

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  
day of May, 1984, at a meeting at which a quorum was present with a vote  
25 of 1440.0 for; -0- against; -0- not voting; and 1 absent,  
26 pursuant to the authority vested in the Papago Council by Section 3 (1) of  
Article V of the Constitution and By-laws of the Papago Tribe of Arizona as  
27 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  
28 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 25<sup>th</sup> day of MAY, 1984.

*Raymond Wolf*  
Superintendent, Papago Agency



MOVED: John Reno

SUBJECT: Authorizing Deferment in payment of Advanced Royalty by Noranda

SECOND: Albert Gomez

DATE: May 10, 1984

RESOLUTION  
or  
~~ORDINANCE~~ # 80-84

DISTRICTS	REPRESENTATIVES	# OF VOTES	FOR	AGAINST	NOT VOTING	ABSENT
SIF ODAK 105	1. Nicklos Jose (Alice Norris) 2. Elliott Lewis (Eugene F. Jose)	52.5 52.5	X X			
SELLS 235	1. Andrew M. Patricio (Nora Alvarez) 2. Fred Stevens (Dennis Jose)	117.5 117.5	X X			
SCHUK TOAK 103	1. Jo Ann Francisco (Priscilla G. Domingo) 2. Ramon Campillo, Jr. (Joseph Juan)	51.5 51.5	X X			
SAN XAVIER 121	1. Carmelita Mattias ( ) 2. John B. Narcho (Austin Nunez)	60.5 60.5	X X			
BABOQUIVARI 203	1. Kenneth Chico, Sr. (Donald Harvey) 2. Joann Garcia (Edward N. Kisto)	101.5 101.5	X X			
GU ACHI 150	1. Angelo J. Joaquin, Sr. (Jonas R. Robles) 2. Fernando Joaquin (Fred Adams, Jr.)	75.0 75.0	X X			
PISINEMO 105	1. Johnson Jose (Frank Garcia) 2. Lamando Francisco (Chester Antone)	52.5 52.5	X X			X
SAN LUCY 51	1. John Reno (Max P. Jose) 2. Albert Gomez (Jeannie Morris)	25.5 25.5	X X			
GU VO 107	1. Virgil Lewis (Henry F. Manuel) 2. Cross Antone (Fern. E. Salcido)	53.5 53.5	X X			
HICKIWAN 122	1. Henry A. Ramon (Pablo Baptisto) 2. Delma Garcia (Archie Pilone)	61.0 61.0	X X			
CHUKUT KUK 138	1. Harriet Toro (Lawrence Jose) 2. Rosemary Lopez (Anita C. Clark)	69.0 69.0	X X			
TOTALS		1440.0	1440.0	-0-	-0-	1