

RESOLUTION OF THE PAPAGO TRIBAL COUNCIL

(Authorizing Deferment in Payment)
(of Advanced Royalty by Noranda)

Res. No. 80-84

- 1 WHEREAS, the Papago Tribe did enter into a mining lease ("Lease") on April 1,
2 1979, with Noranda Exploration, Inc., Contract No. H50C14201257,
3 subsequently assigned to Noranda Lakeshore Mines, Inc. ("Noranda")
4 for the exploration, developing, mining, producing and marketing of
5 all materials (excluding oil, gas and other hydrocarbons) at the
6 Lakeshore Mine; and
- 7 WHEREAS, the Lease provides for the payment to the Tribe of advance royalties
8 of \$160,000.00 each month, which advance royalty may eventually be
9 recouped from production royalties produced from the sale of mined
10 minerals; and
- 11 WHEREAS, Noranda has been developing and operating the Lakeshore Mine since
12 April 1, 1979, and has paid the Tribe in excess of Eight Million
13 Dollars (8,000,000.00) in advance royalties, which are being allo-
14 cated pursuant to Ordinance No. 13-82 fifty-five percent (55%) to
15 the Papago Tribe, three percent (3%) to Sif Oidak District, and the
16 balance of forty-two percent (42%) to the various Districts; and
- 17 WHEREAS, the copper market has been and continues in depressed condition, and
18 Noranda has incurred operating losses at the Lakeshore Mine in
19 excess of fifty million dollars (\$50,000,000.00) since the start of
20 its mining operations; and
- 21 WHEREAS, Noranda has asked the Tribe for some relief from its obligation to
22 make advance royalty payments in order to permit it to continue its
23 operation at the Lakeshore Mine; and
- 24 WHEREAS, the Lease provides that Noranda may terminate the Lease at any time
25 by giving the Tribe 120 days' notice, upon the payment of all rentals
26 royalties and other obligations due under the Lease; and
- 27 WHEREAS, the various District Governments are dependent upon the preservation
28 and continuation of Noranda's mining activities to provide the
29 Districts primary source of income and if Noranda terminates its
30 mining activities, the Districts' primary source of income will also
31 be terminated; and
- 32 WHEREAS, on November 29, 1982, and on December 8, 1983, the Papago Council
by Resolutions No. 144-82 and No. 190-83 approved the deferment of
\$60,000.00 in the monthly payments of advance royalties due the
Papago Tribe under the terms of Noranda's Lease that commenced May 1,
1983, and is scheduled to end September 30, 1984, upon the condition
that such deferment shall be deducted from the share of mining
royalties allocated for deposit to the general account of the Papago
Tribe under the provisions of Section 1 (B) (1) of the Ordinance No.
13-82; and
- WHEREAS, the copper market has continued to be in a depressed condition and all
copper mining companies in this country are either shut down or are
in a very limited production schedule to minimize losses; and

1 WHEREAS, the Papago Council has determined that it is in the best interest of
2 the Papago Tribe that Noranda continue its mining operations at the
Lakeshore Mine.

3 NOW, THEREFORE, BE IT RESOLVED by the Papago Council that it does hereby
4 approve of a continued deferment of \$60,000.00 in the monthly
5 payments of advance royalties due the Papago Tribe under the terms
6 of Noranda's Lease until September 30, 1985, and does hereby author-
7 ize execution of any necessary amendments or addenda thereto ref-
8 lecting such deferment, upon the term and condition that in the event
9 of termination or surrender of the Lease for any reason by Noranda
10 prior to the end of the primary term of the Lease, but only in such
11 event, Noranda shall pay the Tribe, in addition to any rentals,
12 royalties or other obligations then due under the Lease, a sum equal
13 to the total of advance royalties due the Tribe during the 1983
through 1985 calendar years under the existing provisions of the Lease
less such amounts of advance royalties actually paid the Tribe during
the 1983 through 1985 calendar years.

14 BE IT FURTHER RESOLVED that the Chairman, Mining Committee and other appropri-
15 ate officers and agents of the Papago Tribe continue to cooperate,
16 negotiate and take any further action necessary for the preservation
17 and continuation of Noranda's mining activities, provided that any
18 further changes, modification or addendums to Noranda's Lease must
be first approved by this Council.

19 BE IT FURTHER RESOLVED that any reductions in advance royalty payments re-
20 sulting from any such deferment and amendments or addenda to the
21 Lease in accordance with the provisions of this Resolution shall be
22 deducted from the share of mining royalties allocated for deposit
23 to the general account of the Papago Tribe under the provisions of
Section 1 (B) (1) of the Ordinance for the Distribution of Mining
Proceeds, Ordinance No. 13-82.

24 The foregoing Resolution was duly enacted by the Papago Council on the 10th
25 day of May, 1984, at a meeting at which a quorum was present with a vote
26 of 1440.0 for; -0- against; -0- not voting; and 1 absent,
27 pursuant to the authority vested in the Papago Council by Section 3 (1) of
28 Article V of the Constitution and By-laws of the Papago Tribe of Arizona as
amended, ratified by the Papago Tribe on December 12, 1936, and approved
by the Secretary of the Interior on January 6, 1936, pursuant to Section 16
of the Act of June 18, 1934 (48 Stat. 984). Said Resolution is effective as
of the date of its approval by the Superintendent of the Papago Agency and is
subject to review by the Secretary of the Interior.

29 THE PAPAGO COUNCIL

30 *Francisco Osife*
31 Josiah Moore, Chairman

32 ATTEST:

Francisco Osife
Francisco Osife, Secretary

RESOLUTION APPROVED 25th day of MAY, 1984.

Raymond Wolf
Superintendent, Papago Agency

