

RESOLUTION OF THE PAPAGO TRIBAL COUNCIL

(Authorizing Temporary Reduction In)
(Payment of Advance Royalty by Noranda)

RES. NO. 663-85

1 WHEREAS, the Papago Tribe did enter into a mining lease ("Lease")
2 on April 1, 1979, with Noranda Exploration, Inc., Con-
3 tract No. H50C14201257, subsequently assigned to Noranda
4 Lakeshore Mines, Inc. ("Noranda") for the exploration,
5 developing, mining, producing and marketing of all min-
6 erals (excluding oil, gas and other hydrocarbons) at the
7 Lakeshore Mines; and
8 WHEREAS, the Lease provides for the payment to the Tribe of ad-
9 vance royalties of \$160,000.00 each month, which advance
10 royalty may eventually be recouped from production roy-
11 alties produced from the sale of mined minerals; and
12 WHEREAS, Noranda has been developing and operating the Lakeshore
13 Mine since April 1, 1979, and has paid the Tribe in ex-
14 cess of Ten Million Dollars (\$10,000,000.00) in advance
15 royalties, which are being allocated pursuant to Ordin-
16 ance No. 13-82 fifty-five percent (55%) to the Papago
17 Tribe, three percent (3%) to Sif Oidak District, and the
18 balance of forty-two percent (42%) to the various
19 Districts; and
20 WHEREAS, the copper market has been and continues to depressed
21 condition, and Noranda has incurred losses at the Lake-
22 hore Mine in excess of fifty million dollars
23 (\$50,000,000.00) since the start of its mining operations,
24 and
25 WHEREAS, Noranda had previously asked the Tribe for relief from
26 its obligations to make advance royalty payments in order
27 to permit it to continue the operations at Lakeshore Mine
28 and on November 29, 1982, on December 8, 1983 and on
29 June 7, 1984, the Papago Tribal Council did approve a
30 deferment for 17 months and a temporary reduction for one
31 year of \$60,000.00 provided that such deferments and
32 reduction be deducted from the mining royalties allocated
for deposit 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; and
WHEREAS, the various District Governments are dependent upon the
preservation and continuation of Noranda's mining activ-
ities to provide the Districts primary source of income
and if Noranda terminates its mining activities, the
Districts' primary source of income will also be ter-
minated; and

1 WHEREAS, the copper market has continued to be in a depressed con-
2 dition and all copper mining companies in this country
3 are either shut down or are in a very limited production
4 schedule to minimize losses; and

4 WHEREAS, Noranda again is asking the Tribe for the following re-
5 lief from its obligation to make advance royalty payments
6 in order to permit it to continue the operation at the
7 Lakeshore Mine;

7 (1) Beginning October 1, 1985, through September 30,
8 1986, the Lessee shall pay to the Tribe an advance
9 royalty of \$85,000.00 per month with \$5,000.00 of
10 said amount being deducted from the amount of de-
11 ferred royalties due and owing the Tribe. After
12 September 30, 1986, Noranda shall pay to the Tribe
13 an advance royalty of \$160,000.00 per month.

12 (2) The "Special Account" as provided by section 5(B)
13 of the lease, for determining the amount that
14 Noranda can recover for allowable development,
15 mining and other cost prior to paying full product-
16 ion royalties (approximately \$37,000,000.00) shall
17 be liquidated as of June 30, 1985 and this account
18 shall begin on July 1, 1985 with a zero balance.

17 (3) In the event Noranda should terminate this lease
18 by giving the Tribe 120 day's notice pursuant to
19 Article 27 of the lease, Noranda shall pay to the
20 Tribe an advance royalty of \$160,000.00 for the next
21 four months after giving the Tribe such notice of
22 termination plus the amount of deferred royalty
23 income then due and owing the Tribe.

23 NOW THEREFORE BE IT RESOLVED by the Papago Tribal Council that it
24 hereby approves Noranda's request for the following
25 relief from its obligation to the Tribe:

25 (1) Beginning October 1, 1985, through September 30,
26 1986, the Lessee shall pay to the Tribe an advance
27 royalty of \$85,000.00 per month with \$5,000.00 of
28 said amount being deducted from the amount of de-
29 ferred royalties due and owing the Tribe. After
30 September 30, 1986, Noranda shall pay to the Tribe
31 an advance royalty of \$160,000.00 per month.

30 (2) The "Special Account" as provided by section 5(B) of
31 the lease, for determining the amount that Noranda
32 can recover for allowable development, mining and

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Payment of Advance Royalty by Noranda
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other cost prior to paying full production royalties (approximately \$37,000,000.00) shall be liquidated as of June 30, 1985 and this account shall begin on July 1, 1985, with a zero balance.

(3) In the event Noranda should terminate this lease by giving the Tribe 120 day's notice pursuant to Article 27 of the lease, Noranda shall pay to the Tribe an advance royalty of \$160,000.00, for the next four months after giving the Tribe such notice of termination plus the amount of deferred royalty income then due and owing the Tribe.

BE IT FURTHER RESOLVED that the Council does hereby authorize execution of the necessary amendments to Noranda's lease to reflect the above changes.

The foregoing Resolution was duly enacted by the Papago Council on the 11th day of September, 1985, at a meeting at which a quorum was present with a vote of 1,097.5 for; 542.5 against; -0- not voting; -0- absent, 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 amended, ratified by the Papago Tribe on December 12, 1936, and approved by the Secretary of the Interior on January 6, 1937, 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.

THE PAPAGO COUNCIL

Josiah Moore
Josiah Moore, Chairman

ATTEST:

Ophelia F. Campillo
Ophelia F. Campillo, Secretary

RESOLUTION APPROVED this 26th day of September, 1985.

James A. Barber
James A. Barber, Superintendent



MOVED: Max Jose

SUBJECT: Authorizing Temporary Reduction

SECOND: Rosemary Lopez

in Payment of Advance Royalty by

DATE: 09/11/85

Noranda
RESOLUTION OR ORDINANCE # 663-85

DISTRICTS	REPRESENTATIVES	# OF VOTES	FOR	AGAINST	NOT VOTING	ABSENT
SIF OIDAK 138	1. Elliott Lewis (Eugene F. Jose)	69.0	X			
	2. Nicklos Jose (Letitia Garcia)	69.0	X			
SELLS 257	1. Andrew M. Patricio (Nora Alvarez)	128.5	X			
	2. Fred Stevens (Dennis E. Jose)	128.5	X			
SCHUK TOAK 105	1. Joseph Juan ()	52.5	X			
	2. Julie Carrillo (Jo Ann Francisco)	52.5	X			
SAN XAVIER 126	1. John B. Narcho (Austin Nunez)	63.0	X			
	2. Tony Felix (Carmelita Mattias)	63.0		X		
BABOQUIVARI 241	1. Joann Garcia (Edward N. Kisto)	120.5		X		
	2. Kenneth Chico, Sr. (Frances Miguel)	120.5		X		
GU ACHI 158	1. Angelo J. Joaquin, Sr. (Jonas R. Robles)	79.0		X		
	2. Fernando Joaquin (Fred Adams, Jr.)	79.0	X			
PISINEMO 116	1. Chester Antone (Sylvester Manuel)	58.0	X			
	2. Johnson Jose (Edward D. Manuel)	58.0	X			
SAN LUCY 85	1. John Reno ()	42.5		X		
	2. Max P. Jose (Dewey I. Ortega)	42.5	X			
GU VO 117	1. Cross Antone (Fern E. Salcido)	58.5		X		
	2. Virgil Lewis (Roy Montana)	58.5		X		
HICKIWAN 128	1. Henry A. Ramon (Pablo Baptisto)	64.0	X			
	2. Lloyd Francisco (Eleanor Santos)	64.0	X			
CHUKUT KUK 169	1. Rosemary Lopez (Anita C. Clark)	84.5	X			
	2. Harriet Toro (Marvin J. Thomas)	84.5	X			
TOTALS		1640.0	1097.5	542.5	-0-	-0-