

**MINING LEASE**

between

**DOYON, LIMITED**

and

**TECTONIC RESOURCES, LLC**

**(Carrie Creek and Mt. Harper Blocks, Alaska)**

made as of the 1st day of August, 2020

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## SCHEDULES

- A Carrie Creek and Mt. Harper Premises Legal Description
- B Premises & Area of Interest Map

## EXHIBITS

- A Expenditure Definition
- B Parent Guaranty
- C Form of Conveyance of Royalty

## MINING LEASE

THIS MINING LEASE (“Lease”) is made as of the 1st day of August, 2020 (the “Effective Date”), between

DOYON, LIMITED (“Doyon”), an Alaska Native regional corporation,

and

TECTONIC RESOURCES, LLC, an Alaska limited liability company (“Tectonic”).

## RECITALS

A. WHEREAS, pursuant to the Alaska Native Claims Settlement Act, 43 U.S.C. § 1601 *et seq.*, as amended (“ANCSA”), Doyon has received conveyance from the United States, through the BLM of the “Premises” (as defined in **SECTION 1** of this Lease), referred to as the Carrie Creek / Mt. Harper blocks, totaling approximately 67,000 acres, more or less), which conveyances included the mineral estate and the surface estate in and to the lands, subject, however, to certain Permitted Exceptions (as defined below); and

B. WHEREAS, Tectonic desires to conduct mineral exploration and, if warranted, mineral development and production activities not only on the Premises, but also on certain lands adjoining the Premises, including lands within the “Area of Interest” (as defined in **SECTION 1** of this Lease); and

C. WHEREAS, Doyon has agreed to lease to Tectonic the Premises to conduct mineral exploration and, if warranted, mineral development and production activities on the Premises subject to the terms and conditions set forth in this Lease.

NOW THEREFORE, in consideration of the mutual covenants and agreements herein contained, the receipt and adequacy of which are hereby acknowledged, the parties hereto agree as follows:

### 1. **DEFINITIONS**

As used in this Lease, unless the context otherwise requires, the following terms have the following meanings:

“**Affiliate**” means a person, partnership, limited liability company, joint venture, corporation, or other entity which, whether through equity ownership or through contractual obligations: (i) can, either directly or indirectly, control or be controlled by a party hereto, or such party’s successors or assigns, or (ii) is, directly or indirectly, under the common control of a third person or other entity with a party hereto, or such party’s successors or assigns.

“**ANCSA**” means the Alaska Native Claims Settlement Act, as amended, 43 U.S.C. § 1601 *et seq.*

**“Area of Interest”** means (a) all interests in real property (other than the Premises) contained within the boundaries of the lands described in Schedule A as the Carrie Creek Premises and the Mt. Harper Premises as of the Effective Date (including any Third party Property), plus (b) all interests in real property (including any Third party Property) within the boundaries of the lands described in Schedule A as the “Area of Interest.” The Area of Interest as of the Effective Date is generally depicted on Schedule B as the lands within the red “Area of Interest” boundary lines, provided that in the event of any conflict between this definition (including Schedule A) and Schedule B, this definition shall control.

**“Base Minerals”** means all Minerals other than Precious Minerals.

**“Carrie Creek Premises”** means the portion of the Premises described as the “Carrie Creek Premises” in Schedule A attached hereto.

**“Cessation Notice”** has the meaning given in Section 8.5.

**“Commercial Production”** means mineral production operations extracting, on average, such amount of Ore per day from the Premises that is at least 75% of the milling rate specified in a Feasibility Study that recommended placing a Mine into commercial production (the “Production Threshold”) for a continuous period of six (6) months, subject to periods of Force Majeure or periods in which such production operations are suspended due to normal weather conditions (i.e., in the event mineral production operations are interrupted by an event of Force Majeure or normal weather conditions, then the operations occurring immediately prior to such interruption and immediately after such interruption ceases shall be deemed to be continuous for purposes of establishing a continuous period of six (6) months). The effective date of Commercial Production shall be retroactive to the first day of the six (6) month period referred to above. Solely for the purpose of computing production royalty on Minerals and Mineral Products produced from the Premises and sold prior to achievement of Commercial Production, all calculations shall be made as if Commercial Production had commenced with the first production of Minerals or Mineral Products. After Commercial Production has been achieved, Commercial Production shall be deemed to exist unless three (3) consecutive years pass during which there is no continuous period of six (6) months, subject to periods of Force Majeure or periods in which production operations are suspended due to normal weather conditions, where the average amount of Ore per day extracted from the Premises exceeded the Production Threshold.

**“Condemnation Drilling”** means exploratory drilling that in the reasonable opinion of Tectonic is sufficient to establish the absence of mineralization containing economically extractable concentrations of one or more Minerals at those depths where the presence and exploitation of any such mineralization might reasonably be expected to conflict with surface uses, if any.

**“Development”** means all preparation for Commercial Production, including the construction or installation of a mill or any other improvements to be used for the mining, handling, milling, processing, or other beneficiation of Mineral Products.

**“Effective Date”** means the date shown on page 1 of this Lease.

**“Expenditures”** means all actual, direct costs, expenses, and charges (including but not limited to interest actually paid) related to Exploration and Development conducted pursuant to this Lease on or for the benefit of the Premises, including without limitation costs and expenses incurred off the Premises and reasonably allocated to operations under or pursuant to this Lease, and costs and expenses incurred to rectify any failure in title in respect of the Premises. “Expenditures” shall include the expenditures described in Exhibit A attached hereto. All such costs, expenses and charges shall be determined in accordance with generally accepted accounting principles consistently applied in the U.S. mining industry from time to time. Expenditures shall not include (a) payments made by Tectonic to Doyon pursuant to **SECTION 2.1(a)** of this Lease, (b) any costs associated with raising or managing equity capital, (c) any costs incurred in acquiring Third party Property within the Premises or Area of Interest, other than as provided in **SECTION 14.1**, or to address any Permitted Exceptions, (d) other than as provided in **Section 14.1**, any payments made by Tectonic to third parties (in cash, services, royalties or other payments out of production, Minerals, or anything else of value) pursuant to agreements entered into with said third parties to acquire Third party Property within the Premises or Area of Interest, or (e) any general or administrative costs of Tectonic associated with its performance under this Lease.

**“Exploration”** means all activities directed toward ascertaining the existence, location, quantity, quality, or commercial value of deposits of Minerals.

**“Fair Market Value”** of Mineral Products shall be determined on a unit basis as follows:

- (i) Refined gold bullion shall be valued on the basis of the average of the daily London Bullion Brokers Second Gold Fixing for the five business days prior to the deposit of the bullion into Tectonic’s account at the refiner’s place of business;
- (ii) Refined silver bullion shall be valued on the basis of the average of the daily Handy & Harman Silver base price for the five business days prior to the deposit of the bullion into Tectonic’s account at the refiner’s place of business;
- (iii) All Minerals and Mineral Products other than nickel, copper, zinc and lead shall be valued on the basis of the published index value for the particular Mineral or Mineral Product on The London Metal Exchange (provided that, if such Minerals or Mineral Products are not then listed thereon, then such Minerals or Mineral Products will be valued on the basis of a recognized published index value agreed by the parties, acting reasonably) for the average of the five business days prior to the date payment for the Mineral or Mineral Product is deposited in Tectonic’s account; and
- (iv) Nickel, copper, zinc and lead shall each be valued on the basis of the average (“Cash mean”) of the official daily “Cash buyer” and “Cash seller” prices for Primary Nickel, Copper (Grade A), SHG Zinc and Standard Lead, respectively, on the London Metal Exchange for the five business days prior to payment being deposited in Tectonic’s account.

**“Feasibility Study”** means a written report prepared by a reputable independent mining consultant selected by Tectonic and approved by Doyon (such approval not to be unreasonably withheld) setting forth in detail an analysis of the economic and commercial viability of conducting operations for the production and sale of Mineral Products from a Mine on the Premises that recommends a mine capable of a minimum of Commercial Production on any part of the Premises. Such report shall meet at least the standards of NI 43-101 and the definition of “Feasibility Study” in the CIM Definition Standards for Mineral Resources and Mineral Reserves (in force at the relevant date of delivery of the study) and shall be conducted in accordance with industry best practices. During the preparation of any Feasibility Study, Tectonic shall keep Doyon apprised of the work including making available to Doyon periodic drafts of the Feasibility Study and data upon which the Feasibility Study or drafts are based, and inviting Doyon to attend, at Doyon’s cost and with reasonable advance notice, periodic project review meetings held in connection with the preparation of any Feasibility Study.

**“Force Majeure”** means an event which, during any period while this Lease is in effect, prevents, wholly or in material part, a party from exercising its rights or performing its obligations hereunder where the cause of such event is beyond the reasonable control of the party affected, and shall include, without limitation, earthquake, volcanic eruption, flood, fire, unusually severe damage from the elements, accident, war, strike, labor dispute, civil disturbance, unavailability of feasible means of access, transportation or necessary equipment, unavailability of land for surface uses reasonably necessary for the purposes of this Lease on terms acceptable to Tectonic, Governmental Authority action or inaction (including, but not limited to executive, legislative, judicial, or administrative law, rule, policy, decision, decree, order, or failure to act), failure of title, or non-performance of Doyon not otherwise resulting in a breach of this Lease.

**“Good Mining Practice”** means the safe and efficient practice, diligence, prudence, and foresight ordinarily exercised by skilled and experienced operators engaged in the US mining industry.

**“Governmental Authority”** means any (i) federal, State of Alaska, local, or Federally-recognized Native government agency, (ii) court, or (iii) other authority exercising administrative powers or functions of government with respect to the Premises, the parties, or operations under this Lease.

**“Gross Revenues”** means the amount of earned revenues payable to Tectonic from any processor, smelter, refinery, or other purchaser of Mineral Products less all penalties, assaying, and sampling charges, if deducted by the purchaser or actually paid, borne, or incurred by Tectonic in the first instance; provided, however, that any written contract for the sale, processing or refining of Mineral Products to or by an Affiliate of Tectonic or any sale, processing, smelting, or refining of Mineral Products to or by an Affiliate of Tectonic on a basis not involving a contract or any use by Tectonic of Mineral Products shall not, without the prior written consent of Doyon, occur on a basis less favorable to Tectonic (including the terms thereof with respect to delivery and inventorying) at the time of such contract, sale, or use (as the case may be) than that which would have been applicable with respect to a comparable contract, sale, or use (as the case may be) to or by an unaffiliated third party. The provisions hereof

regarding transactions with Affiliates of Tectonic supplement and are not in lieu of Doyon's rights under **SECTION 4.13** of this Lease.

**"Lease"** means this Mining Lease.

**"Lease Year"** means any calendar year during the Term commencing at midnight on January 1 and ending at 11:59 p.m. Alaska time on the following December 31, except that the first Lease Year shall commence on the Effective Date of this Lease and shall end at 11:59 p.m. Alaska time on December 31, 2020.

**"Mine"** means one or more open pits, underground workings, in situ operations, and processing facilities situated wholly or partly within the Premises if such open pits, underground workings, in situ operations, and processing facilities are physically interrelated or for economic reasons should logically be developed in conjunction with one another.

**"Mineral(s)"** means all minerals (including all mineral elements, mineral compounds, mineral substances, and mineral materials) occurring naturally in the earth, other than Other Minerals.

**"Mineral Products"** means all Ores produced from the Premises which are sold, processed, or refined for their Mineral content and all products derived from such processing or refining including, without limitation, doré bullion, precipitates, and concentrates of Minerals.

**"Mt. Harper Premises"** means the portion of the Premises described as the "Mt. Harper Premises" in Schedule A attached hereto.

**"Native"** has that meaning given in ANCSA.

**"Native Corporation"** has that meaning given in ANCSA.

**"Net Proceeds"** means in any calendar quarter Gross Revenues accrued in that calendar quarter less Operating Costs incurred in that calendar quarter.

**"Net Smelter Returns"** means the Fair Market Value of Mineral Products less, but only to the extent actually incurred or paid by Tectonic, the following (and only the following, without duplication):

- (i) Charges and costs, if any, for transportation (including related storage and insurance costs) from Tectonic's mine, mill, or other processing or refining facility on the Premises to the places where the Mineral Products and Minerals are sold; plus charges and costs, if any, for transportation (including related storage and insurance costs) of Mineral Products to any contract mill or refinery and from there to the places where such Mineral Products are sold;
- (ii) Smelter or refinery costs and charges, including assaying and sampling costs, umpire charges and penalties, if any, incurred upon smelting or refining Mineral Products. In the event smelting or refining is carried out in facilities owned or controlled, in whole or in part by Tectonic, or by an Affiliate of Tectonic, charges,

and penalties for such operations shall mean the amount Tectonic would have incurred if such operations were carried out at facilities not owned or controlled by Tectonic then offering comparable services for comparable products on prevailing terms; and

- (iii) Sales, use, gross receipts, severance and other taxes, if any, payable with respect to severance, removal, sale, or disposition of Mineral Products but excluding any taxes based on net income derived from the Premises (such as the Alaska Mining License Tax, AS 43.65, which tax shall be paid by each party hereto) as well as any revenue or net proceeds taxes.

With respect to heap leaching, in situ leaching or other solution mining methods, in determining Net Smelter Returns there shall be no deduction whatsoever for any processing, recovery or refining costs incurred up to the point at which the final Mineral Product produced or refined by Tectonic on the Premises is obtained.

**“Operating Costs”** means the sum of the following costs and expenses (without duplication) incurred by Tectonic from a Mine:

1. **“Mining Costs”** which shall mean costs and expenses, other than Leaching Costs, incurred in accordance with generally accepted accounting principles consistently applied in the U.S. mining industry from time to time by Tectonic in exploring for, developing, mining, extracting, removing, and transporting to the Mill (as hereafter defined), Mineral Products produced from the Premises. Such costs and expenses shall include, without limitation, those incurred for labor, machinery operation, fuel, explosives and other materials, exploration, developmental or ore delineation drilling, and a reasonable allowance for future costs anticipated to be incurred by Tectonic in reclamation in accordance with applicable laws and this Lease. Mining Costs shall not include any charge for depreciation, depletion, overhead for general and administrative charges, income taxes, or royalties paid by Tectonic to Doyon or any third party.
2. **“Milling and Processing Costs”** which shall mean costs and expenses incurred in milling or processing Ores produced from the Premises at Tectonic’s mill or central processing facility utilized by Tectonic to produce Mineral Products from the Premises (herein referred to as the **“Mill”**), if any.
3. **“Leaching Costs”** which shall mean with respect to heap leaching, in situ leaching or other solution mining methods any processing, recovery or refining costs incurred up to the point at which the final Mineral Product produced or refined by Tectonic on or in the vicinity of the Premises is obtained, including without limitation the costs of mining, crushing, dump preparation, pad construction and preparation, distribution of leach solutions or other mining and preparation costs, transportation of solutions or slurries to the refining processes, refining of slurry or concentrates, preparation of doré bullion or other refined Mineral Products for sale to a purchaser or for delivery for final treatment by a

third party, and the costs of reclamation or other environmental compliance relating to any of the foregoing.

4. **“General and Administrative Costs”** which shall mean costs and expenses directly and reasonably incurred by Tectonic and properly allocable to the administration of the Premises and the production of Mineral Products therefrom, but not including any general and administrative costs incurred with respect to operations of Tectonic or its Affiliates not directly related to the administration of the Premises or the production of Mineral Products therefrom; provided, however, that General and Administrative Costs shall not exceed two percent of the total of all other Operating Costs for the relevant period except Interest, Taxes and the Capital Charge. General and Administrative Costs shall not include, without limitation, any and all advance royalties, annual rentals, production royalties, or other payments of any nature whatsoever payable to Doyon or third parties having an interest in the Premises.
5. **“Delivery Costs”** which shall mean costs and expenses incurred by Tectonic in or in connection with the delivery of Mineral Products to points of ultimate delivery to purchasers of Mineral Products.
6. **“Interest”** which shall mean any interest cost incurred and actually paid by Tectonic in any bona fide financing transaction with a commercial lending institution directly related to the development and operation of the Premises. If such a financial transaction is not with a commercial lending institution or is with an Affiliate of Tectonic, then
  - (a) the terms of such transaction shall provide for a reasonable reduction of outstanding indebtedness and shall be no less favorable to Tectonic than the terms that Tectonic would have enjoyed in a bona fide financing transaction with a commercial lending institution, and
  - (b) in the case of any such transaction, the amount of “Interest” deductible hereunder shall equal, from time to time, the lesser of
    - (i) Tectonic’s actual cost of funds under such transaction or
    - (ii) the interest that Tectonic would have paid under such transaction if interest had been charged from time to time at a rate equal to that charged by JPMorgan Chase, N.A. for short-term loans to its most preferred commercial customers (such rate commonly referred to as the “prime rate”) plus 2%.
7. **“Taxes”** which shall mean all taxes levied against operations on the Premises and/or levied against the Premises, including any mining, severance and property taxes now in existence or hereafter enacted, but excluding income taxes and taxes based on net income derived from the Premises (such as the Alaska Mining License Tax, AS 43.65).

8. **“Capital Charge”** which shall mean for any period the sum of all cost depletion, amortization, and depreciation charges for such period on expenditures directly related to the construction, development, and operation of a Mine incurred after Tectonic decides to bring all or part of the Premises into Commercial Production that are ordinarily capitalized in accordance with generally accepted accounting principles consistently applied in the U.S. mining industry from time to time. All such expenditures for which cost depletion, depreciation or amortization is claimed shall be separately identified and there shall be a cost depletion, depreciation or amortization schedule for each such expenditure. Such cost depletion, depreciation, or amortization charges shall be made in accordance with generally accepted accounting principles consistently applied in the U.S. mining industry from time to time as approved by an independent certified public accounting firm located in the U.S. with mining experience, but in no event shall be charged at a cost depletion, depreciation, or amortization rate greater than the maximum allowable by the U.S. Internal Revenue Code, as amended from time to time.

Where any Operating Costs are incurred with respect to the mining, milling, processing, beneficiating, smelting, refining, selling or delivering of Mineral Products produced from the Premises and the mining, milling, processing, beneficiating, smelting, refining, selling or delivering of Mineral Products produced from other properties controlled by Tectonic, such Operating Costs shall be fairly allocated and apportioned among the Premises and such other properties in accordance with generally accepted practices, such as generally accepted accounting principles and calculation of cost depletion for tax purposes, consistently applied, in the U.S. mining industry from time to time.

**“Ore”** means all material produced from the Premises that contains one or more Minerals and which in the sole discretion of Tectonic justifies either (i) mining, extracting, or recovering from a place within the Premises and selling or delivering to a processing plant or refiner for physical or chemical treatment, or (ii) treating in situ within the Premises by chemical, solution, or other methods; said term shall also include all Mineral-bearing solutions, natural or introduced, recovered by or for Tectonic from the Premises and sold, processed, or refined by or for Tectonic, and all Mineral and non-Mineral components of all such materials and solutions.

**“Other Minerals”** means all placer minerals, geothermal resources, sand, gravel, shot rock, aggregate, rock, building stone, limestone and dolomite (not including chemical-grade or metallurgical-grade limestone or dolomite), peat, coal, lignite, oil, gas, other liquid or gaseous hydrocarbons, and all other substances occurring and producible naturally only as gases, liquids, or fluids from wells.

**“Permitted Exceptions”** means (a) such reservations, exceptions, exclusions, restrictions, and limitations as may be included in interim conveyances or patents issued to Doyon for the Premises pursuant to ANCSA, including but not limited to the following: valid existing rights (including but not limited to unpatented mining claims); reserved areas set aside by law, executive order, public land order, or similar action; lands designated as National Wild and Scenic River lands; cemetery and historic sites; air navigation sites; public land entries; lands underlying inland navigable waters, tidal waters, or coastal waters; and public easements; (b)

mechanic's, materialmen's or similar encumbrances, if payment of the secured obligation is not yet due or is being contested in good faith, (c) encumbrances for taxes, assessments, obligations under workers' compensation or other social welfare legislation or other requirements, charges or levies of any Governmental Authority, in each case not yet due or being contested in good faith, (d) easements, servitudes, rights-of-way and other rights, exceptions, reservations, conditions, limitations, covenants and other restrictions created by Doyon that do not materially interfere with, materially impair or materially impede operations under this Lease, (e) Alaska Native allotments, including any allotments that are finally adjudicated during the term of this Lease and which may now or hereafter be found to be located on Premises and superior to Doyon's rights in such Premises, and (f) encumbrances consisting of rights reserved to or vested in any Governmental Authority to regulate, control, or condemn the Premises, including portions thereof within any federal conservation system unit. The parties acknowledge that some Permitted Exceptions may constitute Third party Property.

**“Precious Minerals”** means gold, silver, platinum group elements (platinum, palladium, rhodium, ruthenium, iridium and osmium) and other precious minerals (such as diamonds) and any such minerals produced as by-product minerals from the production of Ores.

**“Premises”** means (i) the particular interests described in Schedule A attached hereto that that have been conveyed to Doyon either by interim conveyance or by patent pursuant to ANCSA, consisting of the Carrie Creek Premises and the Mt. Harper Premises, and (ii) any real property interests that become part of the Premises pursuant to **SECTION 14** of this Lease—excluding (a) any portion of the Premises released by Tectonic pursuant to **SECTIONS 5.1 or 5.2** of this Lease, and (b) any portion acquired by Tectonic in fee simple pursuant to **SECTION 6.19** of this Lease. The Premises as of the Effective Date is generally depicted on Schedule B as the “Carrie Creek” and “Mt. Harper” lands within the blue “Property Boundary” lines, provided that in the event of any conflict between this definition (including Schedule A) and Schedule B, this definition shall control.

**“Program and Budget”** means a description in reasonable detail of the activities to be carried out by Tectonic under this Lease during a calendar year, together with a detailed estimate and schedule of all Expenditures to be incurred by Tectonic with respect to such activities.

**“Third party Property”** means those interests in real property situated inside the boundary of the Area of Interest that are not the Premises.

## **2. CONSIDERATION; GRANT OF LEASE**

2.1 Consideration. The consideration to Doyon for this Lease includes the following:

(a) Tectonic shall make annual payments to Doyon as follows, by certified or cashier's check, or by wire transfer to a bank and account specified by Doyon, until the earlier of the termination of this Lease or the commencement of Commercial Production:

(i) \$10,000 on the date of execution of this Lease and on or before the first day of each of the second through fourth Lease Years;

(ii) \$40,000 on or before the first day of each of the fifth through the ninth Lease Years; and

(iii) \$100,000 on or before the first day of the tenth Lease Year and on or before the first day of each of each Lease Year after the end of the tenth Lease Year; provided, that if Tectonic exercises its option to extend the Initial Term under **Section 3.2**, such annual payment shall be increased to \$200,000 for each Lease Year after exercise of such option.

(b) Upon completion by Tectonic of a Feasibility Study on any portion of the Premises, Tectonic shall pay to Doyon \$150,000, by certified or cashier's check, or by wire transfer to a bank and account specified by Doyon.

(c) Tectonic shall make the Expenditures and pay the production royalties specified in **SECTION 4** of this Lease.

(d) Tectonic shall pay rent after cessation of Commercial Production from the Premises and during reclamation as specified in **SECTION 8.5** of this Lease.

Failure to timely make the foregoing payments shall be a material default under this Lease.

## 2.2 Grant.

(a) Subject to all Permitted Exceptions and the reservation of Other Minerals, Doyon hereby leases to Tectonic all of Doyon's right, title and interest, whether now owned or hereafter acquired, in the Premises including all Minerals, Mineral Products and Ores in, on or under the Premises for the purposes and uses set out in **SECTION 2.3** and elsewhere in this Lease and for no other purpose, for the term more particularly described in **SECTION 3**. Tectonic may sell for its own account, use, and benefit all Mineral Products extracted by it from the Premises, subject to the obligation to make payments of production royalty to Doyon as specified herein. Tectonic's right to the use of the surface and subsurface of Premises shall include the rights described in, and be limited by and subject to the specific provisions of this Lease pertaining to land use, including **SECTION 6.9**.

(b) Notwithstanding the definition of Mineral Products contained herein and in addition to the other rights herein granted to Tectonic, Doyon hereby grants Tectonic the right to use, free of charge, timber, sand, gravel, shot rock, aggregate, rock, and other materials as may exist on the Premises, where such resources are owned by Doyon, in connection with the construction of roads, mine facilities, or mine infrastructure on or for the benefit of the Premises, provided, however, that (1) Tectonic shall first notify Doyon of the location from which it desires to take timber, sand, gravel, shot rock, aggregate, rock, or other materials, the access to the site it intends to use; and (2) Tectonic shall provide Doyon for Doyon's approval a timber harvesting and reforestation plan for any timber it intends to remove and a mining operating and reclamation plan for any of the said sand, gravel, shot rock, aggregate, rock, and other materials it intends to extract from and use on the Premises pursuant to this **SECTION 2.2(b)**, and Doyon shall be entitled to reasonably reject such access or location. Tectonic shall have no right to produce and sell to third parties timber, sand, gravel, shot rock, aggregate, rock, and other materials from the Premises. Tectonic's right to take sand, gravel, shot rock, aggregate, rock, and other materials free of charge shall not extend to any pits developed by Doyon on the

Premises or pits developed on the Premises by third parties with the consent of Doyon. Doyon shall not use the Premises, nor permit third parties to use the Premises, for producing sand, gravel, shot rock, aggregate, rock, and other materials for use anywhere off the Premises, without the prior consent of Tectonic, which consent shall not be unreasonably withheld, delayed or conditioned.

### 2.3 Purposes.

(a) The purposes of this Lease include the non-exclusive right to enter into and upon and to use the Premises and each and every part thereof, and the exclusive right to explore for, develop, mine, extract, remove, produce, treat, process, mill, smelt, refine, store, market, and sell any and all Minerals, Ores, and Mineral Products in, upon or under Premises for Tectonic's account, use and benefit, subject to the production royalty and all of the other terms of this Lease. Such rights shall include, without limitation, the rights to (i) prospect and explore for, develop, mine by any method now known or hereafter discovered (including but not limited to underground, open pit, in-situ, and solution methods), process by any method now known or hereafter discovered, mill, prepare for market, store, market, sell, and dispose of Minerals, Mineral Products and Ores in, on or under the Premises, (ii) erect, construct, maintain, and operate, on, under, in, and upon the Premises, buildings, structures, facilities, machinery, and equipment, and to use, occupy, excavate, and disturb so much of the surface and the subsurface of the Premises as Tectonic may determine to be useful, desirable, or convenient; (iii) construct or install roads, shafts, adits, tunnels, dams, facilities for the generation of power for operations, electrical lines, mill facilities, tailings impoundments, water reservoirs, housing structures, and equipment maintenance facilities on the Premises in connection with the exploration, development, and mining of the Premises; and (iv) exercise, in Tectonic's sole discretion, any rights or options of Doyon with respect to the Premises or any portion thereof under any law or regulation now in effect or hereafter enacted or promulgated.

(b) Without limiting the generality of **SECTION 2.3 (a)**, above, Doyon hereby grants to Tectonic (i) the right to mine and remove from the Premises the Minerals, Mineral Products, Ores, and any waste, water, or other materials existing therein or thereon, through or by means of shafts or openings which may be sunk or made upon adjoining or nearby property controlled by Tectonic, (ii) the right to stockpile or store any Minerals, Mineral Products, Ores, waste, water, or other materials and concentrated products of Minerals, Mineral Products, Ores or other materials from the Premises upon the Premises or such adjoining or nearby property, and (iii) if the Premises is included in a Mine, the right to use the Premises and any part thereof, including any shafts, openings, and stockpile grounds sunk or made thereon for the mining, removal, stockpiling, or storage of any Minerals, mineral products, ores, waste, water, and other materials or concentrated products of the Minerals, mineral products, ores or other materials from any such adjoining or nearby other property, or for any purpose or purposes connected therewith. Doyon shall recognize the rights and interests of others in such stockpiled or stored materials on the Premises and shall permit the removal thereof by Tectonic or the owners thereof at any time during the term of this Lease and for a reasonable time after termination of this Lease, all without liability or expense to Doyon. The stockpiling or storage of the Minerals, Mineral Products or Ores from the Premises on other lands shall not be deemed a removal or shipment thereof requiring production royalty payments under **SECTION 4.4**.

## 2.4 Access; Separate Surface Use Agreements.

(a) Doyon hereby agrees to grant (to the extent Doyon has the power and authority to do so, and with no warranty of title) to Tectonic, from time to time and for such term as reasonably needed by Tectonic, the non-exclusive right to enter upon and cross lands selected by or conveyed to Doyon, for purposes of ingress to or egress from the Premises, or adjoining or nearby properties controlled by Tectonic, subject to Doyon's rights under **SECTION 6.9** and to Doyon's right to review and approve the choice of surface locations for access routes and other surface facilities and place reasonable restrictions thereon.

(b) Tectonic acknowledges as follows: (a) certain Third party Property may be owned by individuals who are Natives or descendants of Natives (or is owned by the U.S. on behalf of Natives) in the form of Native allotments or pursuant to other federal laws granting land title to individual Natives from public lands; and (b) such Third party Property may include rights to some or all Minerals. Doyon shall upon request provide to Tectonic information in its possession about such Third party Property and Native interests. Tectonic acknowledges that it may not enter upon any Third party Property that is owned by individuals who are Natives or descendants of Natives (or is owned by the U.S. on behalf of Natives), except to the extent of any public rights of access, without an agreement with the person or entity that owns or controls such Third party Property. Doyon shall make reasonable efforts to assist Tectonic in obtaining such agreements.

## 3. **TERM**

### 3.1 Term.

(a) Subject to (a) earlier termination as provided herein, (b) the option to extend provided in **SECTION 3.2**, and (c) **SECTION 3.1(c)**, this Lease is granted for a primary term of fifteen (15) Lease Years commencing on the Effective Date (the "Initial Term"), provided, however, that if Tectonic has achieved Commercial Production prior to the end of the Initial Term, then this Lease shall continue in effect thereafter for so long as Commercial Production from the Premises exists or is deemed to exist.

(b) In the event that Commercial Production is achieved and there is subsequently a period of more than three years during which there is no continuous period of six (6) months, subject to periods of Force Majeure or periods in which production operations are suspended due to normal weather conditions, where the average amount of Ore per day extracted from the Premises exceeded the Production Threshold (the "Expiry Date"), then Tectonic may, on annual basis for a maximum of seven years after the Expiry Date, extend the period for which Commercial Production will be deemed to exist under this Lease by making an annual payment in the amount of \$300,000 to Doyon, with the first such payment to be made within thirty days of the Expiry Date and each subsequent payment to be made on or before the anniversary of the Expiry Date.

(c) If Commercial Production from the Premises ceases but the Mine is then processing minerals from adjoining or nearby properties, (i) this Lease shall continue in effect with respect to such portions of the Premises as are then used to operate the Mine until

production from such adjoining or nearby properties ceases, and (ii) all other portions of the Premises shall be released by Tectonic when Commercial Production from the Premises no longer exists or is deemed to exist.

3.2 Option to Extend Initial Term.

(a) If Tectonic completes and delivers to Doyon a Feasibility Study with respect to all or a portion of the Premises before the expiration of the Initial Term and is not in default of this Lease, then Tectonic may elect to extend the Initial Term by five Lease Years. Tectonic shall give notice of its election to extend the Initial Term on or before 5:00 p.m. Alaska time on the last day of the fifteenth Lease Year, failing which the option to extend the Initial Term shall automatically expire. If Tectonic achieves Commercial Production prior to the end of the Initial Term, as extended, then this Lease shall continue in effect thereafter for so long as Commercial Production from the Premises exists or is deemed to exist. If Commercial Production from the Premises ceases but the Mine is then processing minerals from adjoining or nearby properties, (i) this Lease shall continue in effect with respect to such portions of the Premises as are then used to operate the Mine until production from such adjoining or nearby properties ceases, and (ii) all other portions of the Premises shall be released by Tectonic when Commercial Production from the Premises no longer exists or is deemed to exist.

(b) If this Lease has not been earlier terminated and is not extended under **SECTION 3.2(a)**, this Lease shall expire automatically at 5:00 p.m. Alaska time on the last day of the fifteenth Lease Year, subject to possible continued occupancy of the Premises solely for purposes of reclamation.

4. **MANDATORY EXPENDITURES, ADVANCE ROYALTY, AND PRODUCTION ROYALTIES ON THE PREMISES**

4.1 Mandatory Expenditures.

(a) Commencing on the Effective Date, prior to commencement of Commercial Production, Tectonic must make the following mandatory minimum Expenditures within each of the periods described below (each an “Expenditure Period,” and the referenced years for such period are Lease Years), to be spent according to the Programs and Budgets adopted under **SECTION 4.2**:

<b>Expenditure Periods</b>	<b>Required Expenditures over Period</b>
2020 - 2022	\$1,000,000
2023 - 2026	\$1,200,000
2027 - 2030	\$2,000,000
each four-Lease Year period commencing 2031	\$2,000,000

The obligation to make Expenditures for any Lease Year accrues on the first day of each Lease Year. If Tectonic fails to spend the required amount for any Expenditure Period, less any carry-forward credit as described below, it must satisfy the commitment for that Expenditure Period by

paying the shortfall in cash to Doyon by January 31st following the end of the applicable Expenditure Period. If this Lease terminates for any reason or Commercial Production is achieved before the end of an Expenditure Period, the required Expenditures for the uncompleted Expenditure Period will be pro-rated among the number of Lease Years in the Expenditure Period and the pro-rata Expenditures for Lease Years that commenced prior to such termination or commencement shall be counted in determining if the required Expenditures were made and the amount of any shortfall to be paid by Tectonic for the partially completed Expenditure Period, which shortfall shall be paid within 30 days after the date of such termination or commencement. Any excess Expenditures over the requirement for any Expenditure Period may be carried forward and credited toward the required Expenditures for any subsequent Expenditure Period.

(b) At Tectonic's request, Doyon has agreed to include the Carrie Creek Premises and the Mt. Harper Premises in a single Lease based on Tectonic's agreement to apportion Expenditures between both portions of the Premises. Therefore, commencing on the Effective Date, Tectonic shall expend at least 25% of its required Expenditures for each Expenditure Period on or for the benefit of each of the Mt. Harper Premises and Carrie Creek Premises. If Tectonic fails to meet such minimum Expenditure requirement for the Carrie Creek Premises or the Mt. Harper Premises for any Expenditure Period, Tectonic shall release the Carrie Creek Premises or Mt. Harper Premises (whichever portion of the Premises had a shortfall in the required 25% of Expenditures) from the Lease by January 31st following the end of the applicable Expenditure Period. Tectonic may, however, elect to keep this Lease in effect with respect to the portion of the Premises affected by the shortfall by payment in cash to Doyon of an amount equal to the shortfall by January 31st following the end of such applicable Expenditure Period.

(c) If Tectonic commences Commercial Production from the Mt. Harper Premises or the Carrie Creek Premises and has not released all of the lands in the other portion of the Premises (Carrie Creek or Mt. Harper) from this Lease, Tectonic shall continue to make mandatory minimum Expenditures of \$200,000 pursuant to Programs and Budgets adopted under **SECTION 4.2** on the other portion of the Premises during each Lease Year for the remaining Term of the Lease, commencing with the Lease Year in which Commercial Production is achieved. If Tectonic fails to make at least \$200,000 in Expenditures on such other portion of the premises during any Lease Year, it must either pay the shortfall in cash to Doyon or release all remaining lands in such other portion of the Premises by January 31st following the end of that Lease Year; *provided*, that the \$200,000 annual Expenditure obligation shall terminate if Commercial Production commences from such other portion of the Premises.

(d) No implied covenants or conditions whatsoever shall be read into this Lease relating to the prospecting, developing, or mining of the Premises or any other operations of Tectonic hereunder, including but not limited to the marketing or sale of Minerals, Mineral Products or Ores, or as to the time therefor or measure of diligence thereof, it being expressly agreed and understood that any operations conducted by Tectonic upon or relating to the Premises shall be conducted at such time and in such manner as Tectonic, in its sole discretion, deems advisable, subject only to the express provisions of this Lease.

(e) Tectonic shall comply with **SECTION 5.3** of this Lease with respect to any portion of the Premises required to be released under this **SECTION 4.1**.

4.2 Expenditure Program and Budget. Tectonic shall keep Doyon reasonably informed about its proposed activities under Programs and Budgets. Within 60 days after the Effective Date, and thereafter each year on or before March 1<sup>st</sup>, Tectonic shall provide Doyon with the Program and Budget for the current Lease Year. To the extent requested by Doyon, Doyon and Tectonic shall meet within 30 days after Tectonic has provided the Program and Budget to Doyon at a mutually agreed time and place in Alaska to discuss Tectonic's proposed activities thereunder.

4.3 Advance Royalty. All payments made by Tectonic under **SECTION 2.1(a)** after the later of (a) the end of the seventh Lease Year, or (b) the delivery of a Feasibility Study shall constitute advance royalty payments. Advance royalties may be recouped and deducted by Tectonic from fifty percent (50%) of any production royalty payable under this Lease until all advance royalty payments are fully recouped.

4.4 Production Royalty on Premises. Doyon hereby reserves from this Lease a production royalty on all Mineral Products mined, produced and sold from the Premises, equal to the following:

- (i) For Precious Minerals:
  - (A) until the fifth anniversary of commencement of Commercial Production, two percent (2%) of Net Smelter Returns from Precious Minerals;
  - (B) from the fifth anniversary of the commencement of Commercial Production until the tenth anniversary of the commencement of Commercial Production, three percent (3%) of Net Smelter Returns from Precious Minerals; and
  - (C) after the tenth anniversary of the commencement of Commercial Production, the greater of (1) four percent (4%) of Net Smelter Returns from Precious Minerals, or (2) fifteen percent (15%) of Net Proceeds from Precious Minerals.
- (ii) For Base Minerals:
  - (A) until the fifth anniversary of commencement of Commercial Production, one percent (1%) of Net Smelter Returns from Base Minerals;
  - (B) from the fifth anniversary of the commencement of Commercial Production until the tenth anniversary of the commencement of Commercial Production, two percent (2%) of Net Smelter Returns from Base Minerals; and

- (C) after the tenth anniversary of the commencement of Commercial Production, the greater of (1) three percent (3%) of Net Smelter Returns from Base Minerals, or (2) fifteen percent (15%) of Net Proceeds from Base Minerals,

To the extent necessary in calculating the above production royalties, Tectonic shall fairly allocate and apportion any revenues and costs as between the production of Precious Minerals and Base Minerals in accordance with generally accepted accounting practices, consistently applied.

#### 4.5 Payment Terms; Security Interest Grant.

(a) Tectonic shall pay to Doyon within thirty (30) days after each calendar month the Net Smelter Returns royalty due for Net Smelter Returns received during that calendar month; provided, however, in the event Tectonic has not been paid within the time period specified in any agreement between Tectonic and the purchaser or purchasers of Mineral Products, or in the event no time period is specified, then Tectonic shall pay to Doyon its royalty within ten (10) days after Tectonic should have been paid within the time period specified in its agreement with the purchaser or, if no time period is specified, then within a reasonable time, as the case may be. If the royalty is payable prior to Tectonic's receipt of the revenue on which such royalty is payable, pursuant to the preceding sentence, royalty payments shall be based upon Tectonic's reasonable estimate of royalty due and later adjusted based upon actual amounts received by Tectonic. Tectonic shall provide to Doyon at the time of each payment (excluding estimated payments), a duplicate copy of the settlement sheet or settlement sheets received from the purchaser of Mineral Products, together with such other information as Doyon shall reasonably request from time to time relating to the calculation of the royalty. Beginning after the tenth anniversary of the commencement of Commercial Production, Tectonic shall thereafter, within thirty (30) days after the end of each calendar quarter, determine whether the Net Proceeds production royalty for such calendar quarter exceeds the aggregate of the Net Smelter Returns production royalty paid for such calendar quarter and if so, shall pay the difference to Doyon.

(b) To secure payment of such royalty, Tectonic grants Doyon a security interest in the Mineral Products (i.e., "as-extracted collateral") produced and to be produced from the Premises under this Lease and in the proceeds of such Mineral Products. Tectonic covenants to take such steps and to execute such further documents as necessary, upon Doyon's request, to allow Doyon to perfect such security interest in such as-extracted collateral and proceeds thereof with a priority greater than any lien or encumbrance on such Mineral Products created by, through, or under Tectonic other than a security interest granted for purposes of financing Mine development and production (to which other security interest Doyon agrees to subordinate its security interest in such as-extracted collateral and proceeds thereof by executing such further documents as Tectonic reasonably requests to accomplish such subordination; *provided, however*, that in no event will any such subordination limit Doyon's rights as lessor upon Tectonic's default under this Lease).

4.6 Method of Payment. Except as otherwise provided in this Lease, all payments by Tectonic to Doyon shall be delivered to Doyon at Doyon's address for notice purposes, as set forth below, or for the account of Doyon at such bank as Doyon may designate from time to time

by written notice to Tectonic. Any such bank shall be deemed the agent of Doyon only for the purpose of receiving payments.

4.7 Records and Inspection of Records. Tectonic agrees to keep accurate records fully in accordance with generally accepted accounting principles of all Mineral Products produced, all revenues received, and all costs to be taken into account in determining the royalty due Doyon, and all calculations relative to payments to be made to Doyon under this Lease. Subject to the confidentiality provisions of **SECTION 18**, such records may be inspected at all reasonable times by Doyon or Doyon's designated agents, including without limitation, Doyon's independent auditors. Doyon or its designated agents may make copies of such records as are reasonably necessary to performance of the audit function.

4.8 Sale of Mineral Products.

(a) All Mineral Products subject to Doyon's royalty interest in the Premises shall be sold to third parties in arm's length transactions, and Tectonic shall use its reasonable efforts to obtain the best terms available; provided, however, Tectonic may sell Mineral Products to an Affiliate of Tectonic so long as Tectonic complies with **SECTION 4.13** hereof; and provided further that Tectonic may elect to retain refined Precious Minerals or Base Minerals and to pay royalty based on the Fair Market Value of such minerals, subject to Doyon's election to take in kind under **SECTION 4.8(c)**.

(b) No party shall be entitled or obligated to participate in, benefit from, or bear losses from any advance sales, forward sales or purchases, options, futures contracts, hedging transactions, or other similar transactions entered into by the other party, and such transactions shall be solely for the account, benefit, and risk of the party entering into such transactions.

(c) Upon written notice to Tectonic received prior to January 1 of any calendar year, Doyon may elect to take its Net Smelter Returns royalty on Minerals produced during such calendar year in kind with respect to bullion of gold or silver, in which case: (i) such Minerals mined and removed from the Premises shall be refined to final bullion standards of at least 99.99% pure gold and 99.9% pure silver, and (ii) Doyon shall be entitled to take an amount of bullion of gold, silver, or both, equal to the "In-kind Equivalent." For purposes hereof, the "In-kind Equivalent" means the number of ounces of bullion of gold, silver, or both (as applicable under the circumstances) that Doyon could acquire at Fair Market Value for the dollar amount of the Net Smelter Returns royalty it would have received had it not elected to take its royalty in kind. If Doyon elects to receive its Net Smelter Returns royalty in kind, Doyon shall open a bullion storage account at each refinery or mint designated by Tectonic as a possible recipient of refined bullion in which Doyon owns an interest. Doyon shall be solely responsible for all costs and liabilities associated with maintenance of such account or accounts, and Tectonic shall not be required to bear any additional expense or responsibility with respect to such in-kind payments.

4.9 Disputes. Should Doyon disagree as to any determination made by Tectonic of any royalty (including estimated royalty) or the reasonableness of any deductions entering into any such determination, the matter shall be resolved in accordance with **SECTION 21.3**.

4.10 Lesser Interest. If it is determined by (i) a court of competent jurisdiction (ii) by binding agreement executed by Doyon and Tectonic or (iii) as a result of Arbitration pursuant to **SECTION 21.3** that Doyon owns less than 100% of the fee interest in any part of the Minerals estate as to any portion of the Premises, then the production royalty otherwise payable to Doyon on Mineral Products produced from such portion(s) of the Premises shall be reduced to represent the percentage interest in the Minerals estate in such portion(s) of the Premises that is owned by Doyon. If Doyon and Tectonic disagree about Doyon's ownership of the Minerals estate in any portion of Premises, then Tectonic may either: (a) pay Doyon the disputed amount, in which event Doyon shall refund any overpayments to Tectonic (together with interest at the statutory rate on judgments) if it is determined or agreed that an overpayment was made, or (b) interplead the disputed amounts with a court of competent jurisdiction.

4.11 Sampling Procedures. The parties recognize that the sampling procedures to be utilized by Tectonic on the Premises will depend entirely upon the orebody intended to be mined and therefore they agree that the Feasibility Study on which the Development of a Mine is based shall set forth proposed sampling procedures to ascertain the process feed contained Mineral value per ton of Ore to be produced from the Premises and the anticipated recovery rates for each Mineral or Mineral Product to be produced. Prior to the commencement of mining operations, the parties will agree to sampling and assaying procedures, including the appropriate metallurgical standards to be used, which agreement by each party shall not be unreasonably withheld, delayed or conditioned. These standards shall incorporate a suitable sampling system requiring that Tectonic make available to Doyon such weight, flow meter, assay results, calculations and other data used to determine the contained Minerals recovered from the process or processes used, permit Doyon or its authorized representatives at any time and from time to time to make such reasonable inspections for correctness in such weighing, sampling assaying or other procedures as may be used, either in the records of Tectonic or the process plant, and in addition, if requested by Doyon, each year the scales, weightometer, flow meters or other measuring devices shall be inspected, serviced and certified accurate by an independent third party acceptable to Doyon.

4.12 Hold Harmless Regarding ANCSA Obligations. Doyon shall be solely responsible for ensuring that it complies with any and all obligations imposed by ANCSA (including any agreements to which it is a party, or by which it is bound, entered into in connection with ANCSA) regarding the sharing with other Native Corporations or other entities any amounts that Doyon receives under this Lease, and Doyon shall protect, defend, indemnify, and hold Tectonic harmless with respect thereto.

4.13 Sale of Mineral Products to Affiliates. If Mineral Products are sold to, treated, or otherwise processed or refined by any Affiliate of Tectonic, or if Tectonic shall enter into any other contract relating to the Premises with an Affiliate of Tectonic, then Tectonic shall promptly notify Doyon and provide a copy of such arrangements. Any payments, costs or terms under such arrangements between Tectonic and its Affiliates shall be on arm's length terms based on the fair market value thereof, calculated at the relevant time and under all the circumstances thereof. Without limiting the generality of the foregoing, the value ascribed to any Mineral Products under such arrangements shall be determined based on Fair Market Value. Doyon shall be free to challenge any such arrangements, including by conducting an audit in accordance with Section 4.7.

## 5. **RELEASE OF PREMISES**

### 5.1 **Mandatory Release.**

(a) Subject to **SECTION 5.1(b)**, on or before March 1, 2026, Tectonic shall release 50% of the lands included in the Premises as at the date hereof, as selected by Tectonic, by notice to Doyon. Any lands released under **SECTION 4.1** of this Lease shall be included in calculating whether Tectonic has met its release obligation under this **SECTION 5.1**.

(b) Tectonic may propose to Doyon that it retain more than 50% of the lands included in the Premises by notice to Doyon on or before March 1, 2026. Tectonic shall be entitled to retain only those excess lands for which, on or before March 1, 2026, Tectonic has provided Doyon with a geological justification for retention of such excess lands. Geological justification shall be based on work conducted on or for the benefit of such excess lands in accordance with industry best practices and may include geological, geochemical, geophysical, and airborne surveys conducted by qualified experts. Such work shall be supported by a detailed written analysis which sets out fully (1) the location of the work performed, which location must include such excess lands, (2) the nature, extent, and cost of the work, (3) the name, address, and professional background of the persons conducting the work, and (4) the results of the work. Geological justification shall be established for any excess lands for which such written analysis would cause a reasonably prudent person familiar with the mining industry in Alaska to conclude that additional work should be performed in such excess lands with the expectation that such additional work might reasonably lead to the development of Commercial Production within the lands (including such excess lands) remaining in the Premises. Such excess lands shall be in units of not less than whole sections. Notwithstanding anything to the contrary in this Lease, lands retained for access purposes only need not be in whole sections and shall not count as part of the retained lands but shall instead be credited toward the 50% to be released and the only rights retained in such lands shall be non-exclusive access rights.

(c) If Tectonic retains lands in excess of 50% of the lands included in the Premises, all dollar amounts in **SECTIONS 2.1(a)** and **(b)** and **4.1** for payments or Expenditures due after the sixth Lease Year shall be multiplied by a fraction, the numerator of which shall be the total acreage of the Premises retained by Tectonic after March 1, 2026 (including the acreage of such excess lands) and the denominator of which shall be 50% of the total number of acres included in the Premises as of the Effective Date.

5.2 **Discretionary Release.** From time to time during the Lease term, lands included in the Premises which Tectonic has elected not to explore further for Minerals may be released by Tectonic from this Lease in units of not less than whole sections by written notice to Doyon.

5.3 **Released Property.** All portions of the Premises remaining subject to this Lease after any release under **SECTION 5.1(a)** or **(b)** shall be configured in reasonably compact and contiguous units, comprised of whole sections, substantially in the shape of a square or a rectangle whose length is no more than three (3) times its width. Tectonic shall deliver to Doyon such document or documents, duly executed in recordable form, as Doyon shall request to evidence termination of this Lease with respect to released portions of the Premises. Doyon, in its sole discretion, may make any decision regarding disposition of those portions of the

Premises released by Tectonic from this Lease; provided, that Tectonic shall continue to have the access rights to the retained portions of the Premises as provided in **SECTIONS 2.4(a), 5.1(b)** and **6.9**.

## **6. CONDUCT OF OPERATIONS**

6.1 General. All activities under this Lease shall be performed in accordance with Good Mining Practices as at the time Tectonic undertakes the activity and shall incorporate concurrent reclamation and remediation of the Premises. Provided the requirements of this Lease are met, Tectonic shall be free to explore for, develop, mine and beneficiate Minerals, Ores, and Mineral Products in any manner or sequence selected in Tectonic's sole discretion.

6.2 Compliance with Laws. Tectonic shall conduct its operations hereunder in compliance with all applicable federal, state and local laws whether now existing or subsequently enacted, including without limitation laws relating to (a) environmental protection and pollution control and abatement; (b) treatment, storage, and disposal of hazardous substances; (c) reclamation of the Premises, (d) workmen's compensation and other employee benefit laws, (e) the exploration, development, and mining activities conducted by Tectonic on the Premises, and (f) the safety of the public and forest fire prevention. Tectonic shall ensure that all employees, contractors and consultants have adequate training in mine and mineral exploration best safety practices and utilize such practices for the operations in which they are engaged. Tectonic may challenge the validity or application of any laws but no such challenge shall relieve Tectonic of its obligation to comply with all laws during the time it is challenging their validity or application, unless the challenged authority agrees no compliance is needed pending the final adjudication as to the validity or application of said laws and Tectonic shall comply with such laws if they are held valid as a result of such adjudication. If and to the extent that Tectonic's operations under this Lease violate any applicable laws, Tectonic shall defend, indemnify, and hold harmless Doyon from any penalties or damages arising from such violations.

6.3 License and Permits. Tectonic shall obtain and keep in force at all times, all licenses, permits, and consents of any Governmental Authority required for the conduct of its activities on the Premises, shall file all reports or documents required by federal, state, and local laws, and shall comply with all the terms and conditions of such permits, licenses, and consents. Doyon shall give its consent and take all actions and execute all documents reasonably necessary to assist Tectonic in securing such permits, licenses, and consents, provided that Doyon shall not be required to take an active role in advocating operations proposed by Tectonic. Copies of all such permits, licenses, consents, reports, and documents shall be available for review by Doyon. All permits, licenses, consents, reports, and documents available to Doyon pursuant to this section shall be subject to the confidentiality provisions of **SECTION 18**.

6.4 Condition of Sites and Facilities. Tectonic shall, at all times, keep all areas of the Premises on which it is conducting activities in a neat and clean condition, free of the unnecessary accumulation of debris and waste resulting from Tectonic's operations. During the term of this Lease, all improvements constructed on the Premises by Tectonic shall be maintained in good condition and reasonably secured.

6.5 Environmental Audit. Tectonic shall conduct at least every three years an on-the-ground environmental audit of the Premises disturbed by Tectonic's operations (such audit shall be performed by a firm of environmental engineers reasonably acceptable to both Doyon and Tectonic and Doyon's acceptance will not be unreasonably withheld, delayed or conditioned), and such other investigations as are reasonably necessary to audit the sufficiency of the amount of the reclamation fund and any bond or other financial security under **SECTION 8.4**. The results of the audit shall include a written report recommending the actions which should be taken to ensure compliance with the operational and reclamation standards required under this Lease, including the contingency of Tectonic's discontinuing its operations at any time in the succeeding one-year or two-year period, together with a recommendation of the amount that the financial security required by **SECTION 8.4** should be increased or decreased to meet any such current needs and contingency. As a result of such audit the parties shall agree to such reasonable adjustments proposed by Tectonic as are appropriate to meet the requirements of **SECTION 8.4**, including without limitation increases or decreases to the reclamation fund or bonds or other financial security consistent with inflation as reflected in the most recent consumer price index and consistent with the results of any environmental audits. Doyon shall have the right to receive and keep copies of the audit results and shall be entitled to meet with the environmental engineers during and at the conclusion of the audit to discuss their preliminary and final findings, conclusions, and recommendations. Doyon shall have the right to conduct its own on-the-ground environmental audit at any time at its own risk and expense, provided that: (i) the conduct of any such audit shall not interfere with operations on the Premises, and (ii) unless required by applicable law, Doyon shall not disclose the results of such audit to any Governmental Authority prior to discussing such audit with Tectonic and providing Tectonic a reasonable opportunity to address any concerns identified in such audit.

6.6 Archaeological and Cultural Resources Clearances. Prior to conducting surface disturbing activities such as trenching, drilling, or similar mechanized operations on the Premises, Tectonic shall conduct, through use of qualified personnel, an archaeological and cultural resources survey of each site to determine the existence of artifacts, remains, and places of cultural significance to Alaska Natives (as defined in ANCSA) and, if such artifacts and remains are discovered or places identified, to minimize possible adverse effects on such sites from activities allowed under this Lease. Selection of qualified personnel shall be made by Tectonic and approved by Doyon (whose approval shall not be unreasonably withheld, delayed or conditioned) and a written report of each such survey shall be submitted to Doyon. Doyon acknowledges its obligation under **SECTION 17.1(a)** of this Lease to provide information to Tectonic about archaeological and cultural resources within the Premises.

6.7 Taxes.

(a) Doyon shall pay promptly all taxes and assessments, general, special, ordinary and extraordinary, that may be levied or assessed: (1) with respect to Doyon's production royalty (including the Alaska Mining License Tax, AS 43.65), (2) with respect to timber, as provided in **SECTION 6.7(b)**, and (3) with respect to the Premises, except as provided in **SECTION 6.7(b)** below. Doyon shall not be deemed in breach of its obligations under this **SECTION 6.7(a)** so long as any failure by Doyon to pay said amounts does not materially interfere with Tectonic's rights hereunder.

(b) Tectonic shall promptly pay, before delinquent, all taxes and assessments, general, special, ordinary and extraordinary, that may be levied or assessed during the term of this Lease, upon all Mineral Products derived by Tectonic from the Premises (except as to taxes assessed on Doyon's production royalty, including the Alaska Mining License Tax, AS 43.65) and upon all of Tectonic's improvements and personal property on the Premises, including all occupational taxes and any and all other taxes assessed on account of Tectonic's mining or other operations in or upon the Premises. Notwithstanding the foregoing, in the event taxes are payable upon any timber harvested by Tectonic and delivered to Doyon, then any taxes imposed upon the severance of said timber shall be paid by Doyon. In addition, Tectonic shall pay any taxes regarding a change in the tax assessment classification of Premises resulting from the change in use of any of the Premises to any other use made by Tectonic and any increase in ad valorem or other taxes payable by Doyon, which result from Tectonic's activities on the Premises. All such taxes for the years in which this Lease commences or terminates shall be prorated to the date of occupancy between Doyon and Tectonic. Tectonic shall have the right to contest, in the courts or otherwise, in its own name or in the name of Doyon the validity or amount of any such taxes or assessments payable by Tectonic, if it deems the same unlawful, unjust, unequal or excessive, or to take such other steps or proceedings as it may deem necessary to secure a cancellation, reduction, readjustment or equalization thereof before it shall be required to pay the same. If Tectonic elects to so contest such taxes or assessments, at Doyon's request Tectonic shall provide Doyon a bond or other reasonable assurance of payment as provided in **SECTION 11.2**.

#### 6.8 Indemnification and Insurance.

(a) Indemnification. Subject to the other provisions of this Lease, each party shall protect, defend, indemnify, and hold the other party and its shareholders, directors, employees, agents, and other representatives harmless from and against any and all losses, claims, actions, demands, damages, injuries, deaths, or other liabilities of any and every nature (collectively, "Liabilities") resulting from a breach of the indemnifying party's warranties, representations, or covenants under this Lease or from the indemnifying party's operations or activities under this Lease, except to the extent that such Liabilities result from the willful misconduct, gross negligence, or sole ordinary negligence of the party to be indemnified or except as may be otherwise provided herein or prohibited by law. Upon notice and tender, the indemnifying party shall assume, on behalf of the other party, the defense of any lawsuit or administrative proceeding which may be brought against the other party and shall pay, on behalf of the other party, upon its demand, the amount of any judgment that may be entered against the other party in connection with the purposes for which this indemnification is given, if execution on any such judgments has not been stayed by appropriate court order. Neither Tectonic nor Doyon shall be liable to the other for punitive damages.

(b) Doyon's Liability Limitation. Doyon shall not be liable to Tectonic, its agents, employees, or contractors for any losses, damages, expenses, liabilities, or claims therefor of whatever kind or character resulting from or arising out of any dangerous or hazardous conditions on the Premises, whether or not known to Doyon. This **SECTION** is not intended to limit in any way the tort immunity granted by Alaska Statutes § 09.65.200 (tort immunity for personal injuries or death occurring on unimproved land).

(c) Insurance. Tectonic shall, at all times while conducting operations pursuant to this Lease, comply fully with the applicable worker's compensation laws and purchase protection for the parties comparable to that provided under standard form insurance policies for (i) comprehensive public liability and property damage with combined limits of \$2,000,000 for bodily injury and property damage; (ii) automobile insurance with reasonable insurance against risk of fire and other risks ordinarily insured against in similar operations. Such insurance limits may be adjusted by mutual consent if subsequent events should make them inadequate. Doyon shall acquire (or cause to be acquired) insurance in similar amounts, naming Tectonic as an additional insured, when conducting operations on the Premises or Area of Interest pursuant to **SECTION 6.9.**

#### 6.9 Coordination of Land Uses.

(a) Rights of Use. Tectonic and Doyon acknowledge that the Premises and Area of Interest have uses in addition to the rights granted to Tectonic under this Lease. Except as otherwise set out in this lease, including this Section 6.9, Doyon reserves the right (to the extent it owns such right) to manage and use the Premises and Area of Interest for all such uses during the term of this Lease.

(i) Tectonic acknowledges that there are pre-existing grants of Other Minerals on portions of the Premises, including sand and gravel and rock operations on certain portions of the Premises bordering the Alaska Highway, including rights to Other Minerals previously granted to the State of Alaska. Tectonic shall not unreasonably interfere with the rights previously granted to the State or third parties. **SECTION 6.9(a)(ii)** shall not apply to such pre-existing rights.

(ii) Doyon, by itself and through its licensees and permittees, may manage and use the Premises and Area of Interest, including for exploration and extraction of Other Minerals and related surface use, provided, however, that (i) any such use by Doyon or granted by Doyon after the date of this Lease shall not materially interfere with Tectonic's rights under this Lease; and (ii) each party shall use reasonable and diligent efforts to notify and coordinate with the other so as to minimize interference to the activities of the other resulting from its activities. Without limiting the generality of the foregoing, Doyon shall notify Tectonic regarding Doyon's entry into any agreement after the Effective Date of this Lease involving other surface uses of the Premises or Area of Interest and regarding Doyon's intent to conduct other surface uses of the Premises or Area of Interest. Any such agreement shall be made expressly subject to Tectonic's rights under this Lease. In no event shall management or use by Doyon or any licensee or permittee of Doyon materially interfere with the operations of Tectonic under this Lease and in every case such management and use shall be authorized and undertaken at the sole risk of Doyon or its licensee or permittee. Without limiting the generality of the foregoing, (1) any interference that causes a material increase in the cost or a material decrease in the efficiency of Tectonic's operations under this Lease shall be deemed material, and (2) access easements, utility easements, grazing leases, hunting and fishing leases, timber contracts, leases of Other Minerals, or other similar agreements entered into with third parties in the normal course of Doyon's business shall be conclusively deemed to materially interfere with Tectonic's activities if such rights would be exercised on the same lands as or within 1000 yards of (i) any mining activities conducted from time to time by Tectonic hereunder, or (ii) the boundary of any mine

permit or application for a mine permit. If there is a conflict between uses, then the parties shall meet to mutually resolve the difference bearing in mind the principle of noninterference set forth above but in the event of conflicts that cannot in good faith be reasonably reconciled, Tectonic's use shall control. The parties acknowledge that Tectonic shall be entitled to conduct those activities reasonably selected by it to explore for, mine, and treat Minerals and that Tectonic may impose reasonable safety rules and use restrictions applicable within the Premises and Area of Interest.

(b) Notice of Operations. Tectonic shall keep Doyon timely apprised of its activities on the Premises and Area of Interest such that Doyon may have its representatives present to witness the operations of Tectonic in the manner set out in and subject to the provisions of this Lease. Similarly, Doyon shall give Tectonic reasonable advance notice whenever Doyon's representatives, agents, licensees or invitees are conducting operations on the Premises and the Area of Interest.

(c) Condemnation Drilling. Tectonic shall conduct proper Condemnation Drilling on those portions of the Premises proposed for particular surface uses or facilities by Tectonic before using such surface or before building, constructing, or placing facilities on such surface.

6.10 Hunting, Fishing and Trapping. Tectonic, its contractors and consultants, and its and their employees shall not engage in any hunting, fishing, or trapping on the Premises or Area of Interest without the prior written consent of Doyon.

6.11 [Reserved].

6.12 Commingling. Tectonic shall have the right to commingle Ore from the Premises with ore from other properties owned, leased, or controlled by Tectonic; provided, however, that before commingling, Tectonic shall calculate from representative samples the average grades of the Ore and all other ores to be commingled, and shall either weigh or volumetrically calculate the number of tons of each. As Mineral Products are produced from the commingled ores, Tectonic shall calculate from representative samples the average percentage recovery of such Mineral Products produced from the commingled ores during each month. In obtaining representative samples and calculating the average grade of commingled ores and average percentage of recovery, Tectonic may use procedures acceptable in the mining and metallurgical industry which Tectonic believes to be accurate and cost-effective for the type of mining and processing activity being conducted; provided that prior to implementing any commingling procedures, Tectonic shall present and explain such procedures to Doyon and obtain Doyon's written approval of such procedures, which shall not be unreasonably withheld, delayed or conditioned. Doyon may not disapprove of any commingling procedures presented if such procedures are generally acceptable in the mining and metallurgical industry for the type of ores which Tectonic is processing. Tectonic's choice of such procedures shall be final and binding on Doyon. In addition, comparable procedures may be used by Tectonic to apportion among the commingled ores any penalty charges imposed by the refiner on commingled ores or Mineral Products derived therefrom. The records relating to commingled ores shall be available for inspection by Doyon, at Doyon's sole expense, at all reasonable times.

6.13 Use and Maintenance of Roads. Tectonic shall have the right to use and reconstruct all existing roads within the Premises that are owned by Doyon and shall have the right to construct new roads. During the term hereof, Tectonic shall be responsible for maintaining those roads within Premises constructed or reconstructed by and used by it; provided that if such roads are used by Doyon or its permittees or licensees in such a manner or with a frequency that materially increases maintenance and repair costs, then Doyon shall pay a pro rata share of the cost of maintaining such roads. Road maintenance shall include dust abatement, provided that Tectonic shall not use chemicals to abate dust without Doyon's written consent. Tectonic may impose reasonable safety rules and use restrictions on such roads in the Premises.

6.14 Disposal of Wastes. All tailing ponds and other facilities for the storage of waste materials created by Tectonic's activities on the Premises shall be constructed and maintained in accordance with Good Mining Practice, using the most reasonably appropriate technology currently available that demonstrates engineering and economic feasibility and success in storing similar materials when such facilities were constructed.

6.15 Damage to Improvements; Timber

(a) Tectonic shall be liable to Doyon for damage to any merchantable timber or improvements on the surface of the Premises, where owned by Doyon, resulting from Tectonic's operations, and Tectonic shall immediately either repair such damage or compensate Doyon therefor. Notwithstanding the foregoing, Tectonic shall not be liable to Doyon for any damages to any merchantable timber or improvements: (i) placed on such part of the surface after Tectonic has notified Doyon that it intends to conduct operations thereon, (ii) which are necessarily incident to Tectonic's operations, provided that Tectonic complies with all terms and conditions herein for reclamation and repair thereof upon completion of such operations, or (iii) that occurs in compliance with Section 6.15(b).

(b) Tectonic shall notify Doyon in advance of its operations and activities hereunder and the location thereof which shall or may require the harvesting, stacking, and decking of timber from the Premises. If the operations of Tectonic hereunder result in the removal of (a) house quality logs greater than eight inches in diameter or (b) merchantable timber from any portion of the Premises, Tectonic shall stack and deck such logs in the vicinity of the place where they are cut, in a manner allowing for the efficient removal of the timber by Doyon. The determination of merchantability of any timber removed shall be governed by the standards then generally in effect in the wood products industry in the area where the merchantable timber so removed is located. All merchantable timber shall be harvested in accordance with Doyon's reasonable specifications. Upon cutting, stacking and decking of such merchantable timber at a point for pickup by Doyon, Tectonic shall not be further liable to Doyon as a result of the cutting, removal and storage of the merchantable timber.

6.16 Water Rights. Doyon agrees to let Tectonic use Doyon's existing water rights, if any, appurtenant to or in the vicinity of the Premises for Mine operations to the extent that, at the time the use by Tectonic commences, Doyon does not have any firm plans for the use of such rights. Doyon represents that it has no current plans for the use of any of its water rights appurtenant to or in the vicinity of the Premises. Doyon shall not be required to allow Tectonic to use any water right where the effect would be to invalidate such right or to reduce Doyon's

priority vis-a-vis other water rights. If Tectonic initiates any water rights for use in connection with its operations on the Premises, it shall do so in the name of Doyon and at Doyon's request, after termination of this Lease, shall execute documents and take all reasonable actions necessary to assist Doyon to vest such rights fully in Doyon to the extent practicable.

6.17 Access by Doyon. At all reasonable times and upon reasonable notice to Tectonic, Doyon and its designated agents shall have the right to inspect all exploration sites, improvements, and facilities of Tectonic and its Affiliates on the Premises and the Area of Interest and all other improvements and facilities of Tectonic and its Affiliates, but only to the extent used in connection with extracting, sampling, treating, or transporting Ores and Mineral Products from the Premises or the Area of Interest. Tectonic shall cooperate, and shall cause its Affiliates to cooperate, in such inspections and make competent personnel available to explain its activities and operations to Doyon. Doyon's exercise of its right to inspection pursuant to this Section shall be subject to the condition that such inspections be conducted by Doyon at its sole risk and expense and in the event any damages result from Doyon's exercise of its right of inspection under this Section, Doyon shall indemnify, defend, and hold harmless Tectonic and Tectonic's Affiliates therefrom; provided, however, to the extent any injury or damage is caused by the gross negligence or willful misconduct of Tectonic, then Tectonic shall be liable therefor. In no event shall entry by Doyon unreasonably interfere with Tectonic's operations on or off the Premises. Doyon agrees to hold as confidential, in accordance with **SECTION 18** of this Lease, any information relative to Tectonic's operations within the Premises or the Area of Interest gained by such entry.

6.18 Samples. Doyon shall have the right to take samples from the Premises for analysis provided, however, that such sampling does not unreasonably interfere with Tectonic's operations. Any information gained from such sampling by Doyon shall be considered as confidential by Doyon within the meaning of **SECTION 18** below and shall be shared with Tectonic.

6.19 Doyon's Right to Require Acquisition of Land by Tectonic. If Tectonic delivers a Feasibility Study recommending that all or part of the Premises be brought into Commercial Production and if such Feasibility Study describes any portion of the Premises as being the recommended site of milling, processing, refining, waste dump, heap leaching or tailings ponds sites, then Tectonic shall submit a legal description to Doyon of that portion of the Premises to be used for such purposes. Doyon, after reviewing those legal descriptions and the Feasibility Study, shall within 90 days before the date of commencement of construction of any of those facilities on the Premises have the right to put to Tectonic the fee simple interest in said lands, whereupon Tectonic shall become obligated to purchase said fee simple interest from Doyon in the lands included in that legal description plus any additional lands which Doyon believes may also be necessary for the stated purposes. The purchase price of those lands to be paid to Doyon by Tectonic shall be 125% of the current fair market value of those lands in an unimproved state, without consideration for the intended use of such lands under this Lease, as determined by an appraiser jointly approved by both parties. If Doyon so elects to put the acquisition of any land to Tectonic, (i) the parties shall close the purchase within 10 days after establishing the purchase price, at which closing Tectonic shall pay the purchase price and Doyon shall deliver to Tectonic a special warranty deed conveying such lands (and an easement over lands owned by Doyon if required to access such lands so that such lands do not become landlocked at the termination of

this Lease) to Tectonic free and clear of all liens, encumbrances, and other interests except Permitted Exceptions; (ii) if so requested by Doyon, Tectonic shall forbear the commencement of construction of such facilities and infrastructure until after such closing; (iii) the purchased lands shall cease to be part of the Premises hereunder except for purposes of **SECTION 7** hereof, and (iv) notwithstanding the conveyance of the purchased lands to Tectonic, Doyon shall be entitled to receive a production royalty on any Mineral Products mined, produced and severed from the purchased lands so conveyed to Tectonic equal to the same production it would have received under **SECTION 4.4** if this Lease were still in effect for the lands so conveyed to Tectonic.

## **7. CONTRACTING AND HIRING PREFERENCES**

7.1 Contracting Preference. Tectonic shall invite Doyon, or any entity designated by Doyon in which Doyon has a financial interest of 25% or more, to make proposals or bids on all contracts bid or let after the date of this Lease relating to operations of Tectonic under this Lease which Tectonic elects to have performed by an independent contractor, which are normally put out to general bid, and which are a type of contract that Doyon has previously notified Tectonic that it is interested in performing. Such notice from Doyon shall be given initially within 60 days after the date of this Lease and may be updated from time to time. To enable Doyon to have an adequate opportunity to prepare itself, and to associate with others in making proposals or bids for contracts, Tectonic shall notify Doyon, as early as reasonably possible, of any contracts or activities in which Doyon has the opportunity to participate pursuant to this SECTION. Doyon or such entity shall be preferentially considered for such contracts, provided that Doyon or such entity will be required to participate in the relevant procurement processes as may be established by Tectonic in connection with the award of such contracts. Each proposal or bid from Doyon or such entity shall be accepted if (1) the goods or services offered are substantially equivalent in quality to those offered by the best acceptable competing proposal or bid received by Tectonic, (2) after full consideration of likely operating efficiencies, if any, it will cost no more than the best acceptable competing proposal or bid received by Tectonic; provided, however, with respect to contracts for which Doyon's bid is not 15% more than any competing bid for contracts with a value of \$1,000,000 or less and not more than 10% more than any competing bid for contracts with a value greater than \$1,000,000, Doyon's bid shall be deemed to cost no more than the best acceptable competing bid, and (3) the demonstrated experience, capability, health and safety record, and other qualifications of Doyon or such entity, if applicable, to perform the relevant work under such contract must be acceptable to Tectonic, in its sole discretion.

7.2 Hiring Preference. Tectonic shall:

- (a) hire, and use commercially reasonable efforts to cause its contractors and subcontractors to hire, on a preferential basis, qualified or experienced Doyon shareholders and their qualified or experienced family members, if Doyon or its designee (e.g., Tanana Chiefs Conference) identify potential candidates to Tectonic and such persons in fact are available for hire by Tectonic, for employment opportunities in connection with its mining operations on the Premises;
- (b) establish, and use commercially reasonable efforts to cause its contractors and subcontractors to establish, training and other programs for such shareholders and their family members to become qualified for such employment opportunities; and
- (c) ensure that each contract entered into between Tectonic and any person to perform work relating to operations or other activities undertaken under this Lease shall contain these same specific requirements, and shall obligate such person to impose such requirements on its subcontractors. Violation of the requirements of this **SECTION** by Tectonic shall be a default under this Lease,

provided that the foregoing obligations will only apply to those contractors and subcontractors that are contracted to provide work with an annual value of at least \$500,000. Doyon agrees it will assist Tectonic in involving the appropriate Doyon and Native personnel to enable Tectonic to comply with this **SECTION**. Tectonic agrees, on behalf of itself and its contractors and subcontractors, that in working with Doyon or its designee during the term of this Lease under this Section in connection with operations to be conducted under or pursuant to any final Program and Budget adopted by Tectonic, Tectonic and its contractors and subcontractors shall have as their collective goal the hiring, for and in connection with such operations, of a work force at least 55% of the members of which are Doyon Shareholders or their family members, provided that Doyon specifically acknowledges and agrees that such goal is aspirational and is only achievable to the extent there are qualified individuals available to take up employment opportunities.

- (d) Representatives of Tectonic shall offer and be available to meet at least annually with representatives of the community of Healy Lake and its village corporation, Mendas Cha-ag Corporation, and village council regarding Tectonic's ongoing and anticipated activities on the Premises and to provide an opportunity for the community to discuss any concerns and offer services or other assistance to Tectonic in its operations on the Premises. Tectonic can contact the Healy Lake community as follows:

Mendas Cha-ag Native Corporation 457 Cindy Drive Fairbanks, AK 99701	Attn: Traditional Council Phone: (907) 452-3094
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At Doyon's request, representatives of Tectonic shall also offer and be available to meet with representatives of other Alaska Native communities identified by Doyon in the area of the

Premises. Such additional community engagement shall be in the form of at least one annual meeting for all additional communities identified by Doyon by notice to Tectonic.

7.3 No Violation of Laws. Tectonic shall comply with **SECTIONS 7.1** and **7.2** only to the extent that such compliance does not violate any federal, state, or local law.

## **8. RECLAMATION OF EXPLORATION AND MINING SITES**

8.1 General. When surface and/or subsurface areas, improvements thereon, related facilities, roads, and waste disposal sites on the Premises are, in Tectonic's sole discretion, of no further use to Tectonic for purposes of this Lease, the areas disturbed or used by Tectonic shall be promptly reclaimed and, to the extent reasonably feasible and except as provided in **SECTION 8.3**, restored to their state prior to commencement of Tectonic's activities to the extent required by this Lease. Reclamation on the Premises shall be done by Tectonic, at its sole cost and expense and, except as provided in **SECTION 8.3**, at Doyon's option, shall consist of any one or more of the following actions selected by Doyon (the actions selected by Doyon shall be in addition to any reclamation required by law except to the extent that any such requirement selected by Doyon is prohibited by law, in which event the requirements of the applicable laws shall prevail):

(a) all physical structures erected by Tectonic as fixtures on the Premises, including without limitation buildings, pipes, machinery and equipment, shall be removed unless otherwise permitted by Doyon to remain except that building foundations need not be removed along with such physical structures as long as they are otherwise reclaimed in a manner consistent with the obligations of this **SECTION 8.1**;

(b) except as provided in **SECTION 8.3**, all drill holes, adits, portals, shafts, tunnels, trenches, ditches and pits resulting from Tectonic's operations shall be filled in and contoured. To the extent said area was suitable for growing timber or crops prior to the activities of Tectonic, the area shall be reclaimed so as to be suitable for growing timber or crops if and to the extent reasonably practicable;

(c) all hazardous substances resulting from Tectonic's operations shall be treated or disposed of in accordance with applicable laws;

(d) all natural stream flows disturbed or altered by Tectonic's operations shall be restored in accordance with law and required permits;

(e) no depressions created by Tectonic shall be left where rain and runoff will collect unless specifically authorized by Doyon, including any such areas resulting from subsidence of the surface as a result of underground operations (except as provided in **SECTION 8.3** below);

(f) no piles or mounds of materials resulting from Tectonic's operations shall be left unreclaimed. All such materials shall be contoured and covered with topsoil preserved in the mining process, where available;

(g) the area disturbed by Tectonic's operations, including any area occupied by flumes or pipelines or transportation facilities, shall be seeded or replanted with trees and/or

appropriate vegetation; provided, however, that Tectonic shall not be obligated to seed or replant areas which were not suitable for growing such vegetation or timber prior to the activities of Tectonic;

(h) topsoil removed by Tectonic's operations shall be segregated to the extent reasonably feasible from rock and other waste material at the time of removal and protected from erosion and loss so that it may later be spread over the disturbed area;

(i) construction, long-term operation, maintenance, or replacement of any waste or water treatment facilities and infrastructure, for as long as the treatment and facilities are required prior to and after mine closure; and

(j) in performing the reclamation described in this **SECTION 8.1**, Tectonic may spend up to the full bond amount stated in **SECTION 8.4(a)** on reclamation requirements, and will spend a greater amount if necessary to meet the reclamation requirements of this Lease.

## 8.2 Reclamation Purpose; Reclamation Plan.

(a) The purpose and goal of reclamation shall be to restore the area disturbed by Tectonic's operations to the extent reasonably feasible to its state and character as in existence immediately prior to the commencement of Tectonic's operations.

(b) Tectonic shall prepare and regularly update a reclamation, closure and long-term care and maintenance plan ("Reclamation Plan") for its operations under this Lease that will describe the concurrent reclamation, Mine reclamation and closure, and any long-term care and maintenance activities to be conducted following the completion of reclamation, as required by applicable Law and this Lease. The Reclamation Plan shall include an estimate of the cost of implementing the activities described in the plan. The Reclamation Plan may consist of a reclamation and closure and/or long-term care and maintenance plan submitted to any Governmental Authority with jurisdiction over Tectonic's operations, as long as such plan at a minimum meets the reclamation requirements of this Lease.

(c) Tectonic shall provide Doyon with two copies of a draft Reclamation plan and cost estimate for comment, and prior to submitting any plan to a Governmental Authority. Doyon shall provide comments on the draft Reclamation Plan and cost estimate, if any, to Tectonic in writing within 60 days after receipt of the draft Reclamation Plan. Tectonic shall review the comments on the draft Reclamation Plan and cost estimate, shall meet with Doyon to discuss the plan and estimate, and shall revise the draft plan and estimate accordingly and, if applicable, prior to submitting the plan and estimate to a Governmental Authority for approval.

(d) On the third anniversary of this Lease and at least every third anniversary thereafter, Tectonic will review and update the Reclamation Plan and cost estimate. Tectonic shall provide Doyon with the same opportunity to review and comment upon any updates or revisions to the Reclamation Plan and cost estimate as are provided under **SECTION 8.2(c)**.

8.3 Open Pits. Notwithstanding anything to the contrary in this Lease, any pits created in an open-pit or block caving commercial mining operation (i.e., excluding pits created in the removal of bulk samples or other noncommercial mining operations), shafts sunk in

underground mining operations, other underground openings, and waste disposal sites created by Tectonic shall be reclaimed only to the extent and in the manner provided by federal, state and local laws, rules and regulations; provided however, that at a minimum, all such pits, adits, shafts and openings of any kind shall be marked or closed adequately to protect human life, wildlife and livestock.

#### 8.4 Reclamation Fund; Bond.

(a) Reclamation Fund. Prior to commencement of Development on the Premises, Tectonic shall establish a fund to be used for anticipated future costs of environmental remediation and reclamation on the Premises in accordance with **SECTIONS 8.1** through **8.4** and of otherwise complying with all environmental laws and regulations. The reclamation fund shall at all times contain an amount equal to 120% of the estimated cost of remediation and reclamation of those portions of the Premises which have been disturbed or affected by activities under this Lease, as such estimated cost may be revised from time to time based on the periodic environmental audit conducted in accordance with **SECTION 6.5**. Such fund shall be created in a manner such that Doyon shall be able to obtain a valid security interest in said fund solely for purposes of ensuring proper remediation and reclamation of the Premises and other environmental compliance in connection with closure of a Mine on the Premises or such that the fund shall not be subject to the claims of Tectonic's creditors in a bankruptcy in the reasonable opinion of a mutually agreeable counsel, and shall be maintained in a separate account, trust account or escrow and not commingled with the moneys of Tectonic. Tectonic may draw upon and use such fund for, and only for, reclamation and environmental compliance in accordance with the Reclamation Plan. After commencement of Commercial Production, a portion of each sale of Ores or Mineral Products shall be deposited in such fund as needed to maintain the required amount in the reclamation fund. If any Governmental Authority requires posting of a reclamation bond or other financial security then the amount required in the reclamation fund will be reduced by the amount of the bond issued in favor of such Governmental Authority, but only to the extent that such bond includes costs of environmental remediation and reclamation on the Premises. Doyon shall have the right at any time to require verification of the existence and present amount of the fund required by this **SECTION 8.4(a)**.

(b) Reclamation Bond. Prior to the beginning of the third Lease Year, Tectonic shall obtain for the benefit of Doyon a performance bond or other financial security approved by Doyon, in an amount satisfactory to guarantee interim as well as complete and full reclamation of the Premises to the standards required under this Lease and under all applicable laws and regulations relating to Tectonic's operations on the Premises, and as detailed in the Reclamation Plan and cost estimate. The amount of the bond or other financial security shall be established in accordance with **SECTION 6.5** or as otherwise mutually agreed upon by Doyon and Tectonic. Commercial surety bonds issued by bonding companies rated "A+," "A," or "A-" by Best's shall be acceptable bonds hereunder. If any Governmental Authority requires posting of a reclamation bond or other financial security then Tectonic shall nevertheless be required to post a bond or other financial security hereunder for the benefit of Doyon, but only in an amount equal to the excess amount required by this Lease over the amount of the bond previously issued in favor of such Governmental Authority; provided further, however, that the amount of the bond or other financial security in favor of Doyon shall be reduced by an amount equal to the amount in the reclamation fund established under **SECTION 8.4(a)**. Doyon shall have the right any time to

require verification of the amount of the bond or other financial security required by this subsection. Such bond or other financial security shall be established in such a manner that (1) it cannot be cancelled, liquidated or otherwise terminated or reduced in whole or part without Doyon's written permission, which shall not be unreasonably withheld, delayed or conditioned, and (2) Doyon shall be able to obtain a valid security interest (solely for ensuring proper reclamation) in the bond or other financial security or, in the opinion of Doyon's legal counsel, the bond or other financial security shall not be subject to the claims of Tectonic's creditors in a bankruptcy proceeding.

(c) For purposes of this **SECTION 8.4**, Tectonic (1) hereby waives any rights it may have under AS 27.19.050(a) and agrees that the per-acre limitation of AS 27.19.040(a) shall not apply to the Premises, (2) agrees that the bonding required by this **SECTION** or applicable law may not be secured by a corporate guarantee or by a real property interest in the Premises or other lands, and (3) agrees that the bonding required by this **SECTION** or applicable law may not be obtained by participation in the Alaska statewide bonding pool. To the extent permitted by law, Tectonic shall name Doyon as co-beneficiary on any bond or other form of financial security obtained pursuant to this **SECTION** in favor of a federal, state or local Governmental Authority.

8.5 Cessation of Commercial Production; Rent. If Commercial Production from the Premises no longer exists or is deemed to exist but the Mine is then processing minerals from adjoining or nearby properties, Tectonic shall notify Doyon in writing (a "Cessation Notice") identifying the date of cessation of Commercial Production from the Premises and the portion of the Premises required for the continued operation of the Mine. From the date specified in the Cessation Notice, the portion of the Premises not identified in the Cessation Notice shall be deemed released by Tectonic, but Tectonic shall remain in possession of such portion of the Premises until it has completed reclamation and other closure actions under this Lease other than long-term environmental monitoring. At such time as Tectonic determines to permanently close the Mine, it shall provide another Cessation Notice to Doyon and proceed with final reclamation and closure activities with respect to the rest of the Premises, during which period it shall remain in possession of such portion of the Premises until it has completed reclamation and other closure actions under this Lease other than long-term environmental monitoring. During the period after giving its first Cessation Notice until completion of all reclamation and other closure actions for the entire Premises, Tectonic shall pay to Doyon, as rent for the Premises or such portions thereof as have not be returned completely to Doyon, a sum equal to \$0.50 per acre of lands within the Premises per month. Said rent shall be paid in advance commencing on the first day of the first month occurring after the delivery of the Cessation Notice. Such rent is for continued access to the Premises and shall not be in lieu of, or serve to limit or delay, Tectonic's obligations to remove its equipment and facilities and to reclaim and remediate the Premises as provided in this Lease.

8.6 Discovered Water. If Tectonic drills any holes or wells on the Premises (excluding any area to be mined or upon which any facility is to be constructed) and discovers water therein, Tectonic shall allow Doyon a reasonable period of time to plug said well and set casing therein at Doyon's expense so as to utilize said well as a water well; provided, however, Doyon's rights under this **SECTION 8.6** shall be subject to any need of Tectonic to utilize any

such well as a source of water in its operations and subject to any applicable regulatory requirements.

8.7 Limitation. For the avoidance of doubt, Tectonic shall not have any liability relating to disturbances not caused by Tectonic's operations under this Lease.

## **9. TITLE TO DOYON LANDS**

9.1 Doyon's Title. Doyon warrants and represents that it owns the Premises, free and clear of any third party rights except for Permitted Exceptions. Doyon warrants and represents that the Premises are free and clear of any third party rights arising by, through or under Doyon, that Doyon has the capacity and has been duly authorized to enter into this Lease, and Doyon will not breach any other agreement or arrangement by entering into this Lease.

## **10. REPRESENTATIONS CONCERNING CONDITION OF LAND**

Doyon represents and warrants to Tectonic that Doyon, to its knowledge and recollection without undertaking any specific inquiries or investigations or review, is unaware of any existing pollution or hazardous conditions on the Premises and has not caused any pollution or hazardous conditions to exist on the Premises.

## **11. LIENS AND ENCUMBRANCES**

11.1 Doyon's Liens and Encumbrances. Doyon shall not, during the term hereof, as a result of any act or inaction by Doyon, suffer or incur any claim, lien or encumbrance against the Premises, which would materially interfere with Tectonic's activities or rights under this Lease.

11.2 Tectonic's Liens and Encumbrances. Except with respect to its leasehold interest hereunder, its rights to Minerals, Ores, and Mineral Products produced pursuant hereto, and its improvements within the Premises, Tectonic shall not allow the assertion by any person of any claim, lien, or encumbrance of any nature whatsoever affecting Doyon's royalty and other retained interests in the Premises under the Lease arising out of or resulting directly or indirectly from its activities on the Premises. If any such claim, lien, or encumbrance is asserted by any third person, Tectonic shall promptly discharge the same unless Tectonic in good faith contests any such claim, lien, or encumbrance in which event, upon the request of Doyon, Tectonic will provide Doyon with a bond or other reasonable assurance of payment acceptable to Doyon in an amount adequate to protect Doyon from the claim, lien, or encumbrance and all costs associated therewith, including without limitation penalties and attorneys' fees.

## **12. TERMINATION**

12.1 Termination by Doyon.

(a) In the event of any default by Tectonic in the performance of its material obligations hereunder, Doyon shall give Tectonic written notice to cure the default.

(b) If said default is the failure to pay Doyon any amount due hereunder and if (A) said default is not cured within ten (10) business days of said notice, or (B) Tectonic does

not give notice to Doyon, within ten (10) business days of Doyon's notice, that Tectonic disagrees with Doyon that there has been a default and also call for arbitration as provided in **SECTION 21.3**, then Doyon may terminate this Lease by delivering a written notice of such termination to Tectonic, and this Lease will thereafter terminate five (5) business days after such termination notice from Doyon if Tectonic has not cured the default or called for arbitration as provided in **Section 21.3**. In the event of an arbitration decision determining that Tectonic has defaulted in its performance of a monetary obligation under this Lease, then Tectonic shall have ten (10) business days from receipt by Tectonic of the arbitration decision to cure the default, failing which Doyon may terminate this Lease by delivering a written notice of such termination to Tectonic.

(c) In case of any non-monetary default by Tectonic, Tectonic shall notify Doyon within thirty (30) days of said notice whether Tectonic will cure said default or whether Tectonic disagrees with Doyon that there has been a default, in which event either Doyon or Tectonic may thereafter file for arbitration as provided in **SECTION 21.3**. If Tectonic has indicated within said thirty (30) day period that it will cure the default specified in Doyon's original notice, then Tectonic shall promptly, and in any event within thirty (30) days, commence said cure and thereafter diligently pursue all steps necessary to cure the default as expeditiously as possible. Either Doyon or Tectonic may file for arbitration as provided in **Section 21.3** with respect to any dispute regarding such cure. In the event of an arbitration decision determining that Tectonic has defaulted in its performance of any non-monetary obligation under this Lease or regarding any cure of a default, Tectonic shall promptly, and in any event within thirty (30) days of such decision, commence to cure the default and thereafter diligently pursue all steps necessary to cure the default as expeditiously as possible, failing which Doyon may terminate this Lease by delivering a written notice of such termination to Tectonic.

(d) For purposes of this **SECTION**, a "non-monetary default" shall include all defaults other than failure to make any payment described in **SECTION 2.1**, any failure to satisfy any established shortfall in Expenditures by payment to Doyon under **SECTION 4.1(a)** (following any determination under **SECTION 21.3** of this Lease of the amount of the shortfall and thus the amount owing under said **SECTION 4.1(a)**), failure to adequately fund the reclamation fund as required under **SECTIONS 6.5** and **8.4**, and any other failure to make a payment required under this Lease.

## 12.2 Termination by Tectonic and Survival of Obligations

(a) Tectonic shall have the right to terminate this Lease in whole or in part at any time by delivering a written notice to Doyon, which termination shall take effect upon any future date set forth in the notice, according to the terms of this Lease, or, if no date is specified, upon the date of delivery of the notice. Tectonic shall deliver to Doyon such document or documents, duly executed in recordable form, as Doyon shall request to evidence termination of this Lease in whole or in part.

(b) Upon such termination of this Lease by Tectonic, all right, title and interest of Tectonic under this Lease to the affected portions of the Premises specified in said notice shall terminate and Tectonic shall not be required, with respect to said lands, to perform any further obligations hereunder except payments or obligations which have accrued under the express

provisions of this Lease, and which have not been paid or performed or are due upon termination of this Lease, including but not limited to all reclamation obligations set forth in this Lease. The notice of termination specified herein shall include a statement setting forth all actions required to be taken by Tectonic with respect to the lands to be deleted from the terms of this Lease as are necessary to place such area in compliance with all terms of this Lease, including but not limited to reclamation provisions contained in this Lease.

12.3 Removal of Equipment and Facilities. Upon any termination of this Lease, whether by expiration of the term hereof or by act of either party, unless requested otherwise by Doyon, or unless permitted by Doyon or by the terms of this Lease, or except to the extent that Tectonic has continuing reclamation obligations under this Lease or any applicable law, Tectonic shall, within one (1) year from and after the effective date of termination, remove from the lands as to which this Lease was terminated all of its machinery, buildings, structures, facilities, equipment and other property of every nature and description erected, placed or situated thereon. Tectonic shall otherwise satisfy as promptly as reasonably possible all outstanding obligations under this Lease, including without limitation those relating to reclamation.

12.4 Survival. In addition to the provisions of **SECTION 12.2(b)**, upon expiration or termination of this Lease by either party, the following provisions shall survive: **SECTIONS 6.8(a), 6.8(b), 8, 14, and 19.**

12.5 Quitclaim Upon Completion of Reclamation and Other Closure Activities. Following termination of this Lease and the completion by Tectonic of all reclamation and other closure actions other than long-term environmental monitoring for any portion of the Premises, Tectonic shall execute, acknowledge, and deliver to Doyon a quitclaim deed for such portion of the Premises.

### **13. ASSIGNMENT AND SUBLEASE**

Either party may transfer an interest in this Lease or the Premises or any interest that is acquired hereunder or is subject hereto to an Affiliate of that party. Neither party, nor any successor or assign, direct or indirect, of either party, shall transfer, assign, or sublet any interest in, or control of, this Lease or the Premises or any interest that is acquired hereunder or is subject hereto to any other person, partnership, limited liability company, joint venture, corporation, or other form of enterprise without the prior written consent of the other party, which consent shall not be unreasonably withheld, delayed or conditioned; *provided that* Doyon may condition its approval by requiring that the proposed assignee be a skilled and experienced operator engaged in the US or Canadian mining industry and have the financial wherewithal to fulfill the obligations of Tectonic hereunder; and *provided further*, that no such transfer, assignment, or sublease by Tectonic shall reserve or create (or include any agreement or undertaking to reserve or create at any time) a royalty interest, other right to receive a share of production, or any other payment based upon, measured by, or otherwise payable with respect to, production, including without limitation production royalties, overriding royalties, production payments, net smelter returns, net proceeds, or net profits, covering any of the Premises (or any interest acquired hereunder or subject hereto) that together with all such other royalties or interests in the aggregate exceeds 50% of the applicable royalty rate payable to Doyon under this Lease for (a) Net Proceeds, in the case of net proceeds or net profits interests or (b) Net Smelter Returns, in

the case of net smelter returns, production royalties, overriding royalties, production payments, or any other royalty interests. No assignment by either party shall be enforceable against or binding upon the other party unless the assignee agrees in writing to assume the obligations of the assignor. Tectonic shall not mortgage, pledge, or otherwise encumber its interest in this Lease or in the Premises or any interest that is acquired hereunder or is subject hereto without specific reference to the fact that such mortgage, pledge, security interest, or other instrument shall be subject to all terms and provisions of this Lease including specifically and without limitation Doyon's royalty rights under **SECTION 14** and the contracting and hiring preferences set forth in **SECTION 7**. Doyon shall have the right to require Tectonic to disclose to Doyon all terms and conditions of any proposed transfer or assignment by Tectonic.

#### **14. ACQUISITIONS WITHIN AREA OF INTEREST**

(a) During the term of this Lease, with respect to any property now owned or hereafter acquired by Doyon within the Area of Interest, Doyon shall be free to commit such property to agreements with third parties but only after first offering to Tectonic to include hereunder, as part of the Premises, the property proposed to be committed to such an agreement. Tectonic shall have sixty (60) days after receiving such offer in which to accept such offer. Doyon shall have an additional one hundred eighty (180) days to commit such property to such an agreement before again having to offer such property to Tectonic hereunder.

(b) [Reserved]

(c) If Tectonic or any Affiliate of Tectonic (i) now owns any interest in Minerals within the Area of Interest, including any interest in federal or state mining claims or leases; or (ii) acquires any interest in Minerals within the Area of Interest, including any federal or state mineral interests acquired by the location of unpatented federal or state mining claims, and if such interest in Minerals is acquired (i) at any time during the term of this Lease or (ii) within two (2) years after the date of termination of this Lease, then Tectonic shall promptly give notice of such acquisition to Doyon and simultaneously shall convey or cause to be conveyed to Doyon, in the form attached as Exhibit B, a royalty with respect to any such interest in Minerals held by Tectonic or its Affiliate within the Area of Interest equal to one-half, on a percentage basis, of the production royalty payable from time to time to Doyon under **SECTION 4** hereof.

(d) The provisions of this **SECTION** shall apply to every Affiliate of Tectonic, provided it was an Affiliate at the time of an acquisition described above, and Doyon shall have the right to independently enforce the provisions of this **SECTION 14** against such Affiliate. Breach by any such Affiliate of this **Section 14** shall be a material breach by Tectonic of this Lease. If any Affiliate of Tectonic ceases to be an Affiliate of Tectonic prior to the effective date of the termination of this Lease, the two-year period described in **SECTION 14(c)** shall begin to run at the time such Affiliate ceases to be an Affiliate of Tectonic.

(e) The provisions of this **SECTION** shall not apply to acquisitions by merger, amalgamation or similar corporate transaction by Tectonic's or its Affiliates.

(f) This **SECTION** shall survive the termination or expiration of this Lease.

## **15. FORCE MAJEURE**

15.1 Non-Default for Force Majeure. Tectonic shall not be deemed to be in default, or to have ceased performance of operations hereunder or to have ceased production, during any period in which performance or operations hereunder are materially prevented by any event of Force Majeure; provided, however, Tectonic shall not be excused from making any monetary payments required hereunder by reason of Force Majeure, provided that payments in lieu of Expenditures are not required to be made when the time for making the Expenditure is extended by the Force Majeure as provided in **SECTION 15.2**, below. All periods of Force Majeure shall be deemed to begin at the time Tectonic stops performance or operations hereunder by reason of any event of Force Majeure, and to end when the event of Force Majeure is terminated or Tectonic otherwise is able to resume the activities prevented by the event of Force Majeure. Tectonic shall notify Doyon of the beginning and ending date of each such period as soon as possible thereafter.

15.2 Extension of Term. The term of this Lease and, except as provided otherwise herein, all other time limitations or restrictions hereunder shall be extended by the number of days as any event of Force Majeure exists. In addition, if the event of Force Majeure prevents Tectonic from exercising its rights or satisfying its obligations to perform work during any field season, the extension of the term of this Lease and all other time limitations or restrictions hereunder shall be until the same number of days lost during the field season in which the event of force majeure occurred and continued have passed during the same or next succeeding field season without an event of Force Majeure. Expenditures not completed during any calendar year shall be added to the Expenditures required for the next year, unless otherwise agreed.

## **16. STATUS OF PARTIES**

The parties hereto are not partners, mining partners, an unincorporated association, or joint venturers. Except as expressly provided in this Lease, each party shall have the right independently to engage in and receive full benefits from business activities, whether or not competitive with activities under this Lease, without consulting the other. The doctrines of “corporate opportunity” or “business opportunity” shall not be applied to any other activity, venture, or operation of either party, and, neither party shall have any obligation to the other with respect to any opportunity to acquire any property outside the Area of Interest at any time, or within the Area of Interest after the termination of this Lease, except as provided in **SECTION 14**.

## **17. INFORMATION AND REPORTS**

### **17.1 Information.**

(a) Doyon will make available for Tectonic’s inspection and copying at Tectonic’s expense all information which it has available as to the Premises and Area of Interest including, but not limited to, information regarding archaeological and cultural resources on such lands and any data obtained from mineral exploration on such lands, provided, however, Doyon makes no representations or warranties concerning such information and shall not be liable to Tectonic or third parties for the accuracy or completeness of any information made available to Tectonic. Doyon represents and warrants to Tectonic that (i) Doyon is not a party to any other contract or

agreement providing for the Mineral exploration of the Premises or Area of Interest, and (ii) the provision of information to Tectonic under this **SECTION** is not restricted in any way by contractual obligations of Doyon or its Affiliates. Tectonic shall indemnify and hold Doyon harmless from any such liability or responsibility alleged by Tectonic or third parties who obtain such information from or through Tectonic. Tectonic shall treat all such information as confidential in accordance with **SECTION 18** of this Lease.

(b) All information received by Doyon from Tectonic regarding the Premises obtained pursuant to this Lease shall be considered and treated as confidential by Doyon in accordance with **SECTION 18** of this Lease. Doyon and Tectonic recognize the high risks and uncertainties involved in the interpretation of any information provided by Tectonic under this **SECTION**. Tectonic's interpretation or analysis of any Information shall be made in good faith and based on its expertise, provided however that Tectonic makes no representations or warranties respecting the accuracy or completeness of any information and shall not be liable or responsible to Doyon or third parties for any damages or injury arising out of or resulting from any information or reliance thereon unless Tectonic knowingly makes misrepresentations.

(c) Technical materials generated and samples collected during the term of this Lease with respect to any particular lands within the Premises, or copies of such materials and representative splits of samples, will be preserved in accordance with Good Mining Practice and provided to Doyon at the termination of the Lease as to such lands. Such materials and samples will be thoroughly labeled, indexed, and preserved, in accordance with Good Mining Practice, throughout the term of this Lease. Such requirement shall not apply to water and vegetation samples or other samples and materials regularly taken and discarded during Commercial Production in accordance with Good Mining Practice, or to other samples or materials requested by Tectonic from the Premises that Doyon may agree, acting reasonably, are not required to be preserved. Doyon shall have the right to inspect all samples, drill stem cuttings, and drill core taken by Tectonic, provided that Doyon shall pay any costs associated with Doyon's inspection, including, but not limited to the costs of travel to the site of sample storage. At Doyon's request, Tectonic shall furnish to Doyon's representative splits of all such samples, cuttings and cores, provided that Doyon shall pay the costs associated with providing the same to Doyon, and provided further that Tectonic shall not be required to take duplicate samples or provide splits when it desires to employ any form of testing that requires all of the sample material and that will destroy the sample. Examples of technical materials and samples to be provided to Doyon at the termination of this Lease as to any particular lands within the Premises are as follows:

- (1) **Sample Materials:** Geochemical samples, rock samples, core samples, thin sections, and other materials gathered during the course of exploration and evaluation. Specifically, geochemical sample pulps, rejects and core will be stored throughout the program. Storage of rejects will be at Doyon's expense.
- (2) **Sample Location Maps:** Detailed maps showing the locations of geochemical samples, geophysical flight lines and field stations, and geologic mapping will be maintained at a scale sufficient to allow relocation or reproduction of samples or surveys.

- (3) Field Notes, Sample Cards, Daily/Weekly Logs: Field investigation will be conducted in a uniform and systematic manner whenever possible. These investigations will be documented by daily field notes, and weekly or monthly summary reports as dictated by the stage of the project.
- (4) Geophysical Data: Air photos, satellite imagery, airborne and ground geophysical survey data acquired, used, or generated by the program, including but not limited to all raw data, will be provided to Doyon along with adequate documentation as to dates of survey, contractors, and sources of information.
- (5) Data Base: Data acquired by the program will be maintained in a computerized data base consistent with Doyon's standards, which shall include at a minimum geochemical analytical data and their respective digitized sample location maps, information on sample type analytical procedures, and analysis dates, QA/QC databases, environmental sample databases and other compilation of work performed. Doyon will provide to Tectonic Doyon's geochemical database template to build on and for Tectonic to modify accordingly.

(d) For any subcontracted reports, surveys, and related work, such as airborne or ground geophysical surveys, chemical or analytical lab assays and geochemical analysis, metallurgical testing, or other third party technical reports regarding the Premises, Tectonic shall provide Doyon with copies of the documentation of such work and all supporting data in a timely manner during the course of the Lease. Tectonic agrees, and shall provide in its third party contracts, that Doyon shall have access to and ownership of the reports and underlying data generated by Tectonic's operations under this Lease, and that Doyon shall have the sole ownership and use of such reports and underlying data after termination of this Lease. After termination of this Lease, no consent from Tectonic shall be required for Doyon to access any such report or underlying data in the possession or control of any such third party contractor.

(e) Doyon shall have the right, during the term of this Lease, at its own expense and at times agreed with Tectonic so as to avoid interference with operations under this Lease, to review and inspect data acquisition and analysis, such as data base software, analytical lab assay procedures and documentation, third party geophysical surveys, and similar exploration information generated by operations on the Premises, in order to confirm that all information is documented in sufficient detail and in formats adequate to support future work on the Premises after the termination of this Lease.

#### 17.2 Reports. Tectonic shall deliver to Doyon:

(a) three (3) bound paper copies and an electronic copy of a report, on or before February 1st of each year, detailing the results and analyses of all work done or anticipated to be done on the Premises, Minerals found, and all other relevant information reasonably requested by Doyon (both interpretive and noninterpretive) and including raw data and information regarding any environmental liabilities connected with the Premises, or operations on the Premises;

(b) copies of all material reports prepared by Tectonic regarding its operations on the Premises, including without limitation copies of all material reports concerning environmental compliance and reclamation, including all material information submitted to Governmental Authorities, all notices of violation or related to environmental compliance from Governmental Authorities, all material reports relating to exploration (including drilling and Condemnation Drilling, and sampling and related work summarized in tables), prefeasibility study, feasibility study, development and mine operations, and materials used to calculate Doyen's royalty; provided that all geological, geophysical and engineering information regarding the Premises shall be considered material for purposes of reporting; and

(c) promptly upon discovery thereof, detailed written notice of any material environmental compliance problems connected with Tectonic's operations on the Premises and Tectonic's plan to address such problems, including an update to the Reclamation Plan and cost estimate if necessary to address such problem.

17.3 Meetings. Tectonic shall meet with Doyon not less than twice a year, such as in February or March and in October or November, to advise Doyon of Tectonic's progress in accomplishing its planned activities, including but not limited to reclamation and environmental protection activities.

## **18. CONFIDENTIALITY**

18.1 General. Except as otherwise provided in or pursuant to this **SECTION 18**, all information obtained pursuant to or in connection with this Lease shall be the exclusive property of the party disclosing such information (the "Disclosing party"), provided that the party receiving such information (the "Receiving party") shall be entitled to use such information solely for purposes of its performance of this Lease, subject to the confidentiality obligations set out in this **SECTION 18**.

18.2 Confidentiality. Except as otherwise provided in or pursuant to this **SECTION 18**, during the term of this Lease all information obtained pursuant to or in connection with this Lease shall not be disclosed by the Receiving party to any third party or to the public without the prior written consent of the Disclosing party. The consent required by this **SECTION 18.2** shall not apply to a disclosure:

(a) to an Affiliate, employee, representative, consultant, contractor, or subcontractor or other person that has a bona fide need to be informed, or

(b) to any third party to whom the disclosing party contemplates a sale, grant, assignment, encumbrance, pledge, or other commitment or disposition of all or any part of its interest in, to, or under this Lease, or

(c) to any third party seeking to acquire, other than pursuant to a public offering, an equity interest in Tectonic or an Affiliate thereof, or

(d) to other regional Native Corporations which the disclosing party believes in good faith is required by pertinent law, or

(e) to a Governmental Authorities or to the public which the disclosing party believes in good faith is required by pertinent law or the rules of any stock exchange, including in connection with a public offering.

In any case to which this **SECTION 18.2** is applicable, the disclosing party shall give notice to the other party of the contents of such disclosure at least five days prior to the making of such disclosure, unless the disclosing party believes in good faith that a more rapid disclosure is required by pertinent law or the rules of any stock exchange (in which event such notice shall be given as much in advance as possible but in any event no later than contemporaneously with the disclosure). As to any disclosure pursuant to **SECTION 18.2(a)** or **SECTION 18.2(b)**, only such confidential information as such third party shall have a legitimate business need to know shall be disclosed and such third party shall be subject to confidentiality obligations in respect of the further disclosure of such information at least as onerous as those contained in this **SECTION 18.**

### 18.3 Disclosures after Expiration or Termination of Lease.

(a) Except as otherwise provided in this **SECTION 18.3**, after the expiration or termination of this Lease as to the entire Premises (1) Doyon shall be free to disclose any or all information obtained pursuant to or in connection with this Lease to any third party or to the public without the consent of Tectonic, and (2) Tectonic shall not disclose any information obtained pursuant to or in connection with this Lease to any third party or to the public without the prior written consent of Doyon.

(b) The consent of Doyon required by this **SECTION 18.3** shall not apply to a disclosure by Tectonic to a Governmental Authority or to the public which the disclosing party believes in good faith is required by pertinent law or regulation or the rules of any stock exchange. Tectonic shall give notice to Doyon of the contents of such disclosure at least five days prior to the making of such disclosure, unless Tectonic believes in good faith that a more rapid disclosure is required by pertinent law or the rules of any stock exchange (in which event such notice shall be given as much in advance as possible but in any event no later than contemporaneously with the disclosure).

18.4 Exceptions To Consent Requirements. The limitations and restrictions imposed by this **SECTION 18** shall not apply to disclosures of information that the Disclosing party can establish was known by the Disclosing party prior to the execution of this Lease or information that the Disclosing party can establish is in the public domain other than as a result of a disclosure in violation of any provision of this **SECTION 18.**

18.5 Use of Logos. Neither party nor any of its respective Affiliates shall use the logo of the other party without the written permission of the other party. Nothing herein shall prevent either party or its Affiliates, in any written or oral communications, from referring to the other party by name when describing this Lease or activities undertaken pursuant to this Lease, from describing any Premises using the same or a similar term, from describing activities undertaken pursuant to this Lease as the “Carrie Creek Project” or the “Mt. Harper Project.”

**19. ABANDONMENT**

In the event Tectonic elects to abandon any interests owned or controlled by it in any Third Party Property situated inside the boundary of the Area of Interest, it shall first offer (to the extent it is entitled to do so) such interests to Doyon which thereupon shall have sixty (60) days from its receipt of said offer in which to elect by written notice to Tectonic to take conveyance of all or some of such interests free of royalty or other consideration by means of a deed or assignment in recordable form containing no warranties or covenants of title, validity, or good standing.

**20. SCHOLARSHIP DONATIONS**

On the Effective Date and on or before May 1 of each subsequent year during the term of this Lease, Tectonic shall contribute to Doyon Foundation, or to another 501(c) organization, or accredited educational institution, or as otherwise directed by Doyon, subject to applicable law, \$10,000 for scholarships to educate Doyon's shareholders and their direct descendants in the fields of natural resource development and land management. If Commercial Production under this Lease is obtained, then on or before May 1 during each year following the commencement of Commercial Production, Tectonic agrees that the contribution to the scholarship fund(s) directed by Doyon shall be at the rate of \$50,000 per year until termination of such production (including temporary cessations of production lasting a year or more).

**21. GENERAL PROVISIONS**

21.1 Notice. Any notices required or which may be given under this Lease shall be sent to the other party at the following addresses by overnight courier (such as FedEx, UPS, or DHL) or by facsimile, email or other electronic communication:

To Tectonic:           Tectonic Resources, LLC  
312 – 744 West Hastings Street  
Vancouver, BC CANADA VC 1A5  
Attn: Tony Reda  
Phone: (604) 817-8804  
Email: tony@tectonicmetals.com

To Doyon:             Doyon, Limited  
1 Doyon Place, Suite 300  
Fairbanks, Alaska 99701  
Attn: Vice President, Lands and Natural Resources  
Phone: (907) 459-2000  
Fax: (907) 459-2062  
Email:

with a copy to:     General Counsel  
                          Doyon, Limited  
                          1 Doyon Place, Suite 300  
                          Fairbanks, Alaska 99701  
                          Phone: (907) 459-2000  
                          Fax: (907) 459-2062  
                          Email:

Changes of address shall be made by giving notice thereof to the other party as allowed by this **SECTION 21.1**.

Any notice so given shall be deemed to have been received by the other party if sent by private courier service, or other electronic means, on the date of delivery stamped upon the receipt or other form of electronic transmission confirmation.

21.2 Governing Law. This Lease shall be governed and interpreted in accordance with the laws of the state of Alaska.

21.3 Arbitration.

(a) Any dispute, controversy, or claim arising out of or relating to this Lease, or the breach, termination or invalidity thereof, shall be settled by arbitration in accordance with the American Arbitration Associations Commercial Arbitration Rules then in effect (the "AAA Rules"), only to the extent not inconsistent with the other provisions of this **SECTION**. The arbitration shall be governed by the United States Arbitration Act, 9 U.S.C. §§ 1 et seq. (the "Act"), and the laws of the State of Alaska shall be applied by the arbitrators in resolving the substantive issues raised by such dispute, controversy or claim. All proceedings in any such arbitration shall be held in Fairbanks or Anchorage, Alaska, as mutually agreed between the parties or, failing such agreement, by the arbitrator or panel of arbitrators appointed as described below. Judgment upon the award rendered by the arbitrators may be entered, and such judgment enforced, in any court having jurisdiction thereof. Any dispute regarding whether any issue arising under this Lease or in connection with the transactions contemplated herein is subject to arbitration under this **SECTION** shall be resolved by arbitration in the manner described in this **SECTION**.

(b) The party desiring arbitration shall give written notice to that effect to the other party and the parties shall attempt to agree on the appointment of a single arbitrator. If the parties have not so agreed within seven (7) days after service of such notice, each party shall notify, the other party in writing of the name and address of the person designated to act as arbitrator on its behalf within seven days of such failure to agree. If either party fails to notify the other party of the appointment of its arbitrator within the time specified above, then the appointment of such party's arbitrator shall be made by the American Arbitration Association. If two arbitrators are designated or appointed, the two arbitrators shall together appoint a third arbitrator. If the two arbitrators are unable to agree upon the appointment of a third arbitrator within five days after both have been designated as appointed, the third arbitrator shall be selected by the American Arbitration Association. If an arbitrator fails, refuses or is unable to act, a new arbitrator shall be

appointed as provided in the AAA Rules. Each arbitrator designated or appointed hereunder shall be impartial and competent and shall have recognized expertise in the subject matter of the arbitration such expertise to be with respect to such matters arising in Alaska where relevant.

(c) The parties shall utilize the discovery provisions of the Federal Rules of Civil Procedure for the Federal District of Alaska then in effect in all arbitrations hereunder; provided, however, that the time periods provided in such rules may be shortened in the discretion of the arbitrator or arbitrators so that all discovery is completed not later than one (1) week prior to the hearing. The arbitrator or arbitrators shall commence their hearing within three months after the appointment of the last arbitrator. Not later than one week prior to the hearing date, each party shall serve on each arbitrator and on the opposing party such party's statement of facts, issues and list of witnesses and exhibits, which exhibits shall be made available for inspection and copying at the location of the arbitration proceedings by the opposing party at all reasonable hours after 9 a.m., local time on the day following the date of the service of such list. The arbitrator or arbitrators shall deliver their decision and award within one month after completion of the hearing and shall give prompt notice of their decision to each party accompanied by findings of fact and conclusions of law. Except as otherwise provided in the Act, any decision and award of a sole arbitrator or in which two arbitrators concur shall in all cases be final, binding and conclusive upon the parties and the parties agree to abide by the award. The time periods provided in this paragraph (c) may be shortened if, in the discretion of the arbitrator or arbitrators, the subject matter of the dispute, controversy or claim so justifies.

(d) The fees and expenses of the arbitrator appointed by or on behalf of one party shall be borne by such party. The fees and expenses of any sole arbitrator or of any third arbitrator and all other costs of the arbitration proceedings, including but not limited to costs of a transcript of all or any portion of such proceedings, shall be borne by both parties equally, unless the arbitrator or arbitrators otherwise decide.

21.4 Entire Agreement. This Lease, together with any and all recitals, and attached Schedules and Exhibits, represents the entire agreement between the parties and there are no other representations, warranties, covenants or other conditions between the parties except as provided for in writing in this Lease.

21.5 Binding Effect. This Lease shall be binding upon and inure to the benefit of the respective permitted successors and assigns of the parties hereto.

21.6 Amendments and Waiver. This Lease may be modified or amended only by an agreement signed by both parties. Failure of either party to insist on full performance of any obligation of the other party on one or more occasion shall not waive, modify, release or alter in any manner such party's right to insist upon full performance of such obligation in the future.

21.7 Execution in Counterparts and by Facsimile.

This Lease and the documents to be executed and delivered upon execution of this Lease may be executed in counterparts, and delivery thereof may be accomplished by transmitting an executed signature page to the other party by facsimile; provided that promptly after such delivery, originals of this agreement and all such documents, executed by all parties thereto, shall

be executed, acknowledged where appropriate, and delivered to counsel for the respective parties.

21.8 Headings. The paragraph headings in this Lease are inserted for convenience only and shall not be considered a part of this Lease or used in its interpretation.

21.9 Time of Essence. Time shall be of the essence of this Lease.Further Assurances. Each of the parties agrees that it shall take from time to time such actions and execute such additional instruments as may be reasonably necessary or convenient to implement and carry out the intent and purpose of this Lease. The parties further agree, for themselves and their respective successors and assigns, to cause their respective Affiliates, and the Affiliates of their respective successors and assigns, to take all actions and execute all additional documents as are reasonably necessary or appropriate to effectuate the purpose and intent of this Lease.Currency and Consumer Price Index Adjustment. All monetary amounts specified in this Lease are denominated in United States Dollars. Stated dollar amounts in this Lease (including the payment referenced in Section 2.1(b), to the extent not made as of the adjustment date) shall be subject to a one-time adjustment on the fifteenth anniversary of the Effective Date for increases or decreases in the Consumer Price Index - Urban, Anchorage, Alaska, since the Effective Date.

21.12 [Reserved].

21.13 Recording Memorandum. Upon execution of this Lease, the parties shall agree upon the text of and execute a memorandum of this Lease in order to impart constructive notice of this Lease, the grants made hereby, and the rights of each party under this Lease and to comply with the applicable recording laws of the State of Alaska. All statutory recording fees for recording the memorandum shall be paid by Tectonic.

21.14 Parent Guaranty. Upon execution of this Lease, Tectonic shall deliver a guaranty by its parent company of its obligations under this Lease, in the form attached as Exhibit C.

21.15 Conflicts with Law. To the extent any provision of this Lease imposes an obligation on either party that conflicts with, or is otherwise not permitted under, any laws applicable in the State of Alaska, then such provision shall not apply to the extent of the conflict.

IN WITNESS WHEREOF, the above parties have caused this Lease to be properly executed, all as of the day and year first above written.

DOYON, LIMITED

By: *(signed) Aaron M. Schutt* \_\_\_\_\_  
Name: Aaron M. Schutt  
President and Chief Executive Officer

TECTONIC RESOURCES, LLC

By: District Metals, LLC, an Alaska limited liability company,  
its sole member

By: Tectonic Metals Inc., a British Columbia corporation,  
its sole member

By: *(signed) Antonio Reda* \_\_\_\_\_  
Name: Antonio Reda  
Title: President & CEO

**SCHEDULE A**

**CARRIE CREEK / MT. HARPER PREMISES LEGAL DESCRIPTION  
AND AREA OF INTEREST  
(DOYON SURFACE AND SUBSURFACE)**

**Carrie Creek Premises**

Fairbanks Meridian, Alaska.

T. 6 S., R 18 E.,  
Sections 4 – 9, and 16 – 18, inclusive

T. 7 S., R 17 E.,  
Sections 12, 13, 24 – 26, and 36, inclusive

T. 7 S., R 18 E.,  
Sections 7, 8, 17 – 20, and 29 – 32, inclusive

**Mount Harper Premises**

Fairbanks Meridian, Alaska.

T. 8 S., R 19 E.,  
Sections 1 – 36, inclusive

T. 8 S., R 20 E.,  
Sections 1 – 36, inclusive

Copper River Meridian, Alaska.

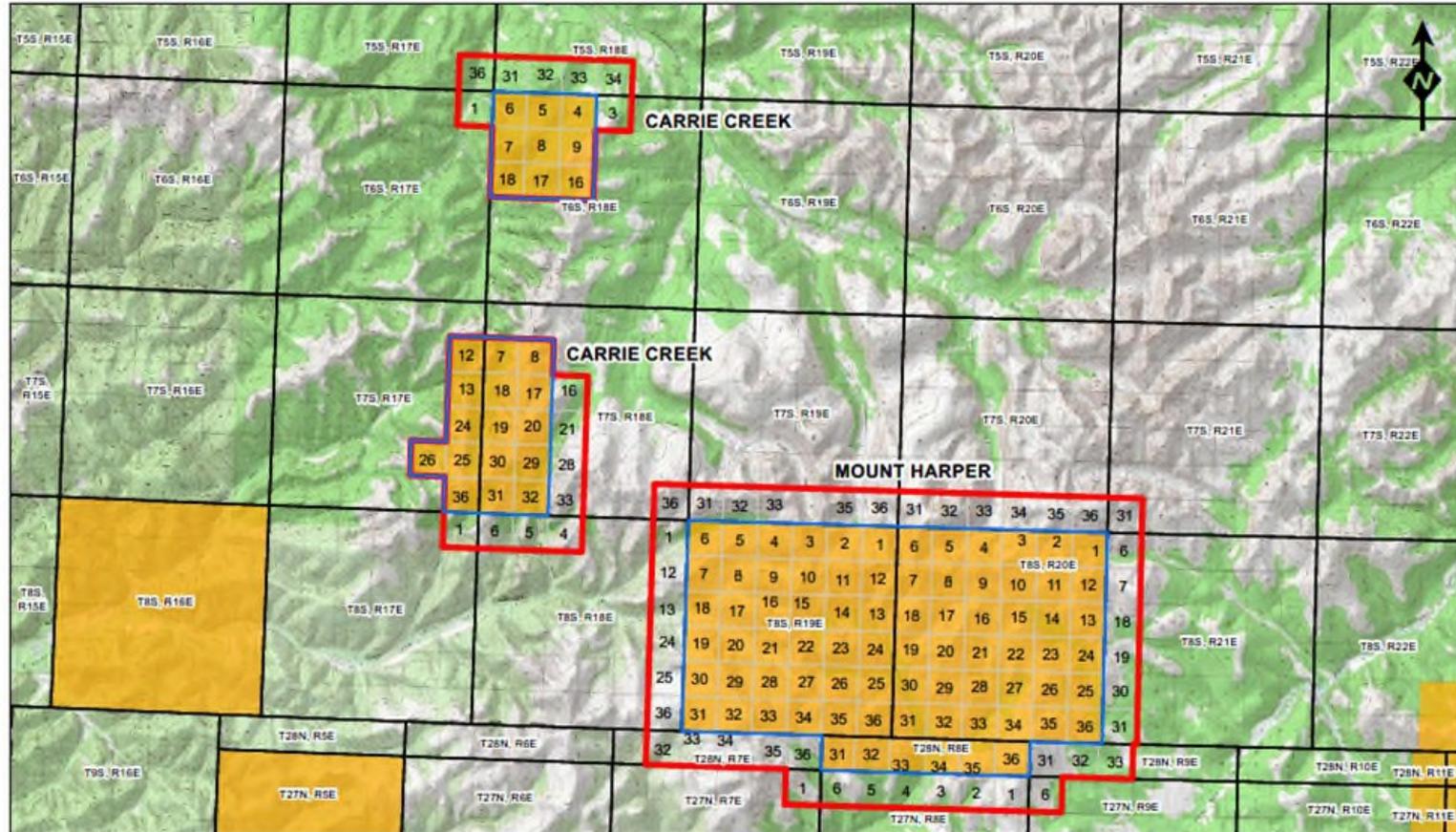
T. 28 N., R 8 E.,  
Sections 31 – 36, inclusive

**Area of Interest**

<u>Fairbanks Meridian, Alaska</u>	<u>Copper River Meridian, Alaska.</u>
T. 5 S., R 17 E., Section 36	T. 27 N., R 7 E., Section 1
T. 5 S., R 18 E., Sections 31 – 34	T. 27 N., R 8 E., Sections 1 - 6
T. 6 S., R 17 E., Section 1	T. 27 N., R 9 E., Section 6
T. 6 S., R 18 E., Section 3	T. 28 N., R 7 E., Sections 32 - 36
T. 7 S., R 18 E., Sections 16, 21, 28, 33, and 36	T. 28 N., R 9 E., Sections 31 - 33
T. 7 S., R 19 E., Sections 31 – 36	
T. 7 S., R 20 E., Sections 31 – 36	
T. 7 S., R 21 E., Section 31	
T. 8 S., R 17 E., Section 1	
T. 8 S., R 18 E., Sections 1, 4 – 6, 12, 13, 24, 25, and 36	
T. 8 S., R 21 E., Sections 6, 7, 18, 19, 30, and 31	

SCHEDULE B

**C O N F I D E N T I A L**



<p> Doyon Surface &amp; Subsurface Ownership</p> <p> Premises</p> <p> Area of Interest</p>		<p>SCALE:</p>	<p><b>DOYON, LIMITED</b></p> <p><b>DOYON - TECTONIC MINING LEASE</b></p> <p><b>CARRIE CREEK &amp; MOUNT HARPER</b></p>	<p>SCHEDULE:</p> <p><b>B</b></p>
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DOYON\_ORVRC0061.mxd, 6/24/2020 10:25:42 AM, R02

**EXHIBIT A**  
**EXPENDITURES**

“Expenditures” shall include the following:

**a. Labor and Employee Benefits.**

- i. Salaries and Wages; Contractors. Salaries and wages of Tectonic’s employees and the costs of any contractors who engaged by Tectonic, who are engaged in operations on the Premises.
- ii. Benefits. Tectonic’s cost of holiday, vacation, sickness and disability benefits, and other customary allowances applicable to the salaries and wages chargeable this Lease. Such costs may be charged on a “when and as paid basis” or by “percentage assessment” on the amount of salaries and wages. If percentage assessment is used, the rate shall be applied to wages or salaries excluding overtime and bonuses. Such rate shall be based on Tectonic’s cost experience and shall be periodically adjusted at least annually to ensure that the total of such charges does not exceed Tectonic’s actual cost of such charges.
- iii. Benefit Plans. Tectonic’s actual cost of established plans for employees’ group life insurance, hospitalization, pension, retirement, stock purchase, thrift, bonus (except production or incentive bonus plans under a union contract based on actual rates of production, cost savings and other production factors, and similar non-union bonus plans customary in the industry or necessary to attract competent employees, which bonus payments shall be considered salaries and wages under this Lease rather than benefit plans) and other benefit plans of a like nature applicable to salaries and wages chargeable under this Lease; *provided*, that the plans are limited to the extent feasible to those customary in the industry.
- iv. Employment Taxes. Cost of taxes imposed by any Governmental Authority that are applicable to salaries and wages chargeable under this Lease.

b. **Materials, Equipment and Supplies.** The cost of materials, equipment and supplies (“Material”) purchased from unaffiliated third parties or furnished by Tectonic.

c. **Equipment and Facilities Furnished by Tectonic.** The cost of machinery, equipment and facilities incurred by Tectonic in conducting operations on the Premises under this Lease or used to provide support or utility services to such

operations. Such rates shall include costs of maintenance, repairs, other operating expenses and insurance.

- d. **Transportation**. Reasonable transportation costs incurred in connection with the transportation of individuals and Material necessary or appropriate for operations on the Premises under this Lease.
- e. **Contract Services and Utilities**. The reasonable cost of contract services and utilities procured from third parties. If contract services are performed by an Affiliate of Tectonic, the amount creditable as Expenditures shall not be greater than that for which comparable services and utilities are available in comparable markets.
- f. **Insurance Premiums**. Premiums paid for insurance required to be carried under this Lease or otherwise appropriate for operations on the Premises under this Lease.
- g. **Damages and Losses**. All costs incurred necessary to repair or replace damages or losses to any equipment resulting from use of such equipment in operations under this Lease. Tectonic shall furnish Doyon with written notice of damages or losses as soon as practicable after a report of such damages or losses has been received by Tectonic.
- h. **Taxes**. All taxes (except income taxes and similar taxes measured based on net income derived from the Premises) of every kind and nature paid by Tectonic that are assessed or levied upon or in connection with the Premises or Tectonic's operations on the Premises under this Lease.
- i. **District and Camp Expense (Field Supervision and Camp Expenses)**. A *pro rata* portion of (a) the salaries and expenses of Tectonic's superintendent and other employees serving operations on the Premises whose time is not allocated directly to the Premises operations, (b) the costs of maintaining and operating an office in the vicinity of the Premises for operations under this Lease, and (c) all necessary camps, including housing facilities for employees, used for operations on the Premises under this Lease. The expense of those facilities, less any revenue therefrom, shall include depreciation or a fair monthly rental in lieu of depreciation of the investment. The total of such charges for all mineral exploration and production operations on all properties served by such superintendent and other employees and facilities shall be apportioned on the basis of a ratio, the numerator of which is the direct labor costs of operations on the Premises under this Lease and the denominator of which is the total direct labor costs incurred for all mineral exploration and production operations on all properties served by such superintendent and other employees and facilities.

- j. **Environmental Compliance**. All costs of environmental, health and safety compliance activities required under this Lease or applicable law or otherwise necessary or appropriate to conduct operations on the Premises.
- k. **Other Expenditures**. means all other expenditures referred to in the definition of “Expenditures” in this Lease.

**EXHIBIT B**

**Conveyance of Royalty**

RECORD THIS INSTRUMENT IN THE \_\_\_\_\_ RECORDING DISTRICT

RETURN THIS INSTRUMENTS TO:     Doyon, Limited  
  1 Doyon Place, Suite 300  
  Fairbanks, Alaska 99701

INDEX THIS INSTRUMENT AS FOLLOWS:

Grantor:        Tectonic Resources, LLC  
Grantee:        Doyon, Limited

\*\*\*\*\*

**CONVEYANCE OF ROYALTY**

THIS CONVEYANCE OF ROYALTY (this “Conveyance”), given this \_\_\_\_ day of \_\_\_\_\_, 20\_\_, by TECTONIC RESOURCES, LLC (“Tectonic”), an Alaska limited liability company, the address of which is \_\_\_\_\_, to DOYON, LIMITED (“Doyon”), an Alaska Native regional corporation, the address of which is 1 Doyon Place, Suite 300, Fairbanks, Alaska 99701.

WITNESSETH:

THAT FOR and in consideration of \$10.00 and other good and valuable consideration, the receipt and adequacy of which are hereby acknowledge, Tectonic and Doyon hereby agree and act as follows:

**1.     Definitions**

As used in this Conveyance, unless the context otherwise requires, the following terms have the following meanings:

“**Affiliate**” means a person, partnership, limited liability company, joint venture, corporation, or other entity which, whether through equity ownership or through contractual obligations: (i) can, either directly or indirectly, control or be controlled by a party hereto, or such party’s successors or assigns, or (ii) is , directly or indirectly, under the common control of a third person or other entity with a party hereto, or such party’s successors or assigns.

“**Base Minerals**” means all Minerals other than Precious Minerals.

**“Commercial Production”** means mineral production operations extracting, on average, such amount of Ore per day from the Premises that is at least 75% of the milling rate specified in a Feasibility Study that recommended placing a Mine into commercial production (the “Production Threshold”) for a continuous period of six (6) months, subject to periods of Force Majeure or periods in which such production operations are suspended due to normal weather conditions (i.e., in the event mineral production operations are interrupted by an event of Force Majeure or normal weather conditions, then the operations occurring immediately prior to such interruption and immediately after such interruption ceases shall be deemed to be continuous for purposes of establishing a continuous period of six (6) months). The effective date of Commercial Production shall be retroactive to the first day of the six (6) month period referred to above. Solely for the purpose of computing production royalty on Minerals and Mineral Products produced from the Premises and sold prior to achievement of Commercial Production, all calculations shall be made as if Commercial Production had commenced with the first production of Minerals or Mineral Products.

**“Development”** means all preparation for Commercial Production, including the construction or installation of a mill or any other improvements to be used for the mining, handling, milling, processing, or other beneficiation of Mineral Products.

**“Expenditures”** means all actual, direct costs, expenses, and charges (including but not limited to interest actually paid) related to Exploration and Development conducted after Tectonic acquired the Premises on or for the benefit of the Premises, including without limitation costs and expenses incurred off the Premises and reasonably allocated to operations on the Premises. All such costs, expenses and charges shall be determined in accordance with generally accepted accounting principles consistently applied in the U.S. mining industry from time to time. Expenditures shall not include (a) payments made by Tectonic to Doyon pursuant to the Lease, (b) any costs associated with raising or managing equity capital, (c) any costs incurred in acquiring Third party Property within the Premises, (d) other than as provided in **SECTION 14.1**, any payments made by Tectonic to third parties (in cash, services, royalties or other payments out of production, Minerals, or anything else of value) pursuant to agreements entered into with said third parties to acquire Third party Property within the Premises, or (e) any general or administrative costs of Tectonic associated with its performance under this Conveyance.

**“Exploration”** means all activities directed toward ascertaining the existence, location, quantity, quality, or commercial value of deposits of Minerals.

**“Fair Market Value”** of Mineral Products shall be determined on a unit basis as follows:

- (i) Refined gold bullion shall be valued on the basis of the average of the daily London Bullion Brokers Second Gold Fixing for the five business days prior to the deposit of the bullion into Tectonic’s account at the refiner’s place of business;
- (ii) Refined silver bullion shall be valued on the basis of the average of the daily Handy & Harman Silver base price for the five business days prior to the deposit of the bullion into Tectonic’s account at the refiner’s place of business;

- (iii) All Minerals and Mineral Products other than nickel, copper, zinc and lead shall be valued on the basis of the published index value for the particular Mineral or Mineral Product on The London Metal Exchange (provided that, if such Minerals or Mineral Products are not then listed thereon, then such Minerals or Mineral Products will be valued on the basis of a recognized published index value agreed by the parties, acting reasonably) for the average of the five business days prior to the date payment for the Mineral or Mineral Product is deposited in Tectonic's account; and
- (iv) Nickel, copper, zinc and lead shall each be valued on the basis of the average ("Cash mean") of the official daily "Cash buyer" and "Cash seller" prices for Primary Nickel, Copper (Grade A), SHG Zinc and Standard Lead, respectively, on the London Metal Exchange for the five business days prior to payment being deposited in Tectonic's account.

**"Feasibility Study"** means a written report prepared by a reputable independent mining consultant selected by Tectonic and approved by Doyon (such approval not to be unreasonably withheld) setting forth in detail an analysis of the economic and commercial viability of conducting operations for the production and sale of Mineral Products from a Mine on the Premises that recommends a mine capable of a minimum of Commercial Production on any part of the Premises. Such report shall meet at least the standards of NI 43-101 and the definition of "Feasibility Study" in the CIM Definition Standards for Mineral Resources and Mineral Reserves (in force at the relevant date of delivery of the study) and shall be conducted in accordance with industry best practices. During the preparation of any Feasibility Study, Tectonic shall keep Doyon apprised of the work including making available to Doyon periodic drafts of the Feasibility Study and data upon which the Feasibility Study or drafts are based, and inviting Doyon to attend, at Doyon's cost and with reasonable advance notice, periodic project review meetings held in connection with the preparation of any Feasibility Study.

**"Force Majeure"** means an event which prevents, wholly or in material part, a party from exercising its rights or performing its obligations hereunder where the cause of such event is beyond the reasonable control of the party affected, and shall include, without limitation, earthquake, volcanic eruption, flood, fire, unusually severe damage from the elements, accident, war, strike, labor dispute, civil disturbance, unavailability of feasible means of access, transportation or necessary equipment, unavailability of land for surface uses reasonably necessary for production of Mineral Products on terms acceptable to Tectonic, Governmental Authority action or inaction (including, but not limited to executive, legislative, judicial, or administrative law, rule, policy, decision, decree, order, or failure to act), or failure of title.

**"Gross Revenues"** means the amount of earned revenues payable to Tectonic from any processor, smelter, refinery, or other purchaser of Mineral Products less all penalties, assaying, and sampling charges, if deducted by the purchaser or actually paid, borne, or incurred by Tectonic in the first instance; provided, however, that any written contract for the sale, processing or refining of Mineral Products to or by an Affiliate of Tectonic or any sale, processing, smelting, or refining of Mineral Products to or by an Affiliate of Tectonic on a basis

not involving a contract or any use by Tectonic of Mineral Products shall not, without the prior written consent of Doyon, occur on a basis less favorable to Tectonic (including the terms thereof with respect to delivery and inventorying) at the time of such contract, sale, or use (as the case may be) than that which would have been applicable with respect to a comparable contract, sale, or use (as the case may be) to or by an unaffiliated third party. The provisions hereof regarding transactions with Affiliates of Tectonic supplement and are not in lieu of Doyon's rights under **SECTION 2(f)** and **2(g)** of this Conveyance.

**“Lands”** means the particular lands depicted in Exhibit A and described on Schedule A (Part 1) attached hereto, which contain the Premises.

**“Lease”** means that certain Mining Lease dated as of August 1, 2020, between Doyon and Tectonic, a memorandum of which was recorded on \_\_\_\_\_, \_\_\_\_\_, at Book \_\_\_\_\_, Page \_\_\_\_\_, \_\_\_\_\_ Recording District.

**“Mine”** means one or more open pits, underground workings, in situ operations, and processing facilities situated wholly or partly within the Premises if such open pits, underground workings, in situ operations, and processing facilities are physically interrelated or for economic reasons should logically be developed in conjunction with one another.

**“Mineral(s)”** means all minerals (including all mineral elements, mineral compounds, mineral substances, and mineral materials) occurring naturally in the earth, other than Other Minerals.

**“Mineral Products”** means all Ores produced from the Premises which are sold, processed, or refined for their Mineral content and all products derived from such processing or refining including, without limitation, doré bullion, precipitates, and concentrates of Minerals.

**“Net Proceeds”** means in any calendar quarter Gross Revenues accrued in that calendar quarter less Operating Costs incurred in that calendar quarter.

**“Net Smelter Returns”** means the Fair Market Value of Mineral Products less, but only to the extent actually incurred or paid by Tectonic, the following (and only the following, without duplication):

- (i) Charges and costs, if any, for transportation (including related storage and insurance costs) from Tectonic's mine, mill, or other processing or refining facility on the Premises to the places where the Mineral Products and Minerals are sold; plus charges and costs, if any, for transportation (including related storage and insurance costs) of Mineral Products to any contract mill or refinery and from there to the places where such Mineral Products are sold;
- (ii) Smelter or refinery costs and charges, including assaying and sampling costs, umpire charges and penalties, if any, incurred upon smelting or refining Mineral Products. In the event smelting or refining is carried out in facilities owned or controlled, in whole or in part by Tectonic, or by an Affiliate of Tectonic, charges, and penalties for such operations shall mean the amount Tectonic would have

incurred if such operations were carried out at facilities not owned or controlled by Tectonic then offering comparable services for comparable products on prevailing terms; and

- (iii) Sales, use, gross receipts, severance and other taxes, if any, payable with respect to severance, removal, sale, or disposition of Mineral Products but excluding any taxes based on net income derived from the Premises (such as the Alaska Mining License Tax, AS 43.65, which tax shall be paid by each party hereto) as well as any revenue or net proceeds taxes.

With respect to heap leaching, in situ leaching or other solution mining methods, in determining Net Smelter Returns there shall be no deduction whatsoever for any processing, recovery or refining costs incurred up to the point at which the final Mineral Product produced or refined by Tectonic on the Premises is obtained.

**“Operating Costs”** means the sum of the following costs and expenses (without duplication) incurred by Tectonic from a Mine:

1. **“Mining Costs”** which shall mean costs and expenses, other than Leaching Costs, incurred in accordance with generally accepted accounting principles consistently applied in the U.S. mining industry from time to time by Tectonic in exploring for, developing, mining, extracting, removing, and transporting to the Mill (as hereafter defined), Mineral Products produced from the Premises. Such costs and expenses shall include, without limitation, those incurred for labor, machinery operation, fuel, explosives and other materials, exploration, developmental or ore delineation drilling, and a reasonable allowance for future costs anticipated to be incurred by Tectonic in reclamation in accordance with applicable laws and any applicable agreements binding the Premises. Mining Costs shall not include any charge for depreciation, depletion, overhead for general and administrative charges, income taxes, or royalties paid by Tectonic to Doyon or any third party.
2. **“Milling and Processing Costs”** which shall mean costs and expenses incurred in milling or processing Ores produced from the Premises at Tectonic’s mill or central processing facility utilized by Tectonic to produce Mineral Products from the Premises (herein referred to as the “Mill”), if any.
3. **“Leaching Costs”** which shall mean with respect to heap leaching, in situ leaching or other solution mining methods any processing, recovery or refining costs incurred up to the point at which the final Mineral Product produced or refined by Tectonic on or in the vicinity of the Premises is obtained, including without limitation the costs of mining, crushing, dump preparation, pad construction and preparation, distribution of leach solutions or other mining and preparation costs, transportation of solutions or slurries to the refining processes, refining of slurry or concentrates, preparation of doré bullion or other refined Mineral Products for sale to a purchaser or for delivery for final treatment by a third party, and the costs of reclamation or other environmental compliance relating to any of the foregoing.

4. **“General and Administrative Costs”** which shall mean costs and expenses directly and reasonably incurred by Tectonic and properly allocable to the administration of the Premises and the production of Mineral Products therefrom, but not including any general and administrative costs incurred with respect to operations of Tectonic or its Affiliates not directly related to the administration of the Premises or the production of Mineral Products therefrom; provided, however, that General and Administrative Costs shall not exceed two percent of the total of all other Operating Costs for the relevant period except Interest, Taxes and the Capital Charge. General and Administrative Costs shall not include, without limitation, any and all advance royalties, annual rentals, production royalties, or other payments of any nature whatsoever payable to Doyon or third parties having an interest in the Premises.
5. **“Delivery Costs”** which shall mean costs and expenses incurred by Tectonic in or in connection with the delivery of Mineral Products to points of ultimate delivery to purchasers of Mineral Products.
6. **“Interest”** which shall mean any interest cost incurred and actually paid by Tectonic in any bona fide financing transaction with a commercial lending institution directly related to the development and operation of the Premises. If such a financial transaction is not with a commercial lending institution or is with an Affiliate of Tectonic, then
  - a. the terms of such transaction shall provide for a reasonable reduction of outstanding indebtedness and shall be no less favorable to Tectonic than the terms that Tectonic would have enjoyed in a bona fide financing transaction with a commercial lending institution, and
  - b. in the case of any such transaction, the amount of “Interest” deductible hereunder shall equal, from time to time, the lesser of
    - i. Tectonic’s actual cost of funds under such transaction or
    - ii. the interest that Tectonic would have paid under such transaction if interest had been charged from time to time at a rate equal to that charged by JPMorgan Chase, N.A. for short-term loans to its most preferred commercial customers (such rate commonly referred to as the “prime rate”) plus 2%.
7. **“Taxes”** which shall mean all taxes levied against operations on the Premises and/or levied against the Premises, including any mining, severance and property taxes now in existence or hereafter enacted, but excluding income taxes and taxes based on net income derived from the Premises (such as the Alaska Mining License Tax, AS 43.65).
8. **“Capital Charge”** which shall mean for any period the sum of all cost depletion, amortization, and depreciation charges for such period on expenditures directly related to the construction, development, and operation of a Mine incurred after

Tectonic decides to bring all or part of the Premises into Commercial Production that are ordinarily capitalized in accordance with generally accepted accounting principles consistently applied in the U.S. mining industry from time to time. All such expenditures for which cost depletion, depreciation or amortization is claimed shall be separately identified and there shall be a cost depletion, depreciation or amortization schedule for each such expenditure. Such cost depletion, depreciation, or amortization charges shall be made in accordance with generally accepted accounting principles consistently applied in the U.S. mining industry from time to time as approved by an independent certified public accounting firm located in the U.S. with mining experience, but in no event shall be charged at a cost depletion, depreciation, or amortization rate greater than the maximum allowable by the U.S. Internal Revenue Code, as amended from time to time.

Where any Operating Costs are incurred with respect to the mining, milling, processing, beneficiating, smelting, refining, selling or delivering of Mineral Products produced from the Premises and the mining, milling, processing, beneficiating, smelting, refining, selling or delivering of Mineral Products produced from other properties controlled by Tectonic, such Operating Costs shall be fairly allocated and apportioned among the Premises and such other properties in accordance with generally accepted practices, such as generally accepted accounting principles and calculation of cost depletion for tax purposes, consistently applied, in the U.S. mining industry from time to time.

**“Ore”** means all material produced from the Premises that contains one or more Minerals and which in the sole discretion of Tectonic justifies either (i) mining, extracting, or recovering from a place within the Premises and selling or delivering to a processing plant or refiner for physical or chemical treatment, or (ii) treating in situ within the Premises by chemical, solution, or other methods; said term shall also include all Mineral-bearing solutions, natural or introduced, recovered by or for Tectonic from the Premises and sold, processed, or refined by or for Tectonic, and all Mineral and non-Mineral components of all such materials and solutions.

**“Other Minerals”** means all placer minerals, geothermal resources, sand, gravel, shot rock, aggregate, rock, building stone, limestone and dolomite (not including chemical-grade or metallurgical-grade limestone or dolomite), peat, coal, lignite, oil, gas, other liquid or gaseous hydrocarbons, and all other substances occurring and producible naturally only as gases, liquids, or fluids from wells.

**“Precious Minerals”** means gold, silver, platinum group elements (platinum, palladium, rhodium, ruthenium, iridium and osmium) and other precious minerals (such as diamonds) and any such minerals produced as by-product minerals from the production of Ores.

**“Premises”** means the particular interests in real property described on Schedule A (Part 2) attached hereto.

## 2. Conveyance

(a) Tectonic hereby GRANTS, CONVEYS and SPECIALLY WARRANTS (as set forth below) to Doyon and its successors and assigns a production royalty on all Mineral Products mined, produced and sold from the Premises, equal to the following, TO HAVE AND TO HOLD FOREVER:

(i) For Precious Minerals:

- 1) until the fifth anniversary of commencement of Commercial Production, one percent (1%) of Net Smelter Returns from Precious Minerals;
- 2) from the fifth anniversary of the commencement of Commercial Production until the tenth anniversary of the commencement of Commercial Production, two percent (2%) of Net Smelter Returns from Precious Minerals; and
- 3) after the tenth anniversary of the commencement of Commercial Production, a production royalty equal to the greater of (1) two percent (2%) of Net Smelter Returns from Precious Minerals, or (2) seven and one half percent (7.5%) of Net Proceeds from Precious Minerals.

For Base Minerals:

- 1) until the fifth anniversary of commencement of Commercial Production, one half of one percent (0.50%) of Net Smelter Returns from Base Minerals;
- 2) from the fifth anniversary of the commencement of Commercial Production until the tenth anniversary of the commencement of Commercial Production, one and one half percent (1.5%) of Net Smelter Returns from Base Minerals; and
- 3) after the tenth anniversary of the commencement of Commercial Production, a production royalty equal to the greater of (1) three percent (3%) of Net Smelter Returns from Base Minerals, or (2) seven and one half percent (7.5%) of Net Proceeds from Base Minerals.

To the extent necessary in calculating the above production royalties, Tectonic shall fairly allocate and apportion any revenues and costs as between the production of Precious Minerals and Base Minerals in accordance with generally accepted accounting practices, consistently applied.

(b) To secure payment of such royalty, Tectonic grants Doyon a security interest in the Mineral Products (i.e., "as-extracted collateral") produced and to be produced from the Premises and in the proceeds of such Mineral Products. Tectonic covenants to take such steps and to execute such further documents as necessary, upon Doyon's request, to allow Doyon to perfect such security interest in such as-extracted collateral and proceeds thereof with a priority greater than any lien or encumbrance on such Mineral Products created by, through, or under

Tectonic other than a security interest granted for purposes of financing Mine development and production (to which other security interest Doyon agrees to subordinate its security interest in such as-extracted collateral and proceeds thereof by executing such further documents as Tectonic reasonably requests to accomplish such subordination; *provided, however*, that in no event will any such subordination limit Doyon's rights as lessor upon Tectonic's default under the Lease).

(c) Tectonic shall pay to Doyon within thirty (30) days after each calendar month the Net Smelter Returns royalty due for Net Smelter Returns received during that calendar month; provided, however, in the event Tectonic has not been paid within the time period specified in any agreement between Tectonic and the purchaser or purchasers of Mineral Products, or in the event no time period is specified, then Tectonic shall pay to Doyon its royalty within ten (10) days after Tectonic should have been paid within the time period specified in its agreement with the purchaser or, if no time period is specified, then within a reasonable time, as the case may be. If the royalty is payable prior to Tectonic's receipt of the revenue on which such royalty is payable, pursuant to the preceding sentence, royalty payments shall be based upon Tectonic's reasonable estimate of royalty due and later adjusted based upon actual amounts received by Tectonic. Tectonic shall provide to Doyon at the time of each payment (excluding estimated payments), a duplicate copy of the settlement sheet or settlement sheets received from the purchaser of Mineral Products, together with such other information as Doyon shall reasonably request from time to time relating to the calculation of the royalty. Beginning after the tenth anniversary of the commencement of Commercial Production, Tectonic shall thereafter, within thirty (30) days after the end of each calendar quarter, determine whether the Net Proceeds production royalty for such calendar quarter exceeds the aggregate of the Net Smelter Returns production royalty paid for such calendar quarter and if so, shall pay the difference to Doyon.

(d) All payments by Tectonic to Doyon shall be delivered to Doyon at Doyon's address for notice purposes, as set forth below, or for the account of Doyon at such bank as Doyon may designate from time to time by written notice to Tectonic. Any such bank shall be deemed the agent of Doyon only for the purpose of receiving payments. If Doyon is unable to take delivery on the Premises of any royalty payment in kind hereunder within the time in which such payment was required to be made, Tectonic either (a) shall keep such royalty payment segregated and secure until Doyon is able to take delivery at the Premises or (b) shall deliver such royalty payment (at the expense of Doyon) during regular business hours to Doyon at the address of Doyon set forth in **SECTION 4**.

(e) Tectonic agrees to keep accurate records fully in accordance with generally accepted accounting principles of all Mineral Products produced, all revenues received, and all costs to be taken into account in determining the royalty due Doyon, and all calculations relative to payments to be made to Doyon under this Conveyance. Subject to the confidentiality provisions of **SECTION 18** of the Lease, such records may be inspected at all reasonable times by Doyon or Doyon's designated agents, including without limitation, Doyon's independent auditors. Doyon or its designated agents may make copies of such records as are reasonably necessary to performance of the audit function.

(f) All Mineral Products subject to Doyon's royalty interest in the Premises shall be sold to third parties in arm's length transactions, and Tectonic shall use its reasonable efforts to

obtain the best terms available; provided, however, Tectonic may sell Mineral Products to an Affiliate of Tectonic so long as Tectonic complies with **SECTION 2(g)** hereof; and provided further that Tectonic may elect to retain refined Precious Minerals or Base Minerals and to pay royalty based on the Fair Market Value of such minerals, subject to Doyon's election to take in kind under **SECTION 2(h)**.

(g) Neither Tectonic nor Doyon shall be entitled or obligated to participate in, benefit from, or bear losses from, any advance sales, forward sales or purchases, options, futures contracts, hedging transactions, or other similar transactions entered into by the other party, and such transactions shall be solely for the account, benefit, and risk of the party entering into such transactions.

(h) Upon written notice to Tectonic received prior to January 1 of any calendar year, Doyon may elect to take its Net Smelter Returns royalty on Minerals produced during such calendar year in kind with respect to bullion of gold or silver, in which case: (i) such Minerals mined and removed from the Premises shall be refined to final bullion standards of at least 99.99% pure gold and 99.9% pure silver, and (ii) Doyon shall be entitled to take an amount of bullion of gold, silver, or both, equal to the "In-kind Equivalent." For purposes hereof, the "In-kind Equivalent" means the number of ounces of bullion of gold, silver, or both (as applicable under the circumstances) that Doyon could acquire at Fair Market Value for the dollar amount of the Net Smelter Returns royalty it would have received had it not elected to take its royalty in kind. If Doyon elects to receive its Net Smelter Returns royalty in kind, Doyon shall open a bullion storage account at each refinery or mint designated by Tectonic as a possible recipient of refined bullion in which Doyon owns an interest. Doyon shall be solely responsible for all costs and liabilities associated with maintenance of such account or accounts, and Tectonic shall not be required to bear any additional expense or responsibility with respect to such in-kind payments.

(i) The parties recognize that the sampling procedures to be utilized by Tectonic on the Premises will depend entirely upon the orebody intended to be mined and therefore they agree that the Feasibility Study on which the Development of a Mine is based shall set forth proposed sampling procedures to ascertain the process feed contained Mineral value per ton of Ore to be produced from the Premises and the anticipated recovery rates for each Mineral or Mineral Product to be produced. Prior to the commencement of mining operations, the parties will agree to sampling and assaying procedures, including the appropriate metallurgical standards to be used, which agreement by each party shall not be unreasonably withheld, delayed or conditioned. These standards shall incorporate a suitable sampling system requiring that Tectonic make available to Doyon such weight, flow meter, assay results, calculations and other data used to determine the contained Minerals recovered from the process or processes used, permit Doyon or its authorized representatives at any time and from time to time to make such reasonable inspections for correctness in such weighing, sampling assaying or other procedures as may be used, either in the records of Tectonic or the process plant, and in addition, if requested by Doyon, each year the scales, weightometer, flow meters or other measuring devices shall be inspected, serviced and certified accurate by an independent third party acceptable to Doyon.

(j) If Mineral Products are sold to, treated, or otherwise processed or refined by any Affiliate of Tectonic, or if Tectonic shall enter into any other contract relating to the Premises with an Affiliate of Tectonic, then Tectonic shall promptly notify Doyon and provide a copy of such arrangements. Any payments, costs or terms under such arrangements between Tectonic and its Affiliates shall be on arm's length terms based on the fair market value thereof, calculated at the relevant time and under all the circumstances thereof. Without limiting the generality of the foregoing, the value ascribed to any Mineral Products under such arrangements shall be determined based on Fair Market Value. Doyon shall be free to challenge any such arrangements, including by conducting an audit in accordance with **SECTION 2(e)**.

(k) Should Doyon disagree as to any determination made by Tectonic of any royalty (including estimated royalty) or the reasonableness of any deductions entering into any such determination, the matter shall be resolved in accordance with **SECTION 5**.

(l) Tectonic hereby **SPECIALLY REPRESENTS, COVENANTS, and WARRANTS** to Doyon and its successors and assigns that (1) Tectonic owns the Premises free and clear of any liens, encumbrances, or other interests of third parties arising by, through, or under Tectonic, but not otherwise, (2) Tectonic has the right and power to make and deliver this Conveyance, and (2) Tectonic shall defend the title conveyed to Doyon by this Conveyance.

### **3. Other Provisions**

(a) Doyon hereby acknowledges that Tectonic does not now and shall never have any express or implied obligation to explore, develop, or mine the Premises.

(b) Doyon hereby acknowledges that Tectonic may use the Lands for any and all purposes that Tectonic deems necessary or desirable, including but not limited to the construction, use, and maintenance of tailings dams and ponds, waste dumps, or other facilities necessary or desirable to support mining operations on lands other than the Lands.

(c) If Tectonic ever elects to abandon any or all of the Premises, Tectonic shall first offer such interests to Doyon, for no consideration. Doyon shall have a 60-day period in which to elect to receive a conveyance and assignment of such offered interests. If Doyon timely elects to receive such a conveyance and assignment, Tectonic shall promptly execute, acknowledge, and deliver the same to Doyon free of consideration by means of a deed in recordable form containing no warranties or covenants of title, validity, or good standing other than that the conveyed claims are free and clear of any liens, encumbrances, or other interests of third parties (other than the State of Alaska or the Federal government, as to state or federal mining claims, respectively) arising by, through, or under Tectonic. For greater certainty, the provisions of this paragraph shall only apply to an abandonment of any or all of the Premises and shall not apply to a sale or other transfer of any or all of the Premises by Tectonic.

(d) The grant made hereby is effective only with respect to the Premises. If the Premises comprises less than 100% of the working interest in the Lands, then the royalty payable to Doyon hereunder shall be equal to the product of (A) the royalty that would be payable hereunder if the Premises comprised 100% of the working interest in the Lands times (B) the percentage of said working interest included in the Premises.

(e) This Conveyance is intended to create (1) a perpetual, non-participating production royalty interest in and to any part of the Premises that constitutes fee property, and (2) an overriding royalty interest in and to any part of the Premises that consists of state or federal mining claims, any lease of fee lands or state or federal mining claims, or any state mining leases. Such perpetual, non-participating production royalty interest and/or overriding royalty interest shall run with the land and be binding upon and inure to the benefit of Tectonic and Doyon and their respective successors and assigns. Such overriding royalty interest shall apply to any renewal, substitution, or extension of any mining lease, or any amendments or modifications to or substitutions for any mining lease, or any new lease covering the Premises if the new lease is taken or acquired by Tectonic, its successors or assigns, whether any new lease, amendment, modification or substitution is entered into by (or in the name, or on behalf of) Tectonic, or by (or in the name, or on behalf of) any parent, subsidiary, affiliated or related entity or other person associated in any manner to or with Tectonic, or by any successor or assign of Tectonic.

(f) If Tectonic, its successors and assigns, or any affiliate of Tectonic, locates, amends, relocates, patents or acquires any mining claim or interest in real property or minerals, any portion of which is located within the exterior boundaries of the Premises, such claim or portion of such claim or interest shall be deemed to be included in and part of the Premises, and subject to the production royalty interest created by this Conveyance. Failure of any affiliate of Tectonic, its successors and assigns, to comply with this provision shall be a breach of this Conveyance. Promptly upon acquiring any such claim or portion of such claim or interest, the acquiring party shall execute, acknowledge and deliver to Doyon or its successor or assign instruments necessary to evidence that such claim or interest is subject to the production royalty interest hereunder, in form sufficient for filing and recording in the State of Alaska. If Tectonic or its successors or assigns should ever purchase or otherwise acquire a fee interest owned by the lessor under any mining lease covering any portion of the Premises or should such mining lease otherwise terminate with the effect that Tectonic owns the mining claims or the fee land which is the subject of such mining lease, then the production royalty Interest created under this Conveyance shall automatically convert to a perpetual, non-participating royalty interest burdening such acquired portion of the Premises.

(g) In the event that any judicial decision or arbitration shall invalidate the grant of a perpetual, non-participating royalty interest, overriding royalty interest or security interest, in all or any portion of the Premises, the parties intend that the economic consequences and the contractual rights and obligations of the parties specified in this Conveyance shall remain the same.

(h) Upon any permitted assignment by Tectonic of this Conveyance, the production royalty interest shall thereafter be payable by the assignee, and Tectonic shall be liable only for any unpaid royalties accruing prior to the effective date of such assignment.

#### **4. Address for Payments**

Doyon, Limited  
1 Doyon Place, Suite 300  
Fairbanks, Alaska 99701  
Attn: \_\_\_\_\_  
Phone: (907) 459-2000  
Fax: (907) 459-2062

## 5. **Arbitration**

(a) Any dispute, controversy, or claim arising out of or relating to this Conveyance, or the breach, termination or invalidity thereof, shall be settled by arbitration in accordance with the American Arbitration Associations Commercial Arbitration Rules then in effect (the “AAA Rules”), only to the extent not inconsistent with the other provisions of this **SECTION**. The arbitration shall be governed by the United States Arbitration Act, 9 U.S.C. §§ 1 et seq. (the “Act”), and the laws of the State of Alaska shall be applied by the arbitrators in resolving the substantive issues raised by such dispute, controversy or claim. All proceedings in any such arbitration shall be held in Fairbanks or Anchorage, Alaska, as mutually agreed between the parties or, failing such agreement, by the arbitrator or panel of arbitrators appointed as described below. Judgment upon the award rendered by the arbitrators may be entered, and such judgment enforced, in any court having jurisdiction thereof. Any dispute regarding whether any issue arising under this Conveyance or in connection with the transactions contemplated herein is subject to arbitration under this **SECTION** shall be resolved by arbitration in the manner described in this **SECTION**.

(b) The party desiring arbitration shall give written notice to that effect to the other party and the parties shall attempt to agree on the appointment of a single arbitrator. If the parties have not so agreed within seven (7) days after service of such notice, each party shall notify the other party in writing of the name and address of the person designated to act as arbitrator on its behalf within seven days of such failure to agree. If either party fails to notify the other party of the appointment of its arbitrator within the time specified above, then the appointment of such party’s arbitrator shall be made by the American Arbitration Association. If two arbitrators are designated or appointed, the two arbitrators shall together appoint a third arbitrator. If the two arbitrators are unable to agree upon the appointment of a third arbitrator within five days after both have been designated as appointed, the third arbitrator shall be selected by the American Arbitration Association. If an arbitrator fails, refuses or is unable to act, a new arbitrator shall be appointed as provided in the AAA Rules. Each arbitrator designated or appointed hereunder shall be impartial and competent and shall have recognized expertise in the subject matter of the arbitration such expertise to be with respect to such matters arising in Alaska where relevant.

(c) The parties shall utilize the discovery provisions of the Federal Rules of Civil Procedure for the Federal District of Alaska then in effect in all arbitrations hereunder; provided, however, that the time periods provided in such rules may be shortened in the discretion of the arbitrator or arbitrators so that all discovery is completed not later than one (1) week prior to the hearing. The arbitrator or arbitrators shall commence their hearing within three months after the appointment of the last arbitrator. Not later than one week prior to the hearing date, each party shall serve on each arbitrator and on the opposing party such party’s statement of facts, issues and list of witnesses and exhibits, which exhibits shall be made available for inspection and

copying at the location of the arbitration proceedings by the opposing party at all reasonable hours after 9 a.m., local time on the day following the date of the service of such list. The arbitrator or arbitrators shall deliver their decision and award within one month after completion of the hearing and shall give prompt notice of their decision to each party accompanied by findings of fact and conclusions of law. Except as otherwise provided in the Act, any decision and award of a sole arbitrator or in which two arbitrators concur shall in all cases be final, binding and conclusive upon the parties and the parties agree to abide by the award. The time periods provided in this paragraph (c) may be shortened if, in the discretion of the arbitrator or arbitrators, the subject matter of the dispute, controversy or claim so justifies.

(d) The fees and expenses of the arbitrator appointed by or on behalf of one party shall be borne by such party. The fees and expenses of any sole arbitrator or of any third arbitrator and all other costs of the arbitration proceedings, including but not limited to costs of a transcript of all or any portion of such proceedings, shall be borne by both parties equally, unless the arbitrator or arbitrators otherwise decide.

GIVEN on the date first set forth above.

**Tectonic Resources, LLC**

By: \_\_\_\_\_  
President and Chief Executive Officer

**[ACKNOWLEDGMENT TO BE ADDED AT EXECUTION.]**

## EXHIBIT C

### GUARANTY OF LEASE

As an inducement to **DOYON, LIMITED** (“**DOYON**”), AN ALASKA NATIVE REGIONAL CORPORATION (“**Lessor**”) to execute that certain Mining Lease (inclusive of all Exhibits and Schedules attached thereto) (collectively, the “**Lease**”) between Lessor and **TECTONIC RESOURCES, LLC**, AN ALASKA LIMITED LIABILITY COMPANY (“**Lessee**”), dated as of August 1, 2020, covering the Premises (as described therein), comprised of approximately 67,000 total acres of real property, more particularly described in Schedule A and Exhibit “A” attached to the Lease, the undersigned (“**Guarantor**”) *under this Guaranty* (this “**Guaranty**”) covenants and agrees to and with Lessor as follows:

#### A. BACKGROUND:

1. This Guaranty pertains to the following lease transaction:

Lessor: Doyon, Limited

Lessee: Tectonic Resources, LLC

Lease: Mining Lease (inclusive of all Exhibits and Schedules attached thereto) dated as of August 1, 2020.

Premises: Approximately 67,000 total acres of real property, more particularly described in Exhibit “A” attached to the Lease.

2. Guarantor:

Name: Tectonic Metals, Inc., a Canadian corporation

Address: 312 – 744 West Hastings Street  
Vancouver, BC CANADA VC 1A5

Attn: Tony Reda

Phone: (604) 817-8804

3. Guarantor’s Relationship to Lessee (described generally):

Owner of 100% of the membership interests in Lessee.

4. This Guaranty is an essential inducement to Lessor to issue the Lease to Lessee.

**B. TERMS OF GUARANTY:**

**1. Guaranteed Obligations.** The Guaranty unconditionally and irrevocably guarantees to Lessor (the “*Guaranteed Obligations*”) that:

(a) Lessee will duly and punctually pay all advance royalty, production royalty, work expenditures and other sums due from Lessee under the Lease, including, without limitation, collection costs, attorneys’ fees and all other sums to be paid by Lessee under the Lease; and

(b) Lessee will duly and punctually observe and perform every other agreement, covenant and condition on its part to be observed or performed under the Lease.

(c) Guarantor will pay to Lessor, upon demand, all of Lessor’s reasonable costs and expenses, including reasonable attorneys’ fees, incurred in connection with any default of Lessee’s obligations under the Lease or Guarantor’s obligations under this Guaranty, or in any collection efforts affecting Guarantor, or in the enforcement of this Guaranty,

provided that any liability of Guarantor for the Guaranteed Obligations referenced in subparagraphs 1(a) and 1(b) will not be in excess of the amounts for which Lessee is liable under the Lease and Guarantor will be entitled to all rights, privileges, and defences otherwise available to Lessee under the Lease with respect to such Guaranteed Obligations.

**2. Direct and Primary Liability of Guarantor to Lessor.** The liability of Guarantor to Lessor under this Guaranty is direct and primary, and is independent of any other liability Guarantor may have to Lessor. This Guaranty is a guaranty of payment and performance, not of collection. Accordingly, this Guaranty may be enforced by Lessor regardless of (a) any defense or setoff or counterclaim which Lessee may have or assert against Lessor, (b) whether or not Lessor has instituted any suit, action or proceeding, or exhausted its remedies against Lessee, or exhausted the assets of Lessee, or taken any steps to enforce any rights against any other person to compel any such performance or to collect all or part of such amount, or (c) whether Lessor has obtained any judgment against Lessee for the amounts owed by Lessee to Lessor under the Lease. This Guaranty shall terminate only on (i) full and final payment of all amounts due under the Lease, (ii) the performance of all of the terms, covenants and conditions under the Lease required to be kept, observed or performed by Lessee, and (iii) the performance of all of the terms, covenants and conditions in this Guaranty required to be kept, observed or performed by Guarantor.

**3. Joint and Several Liability; Counterparts.** If the Guaranty is executed by two or more persons, then the obligation of each person executing this Guaranty shall be joint and several. This Guaranty may be executed in two or more counterparts, each of which shall be deemed to be an original, but all of which shall constitute one and the same instrument, and in making proof of this Guaranty, it shall not be necessary to produce or account for more than one such counterpart.

**4. Waiver.** Guarantor unconditionally:

(a) waives any right (i) to cause a marshalling of Lessee's assets, (ii) to cause Lessor to proceed against Lessee, any co-Lessees or any guarantors (including Guarantor), in any particular order, (iii) to require suit against Lessee or any other party before enforcing this Guaranty, (v) to have any collateral applied before enforcing this Guaranty, (vi) to require Lessor to pursue any remedy available to Lessor and (vii) of subrogation to any Lessor's rights against Lessee;

(b) covenants that this Guaranty will not be discharged except by termination of the Lease or complete performance by Lessee of the obligations contained in the Lease;

(c) agrees that this Guaranty shall remain in full force and effect without regard to, and shall not be affected or impaired by, without limitation, any invalidity, irregularity or unenforceability in whole or in part of any of the provisions of the Lease; and

(d) forever waives any rights of appraisal with regard to the value of any collateral which Lessor may apply as a credit to the obligations of Lessee, through foreclosure or otherwise, and agrees that the determination by an independent appraiser appointed by Lessor of the value of such collateral shall be binding upon Guarantor for all purposes.

Guarantor acknowledges its responsibility for verifying from Lessor from time to time the delinquent or non-delinquent status of the Lease. To the extent applicable, Guarantor unconditionally waives the requirements of presentment, notice of dishonor and protest, and Guarantor unconditionally waives all statutory or common law suretyship defenses now or hereafter or otherwise available.

**5. No Release.** The obligation of Guarantor under this Guaranty shall not be released, affected, stayed or impaired, without the written consent of Lessor, by:

(a) any assignment of the Lease, although made without notice to, or without consent of, any guarantor of the Lease, unless Lessor has consented to such assignment; or

(b) any waiver by Lessor of the performance or observance by Lessee of any of the agreements, covenants, terms or conditions contained in the Lease; or

(c) any extension of the time for payment of any amounts payable under or in connection with the Lease or the time of performance by Lessee or any guarantor of the Lease, of any obligations under or arising out of the Lease, or an extension or renewal of the Lease; or

(d) the modification or amendment (whether material or otherwise) of any duty, agreement or obligation of Lessee set forth in the Lease, including any agreements involving a workout of Lessee's financial obligations to Lessor under the Lease; or

(e) the voluntary or involuntary liquidation, sale or other disposition of all or substantially all of the assets of Lessee or any other guarantor of the Lease; or

- (f) any receivership, insolvency, bankruptcy, reorganization, dissolution or other similar proceedings affecting Lessee or any guarantor of the Lease or any of their assets; or
- (g) the release of any property from any lien or security interest created by the Lease or the acceptance of additional or substitute property as security under the Lease; or
- (h) the release or discharge of Lessee from the observance or performance of any agreement, covenant, term or condition contained in the Lease; or
- (i) the addition of a new guarantor or the release of any other guarantor of the Lease; or
- (j) any other cause, whether similar or dissimilar to the foregoing.

**6. Preferential Payment; Overpayment.**

(a) To the extent Lessee or Guarantor makes any payment to Lessor in connection with the Lease obligations, and all or any part of such payment is subsequently invalidated, declared to be fraudulent or preferential, set aside or required to be repaid by Lessor or paid over to a trustee, receiver or any other entity, whether under any bankruptcy act or otherwise (any such payment is referred to in this Guaranty as a “*Preferential Payment*”), then this Guaranty shall continue to be effective or shall be reinstated, as the case may be, and, to the extent of such payment or repayment by Lessor, Guarantor’s obligations or part of Guarantor’s obligations intended to be satisfied by such Preferential Payment shall be revived and continued in full force and effect as if said Preferential Payment had not been made.

(b) If all or a part of any payment made by Guarantor to Lessor hereunder is later determined to have been improper by final, non-appealable order of a court of competent jurisdiction because such amount was not actually owed by Lessee to Lessor under the Lease, Lessor shall repay such amount to Guarantor within ten (10) business days of such order together with any interest, reasonable attorneys’ fees, and/or costs of collection, if any, required by the Lease or such order to be paid by Lessor in the collection of such amount.

**7. Subrogation.** Guarantor reserves all rights of subrogation (including, without limitation, any statutory rights of subrogation under Section 509 of the Bankruptcy Code, 11 U.S.C. §509, or otherwise), reimbursement, exoneration, contribution and indemnification by Lessee in respect of the Guaranteed Obligations, subject to this paragraph. If Guarantor shall be required to make any payment of Guaranteed Obligations under this Guaranty, then, from and after the payment in full of such Guaranteed Obligations, Guarantor shall be subrogated to the rights of Lessor against Lessee with respect to such Guaranteed Obligations. Until such payment in full of such Guaranteed Obligations, Guarantor waives any rights it may have to insist that Lessor enforce any of its remedies under the Lease and any rights Guarantor may have to participate in any security for the repayment of Lessee’s obligations under the Lease. Notwithstanding the foregoing, Guarantor shall be subrogated to the right of Lessor against Lessee for any payment of Guaranteed Obligations made under this Guaranty only if the following conditions are satisfied at the time of such payment (a) there is no uncured Event of Default under the Lease, and (b) Guarantor confirms in writing that Guarantor is not released

from this Guaranty (unless this Guaranty has terminated in accordance with its terms or by agreement of Lessor).

**8. Lease Document/Lessee Information.** Guarantor acknowledges that Guarantor has received a copy of the Lease. Guarantor assumes full responsibility for keeping fully informed of the financial condition of Lessee and all other circumstances affecting Lessee's obligations to Lessor or Lessee's ability to perform its obligations to Lessor on a continuing basis. Guarantor agrees that Lessor has no duty to report to Guarantor any information which Lessor receives about Lessee's financial condition, Lessee's incurring of indebtedness, or any circumstances bearing on Lessee's ability to perform Lessee's obligations to Lessor, now or in the future.

**9. Amendment; Termination.**

(a) The terms of this Guaranty may not be modified or amended, except by a written agreement executed by Guarantor with the written consent of Lessor.

(b) This Guaranty shall terminate on the first anniversary of the later to occur of the termination of the Lease and the final release of all bonds of Lessee in connection with completion of reclamation of the leased lands (subject to Guarantor's right of repayment under subparagraph B.6.b.).

(c) This Guaranty shall terminate upon any assignment of the Lease consented to by the Lessor to an entity that is not an Affiliate of the Guarantor.

**10. Notices; Demand.**

(a) Any notices or demand to be given or served on the Guaranty shall be in writing and personally delivered, or sent by courier, addressed to Guarantor at the address provided above. Guarantor may change its address from time to time by delivering to Lessor written notice of any change of address. Service of any notice or demand shall be deemed complete on the date of actual delivery.

(b) Lessor is not entitled to make demand upon Guarantor until a default occurs in payment of any Guaranteed Obligations by Lessee to Lessor. Any demand by the Lessor for payment hereunder shall be in writing, reference this Guaranty and the Lease, reference the Guaranteed Obligations, and signed by a duly authorized representative of the Lessor, and delivered to the Guarantor pursuant to subparagraph B.10.a. hereof. There are no other requirements of notice, presentment or demand. The Guarantor shall pay, or cause to be paid, such Guaranteed Obligations within fifteen (15) business days of receipt of such demand.

**11. Arbitration.**

(a) Any dispute, controversy, or claim arising out of or relating to this Guaranty, or the breach, termination or invalidity thereof, shall be settled by arbitration in accordance with the American Arbitration Associations Commercial Arbitration Rules then in effect (the "**AAA Rules**"), only to the extent not inconsistent with the other provisions of this **Section** . The arbitration shall be governed by the United States Arbitration Act, 9 U.S.C. §§ 1

et seq. (the “*Act*”), and the laws of the State of Alaska shall be applied by the arbitrators in resolving the substantive issues raised by such dispute, controversy or claim. All proceedings in any such arbitration shall be held in Fairbanks or Anchorage, Alaska, as mutually agreed between the parties or, failing such agreement, by the arbitrator or panel of arbitrators appointed as described below. Judgment upon the award rendered by the arbitrators may be entered, and such judgment enforced, in any court having jurisdiction thereof. Any dispute regarding whether any issue arising under this Guaranty or in connection with the transactions contemplated herein is subject to arbitration under this **Section** shall be resolved by arbitration in the manner described in this **Section**.

(b) The party desiring arbitration shall give written notice to that effect to the other party and the parties shall attempt to agree on the appointment of a single arbitrator. If the parties have not so agreed within seven (7) days after service of such notice, each party shall notify, the other party in writing of the name and address of the person designated to act as arbitrator on its behalf within seven days of such failure to agree. If either party fails to notify the other party of the appointment of its arbitrator within the time specified above, then the appointment of such party’s arbitrator shall be made by the American Arbitration Association. If two arbitrators are designated or appointed, the two arbitrators shall together appoint a third arbitrator. If the two arbitrators are unable to agree upon the appointment of a third arbitrator within five days after both have been designated as appointed, the third arbitrator shall be selected by the American Arbitration Association. If an arbitrator fails, refuses or is unable to act, a new arbitrator shall be appointed as provided in the AAA Rules. Each arbitrator designated or appointed hereunder shall be impartial and competent and shall have recognized expertise in the subject matter of the arbitration such expertise to be with respect to such matters arising in Alaska where relevant.

(c) The parties shall utilize the discovery provisions of the Federal Rules of Civil Procedure for the Federal District of Alaska then in effect in all arbitrations hereunder; provided, however, that the time periods provided in such rules may be shortened in the discretion of the arbitrator or arbitrators so that all discovery is completed not later than one (1) week prior to the hearing. The arbitrator or arbitrators shall commence their hearing within three months after the appointment of the last arbitrator. Not later than one week prior to the hearing date, each party shall serve on each arbitrator and on the opposing party such party’s statement of facts, issues and list of witnesses and exhibits, which exhibits shall be made available for inspection and copying at the location of the arbitration proceedings by the opposing party at all reasonable hours after 9 a.m., local time on the day following the date of the service of such list. The arbitrator or arbitrators shall deliver their decision and award within one month after completion of the hearing and shall give prompt notice of their decision to each party accompanied by findings of fact and conclusions of law. Except as otherwise provided in the Act, any decision and award of a sole arbitrator or in which two arbitrators concur shall in all cases be final, binding and conclusive upon the parties and the parties agree to abide by the award. The time periods provided in this paragraph (c) may be shortened if, in the discretion of the arbitrator or arbitrators, the subject matter of the dispute, controversy or claim so justifies.

(d) The fees and expenses of the arbitrator appointed by or on behalf of one party shall be borne by such party. The fees and expenses of any sole arbitrator or of any third arbitrator and all other costs of the arbitration proceedings, including but not limited to costs of a

transcript of all or any portion of such proceedings, shall be borne by both parties equally, unless the arbitrator or arbitrators otherwise decide.

**12. Waiver of Jury Trial.** Lessor and Guarantor each voluntarily and knowingly waive and relinquish their right to a trial by jury in any action, proceeding or counterclaim brought by either against the other or in connection with any matter whatsoever arising out of or in any way connected with this Guaranty, the relationship of Lessor with Guarantor, or Guarantor's rights and obligations under this Guaranty or the enforcement of this Guaranty.

**13. Binding Force; Assignment.**

(a) This Guaranty shall be binding upon Guarantor and its heirs, personal representatives, successors, successors in trust, and assigns, provided, that this clause shall not permit any assignment by Guarantor of this Guaranty, and it shall inure to the benefit of and shall be enforceable by Lessor and its successors, successors in trust, and permitted assigns from time to time.

(b) Lessor may not assign the benefits of this Guaranty except in connection with the assignment by Lessor of its entire interest under the Lease. Guarantor may not assign or delegate its duties under this Guaranty without the prior written consent of the Lessor.

**14. Governing Law.** This Guaranty shall for all purposes be construed in accordance with the laws of the State of Alaska, without giving effect to any principles of conflicts of laws that would otherwise require the application of the laws of any other jurisdiction.

**15. Defined Terms.** Capitalized terms used in this Guaranty that are not otherwise defined shall have the meanings set forth in the Lease. The use of the singular shall include the plural, and the use of the neuter shall include the masculine and feminine, as the case may be.

This Guaranty has been executed as of August 1, 2020.

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