



WHITE MOUNTAIN APACHE TRIBE

*A Sovereign Nation Exercising Self-Governance
Over the Fort Apache Indian Reservation*

Resolution No. 07-2012-110

(Notice of Intent to Negotiate a Development Agreement with Tonto Mining and Milling, Inc.)

WHEREAS, the White Mountain Apache Tribe (“Tribe”), as a federally recognized Indian tribal government, with inherent rights of self-governance, and pursuant to its Tribal Constitution, exercises rights of self-determination and self-governance through its duly elected Tribal Council (“Council”); and;

WHEREAS, in a continuing effort to promote economic development on the Fort Apache Indian Reservation (“Reservation”) the Tribal Chairman and the Council initiated an investigation into the economic viability of mining iron ore from the Canyon Creek mine site located in the northwest portion of the Reservation; and

WHEREAS, Jake Howe of Tonto Mining and Milling, Inc. (“Tonto”) expressed interest in obtaining a lease for the purpose of developing the mine; and

WHEREAS, to better understand the extent of the resource the Tribe authorized the Bureau of Indian Affairs, Division of Energy and Mineral Development (“DEMD”) to conduct an initial resource assessment; and

WHEREAS, additionally, Tonto was granted an exploratory permit to obtain samples near the mine site; and

WHEREAS, the Council finds that it is in the Tribe’s best interest to continue on the path toward developing the iron ore resource; and

WHEREAS, the Council finds that Tonto has been an important partner in the work completed to develop the iron ore resource and that if the resource is proven to be economically recoverable that the Tribe should attempt to negotiate an development agreement with Tonto for the iron ore resource; and

BE IT RESOLVED by the Tribal Council of the White Mountain Apache Tribe that it hereby expresses its intent to continue on a path toward developing the iron resource located in the Canyon Creek area.

BE IT FURTHER RESOLVED by the Tribal Council of the White Mountain Apache Tribe that if the iron ore resource is proven to be economically recoverable that it will endeavor to negotiate and prepare a development agreement with Tonto to develop the resource. This is neither a binding agreement to agree nor a commitment by either party to proceed with a development agreement. Rather, Council by resolution expresses its intent to conduct negotiations and endeavor to negotiate and prepare a development agreement for Tonto to develop the resource.

BE IT RESOLVED by the Tribal Council of the White Mountain Apache Tribe that this is not a binding agreement to agree and does not commit the Tribe to proceed with the lease transaction contemplated. Rather Council by resolution expresses its intent to conduct negotiations and endeavor to negotiate and prepare a lease agreement with Tonto.

BE IT FURTHER RESOLVED by the Tribal Council of the White Mountain Apache Tribe that it hereby directs that in the event that this Resolution conflicts with a prior Resolution or Policy, this Resolution shall supersede and govern over the conflicting subject matter.

BE IT FURTHER RESOLVED by the Tribal Council of the White Mountain Apache Tribe that it hereby directs that in the event this Resolution directly conflicts with the Tribal Constitution, Tribal Ordinances or Federal Laws, this Resolution shall be declared null and void and have no legal effect. This Resolution shall not be subject to Judicial Interpretation, only the Tribal Attorney, with the assistance of the Tribal Council Secretary, may opine on Tribal Council intent and the meaning of the language as used herein.

BE IT FURTHER RESOLVED by the Tribal Council of the White Mountain Apache Tribe that the Chairman, or in his absence, the Acting Chairman, is hereby authorized to execute any and all documents necessary to effectuate the intent of this Resolution. In the event that the Chairman fails to delegate signatory authority to an Acting Chairman, the Vice-Chairman may sign provided that the Tribal Secretary and a Tribal Attorney attest to the veracity of the subject matter of this Resolution.

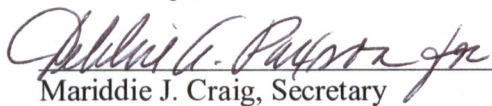
The foregoing resolution was on July 11, 2012 duly adopted by a vote of SIX for and ZERO against by the Tribal Council of the White Mountain Apache Tribe, pursuant to the authority vested in it by Article IV, Section 1 (a), (b), (f), (h), (i), (t) and (u) of the Tribal Constitution, ratified by the Tribe September 30, 1993, and approved by the Secretary of the Interior on November 12, 1993, pursuant to Section 16 of the Act of June 18, 1934 (48 Stat. 984).



Ronnie Lupe, Chairman

7-25-12

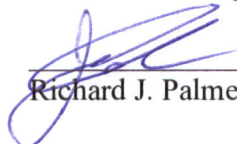
Date



Mariddie J. Craig, Secretary

7-24-12

Date



Richard J. Palmer, Jr., Attorney

7-25-12

Date