, if delays in or failure of performance shall be due to Uncontrollable Forces. "Uncontrollable Forces" shall mean any cause beyond the control of the Party affected and not due to its fault or negligence, including, but not limited to, acts of God, flood, earthquake, storm, fire, lightning, epidemic, war, riot, civil disturbance, sabotage, strikes or other labor disturbances, or restraint by court or public authority, any of which such Party could not reasonably have been expected to avoid, and which by the exercise of due diligence it is unable to overcome. Neither Party shall, however, be relieved of liability for failure of performance if such failure is due to removable or remediable causes which it fails to remove or remedy with reasonable dispatch. Nothing contained herein, however, shall be construed to require either Party to prevent or settle a strike or other labor disturbance against its will. The Party whose performance hereunder is so affected shall immediately notify the other Party of all pertinent facts and take all reasonable steps to promptly and diligently prevent such causes if feasible to do so, or to minimize or eliminate the effect thereof without delay.

ARTICLE 18
DISPUTE RESOLUTION

18.1 Disputes shall first be discussed and resolved by representatives of each Party having the authority, through appropriate corporate or tribal resolution, if necessary, to bind the Party that they represent. Such representatives shall use their best efforts to amicably and promptly resolve the dispute. Pending

resolution of any dispute, the Parties shall continue to perform their obligations hereunder. If the Parties are unable to resolve any dispute within fifteen (15) calendar days of the occurrence of the event or circumstances giving rise to the dispute, either Party may give written notice to the other Party that the dispute is to be submitted to binding arbitration. Such notice shall name a proposed arbitrator. In the event that the other Party does not agree to the proposed arbitrator, it shall submit the name of its proposed arbitrator, within ten (10) calendar days of said notice, and if that person is not acceptable to the Party giving the original notice, the arbitrators proposed by each Party shall, within five (5) days, select a third arbitrator. The person selected to be an arbitrator must be licensed to practice law in the United States and have experience in Indian and water law.

18.2 The arbitration provisions herein shall constitute the sole and exclusive procedural remedy to any dispute or controversy arising out of this Agreement and shall be binding on the Parties. All reasonable fees and costs incurred by the arbitrators shall be split equally by the Parties and each Party shall be responsible for payment of its own attorney's fees, preparation fees, witness and expert fees, and other costs.

18.2.1 An arbitration hearing shall be held at the Jicarilla Apache Nation's judicial complex in Dulce, NM within thirty (30) days of the appointment of the last arbitrator. At the hearing, each Party may submit statements of fact or memoranda of law as desired and the arbitrator(s) shall allow each Party to

present its case, evidence and witnesses, if any, in the presence of both Parties.

The arbitrator(s) shall render their decision promptly after the hearing.

18.2.2 The prevailing Party shall be entitled to confirmation of any award of the arbitrator(s) and to judgment thereon. For purposes of confirmation of any award of the arbitrator(s), the Parties hereby consent to jurisdiction in the Jicarilla Apache Nation's Tribal Court. The Nation waives its sovereign immunity solely for the purpose of the obligations of this Article, including but not limited to the entry and enforcement of the arbitration award. This waiver of immunity is not intended, nor shall it be construed to, (a) waive the Nation's sovereign immunity for any other purpose, or (b) extend to the benefit of any person other than Parties to this Agreement or their successors or assigns. This waiver of immunity from suit shall not be construed as an admission of liability by the Nation as to any claim for damages or as an agreement or willingness to pay any amount as damages absent an arbitration determination of liability, and the Nation shall have the right to defend any such claim fully on the merits.

18.2.3 This Agreement shall be governed by and construed in accordance with the laws of the Jicarilla Apache Nation as applicable, and as codified in the Jicarilla Apache Nation Code (2007) with specific reference to Title 21: Water Code.

ARTICLE 19 RELINQUISHMENT AND EARLY TERMINATION

19.1 NM Copper may elect to permanently relinquish a portion of the water to be made available for delivery under this Agreement and may be excused from performance of the corresponding portion of its obligation to pay for water, or may terminate this Agreement prior to the expiration date, provided that such

election may be exercised by NM Copper only upon satisfaction of the following conditions:

- 19.1.1 NM Copper shall provide the Nation twelve (12) months advance written Notice of its intent to terminate this Agreement or to relinquish a portion of the water to be made available for delivery under this Agreement. Such Notice shall specify whether it is a Notice of termination or relinquishment, and if for relinquishment, the amount of relinquishment in AFY.
- 19.2 The Nation, in the event of extraordinary circumstances, at its sole discretion may be excused from performance of the corresponding portion of its obligation to deliver water, or may terminate this Agreement prior to the expiration date, provided that such election may be exercised by the Nation only by providing NM Copper twelve (12) months advance Notice of its intent to terminate this Agreement and provided that NM Copper shall be given a right of first refusal if the purpose of the cancellation is to contract with a third party.
- 19.3 If NM Copper is more than sixty (60) days delinquent in a payment under this Agreement, the Nation shall provide NM Copper thirty (30) days notice of its intent to terminate. If NM Copper fails within thirty (30) days after notice to cure such delinquency or fails to invoke the Dispute Resolution provisions of Article 18 of this Agreement, the Nation may, in its sole discretion, terminate this Agreement. A partial payment shall be deemed to be a delinquent payment for this purpose unless the parties mutually agree in writing to a schedule for partial payments and the partial payment is made pursuant to the terms of that agreement and all terms of this Agreement. This right of termination is without prejudice to

any other right or remedy to which the Nation is entitled in the event of a breach by NM Copper.

ARTICLE 20
AMENDMENTS

20.1 This Agreement may be amended only by written instrument executed by the Parties with the same formalities and requisite approvals as this Agreement.

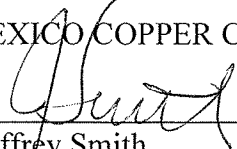
ARTICLE 21
POLICY STATEMENT ON INDIAN PREFERENCE

21.0 As an employer, the Nation seeks to employ individuals who possess the skills, abilities, and background to meet the employment needs of the tribe. As a sovereign Indian tribe and a unique cultural group, the Nation promotes preference for qualified Indian individuals in employment. Accordingly, the Nation has established Title 23 in the Jicarilla Apache Nation Code for hiring employees to provide services that meet the needs of the Nation's people. NM Copper hereby supports and endorses the policy of the Nation and shall reasonably consult with the Nation to give preference in employment to members of the Nation and to maximize utilization of tribal members in all available employment opportunities. It is the intent of NM Copper to build a core group of skilled labor candidates through job placement and training assistance to eligible enrolled members of the Nation.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be duly executed by their duly authorized representatives having the specific authority to execute this Agreement as of the date set forth below.

NEW MEXICO COPPER CORPORATION, INC.:

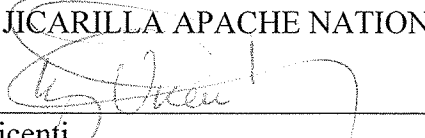
By: _____


Jeffrey Smith
Chief Operating Officer

Date: July 14, 2015

THE JICARILLA APACHE NATION

By: _____


Ty Vicenti
President

Date:

Resolution No. 2015-R-228-05

APPROVED AS REQUIRED BY THE FEDERAL CONTRACT:

UNITED STATES BUREAU OF RECLAMATION, AS THE DULY AUTHORIZED
DELEGATEE OF THE SECRETARY OF THE DEPARTMENT OF THE INTERIOR
OF THE UNITED STATES

By:

Printed Name:

Title: Regional Director

Date:

By:

Printed Name:

Title: Regional Solicitor

Date:

APPENDIX

**Explanation of Purposes of Use and Location for Use
of San Juan / Chama Surface Water
Leased from the Jicarilla Apache Nation**

Pursuant to the Lease Agreement entered into between the Jicarilla Apache Nation and New Mexico Copper Corporation for lease of San Juan / Chama surface water, dated May 1, 2015, the following explains the anticipated purposes and locations of use of the water:

All water under the Contract; all water will be released into the Rio Grande to offset pumping from wells owned by New Mexico Copper Corporation, specifically wells designated by the New Mexico State Engineer as file numbers LRG-4652 through LRG-4652-S-17 and LRG-4654. All this water will be consumed from within the Rio Grande at the locations* described below within the State of New Mexico:

Caballo Reservoir

Township	Range	Section(s)
16S	4W	6, 7, 18, 19
16S	5W	1, 12, 13, 24
15S	4W	31, 30
15S	5W	25, 36

Caballo Reservoir Dam

Township	Range	Section(s)
16S	4W	S½ 19

Rio Grande Below Caballo Reservoir Dam

Township	Range	Section(s)
16S	4W	30, 31

* Locations based on PLSS system for State of New Mexico, New Mexico Principal Meridian.