



**RESOLUTION OF THE
WHITE MOUNTAIN APACHE TRIBE OF THE
FORT APACHE INDIAN RESERVATION**

**(Authorization for Tonto Mining & Milling, Inc. to Conduct Exploration
Activities on the Fort Apache Indian Reservation)**

- WHEREAS,** the White Mountain Apache 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 through its elected Council; and
- WHEREAS,** the Tribal Council of the White Mountain Apache Tribe has retained the authority, powers and duties to establish and maintain land-use policies that are consistent with the Tribe's economic, environmental and cultural values; and
- WHEREAS,** representatives from Tonto Mining and Milling, Inc. ("Tonto") presented a proposal to explore the feasibility of an iron ore mining operation in an area located in the northwest portion of the Fort Apache Indian Reservation near Canyon Creek; and
- WHEREAS,** Tonto previously met with representatives of the Tribal Project Plan and Review Committee ("TPPR"), Tribal Realty and the Bureau of Indian Affairs ("BIA") staff concerning the proposal and the permitting process; and
- WHEREAS,** to obtain more information about the quality, value, consistency and other specifications of the iron ore in the area, Tonto representatives requested an Exploration Permit; and
- WHEREAS,** the proposed area for the Exploration Permit is located near 34 degrees 17 minutes North Latitude and 110 degrees 74 minutes West Longitude; and
- WHEREAS,** the proposed exploration activities include drilling for core samples approximately two inches in diameter and 150 deep; and
- WHEREAS,** upon approval for an Exploration Permit Tonto would be required to submit and TPPR and BIA approve an Exploration Plan, detailing at minimum, information regarding: the location, time period and method for the drilling operation - including specific information about the equipment used, water use, the area disturbed by the equipment etc. The plan will also include information regarding ingress and egress to the site; environmental protection initiatives to minimize and mitigate environmental degradation and plans to reclaim disturbed land; and
- WHEREAS,** Tonto would be responsible for all costs associated with the exploration activities and all information obtained as a result of exploration activities would be fully disclosed to the Tribe; and
- WHEREAS,** the Tribal Council has considered this matter and believes it to be in the best interest of the White Mountain Apache Tribe to grant this request.

Resolution No. 10-2011-212

BE IT RESOLVED by the Tribal Council of the White Mountain Apache Tribe that it hereby consents to the issuance of an Exploration Permit to Tonto for the purpose of conducting core drilling near an area at 34 degrees 17 minutes North Latitude and 110 degrees 74 minutes West Longitude, subject to final approval by TPR and BIA.

BE IT FURTHER RESOLVED by the Tribal Council of the White Mountain Apache Tribe that it hereby consents to the issuance of an Exploration Permit subject to the requirement that Tonto is solely responsible for all costs associated with the exploration activities and that all materials and information obtained as a result of exploration activities will be owned by the White Mountain Apache Tribe.

BE IT FURTHER RESOLVED by the Tribal Council of the White Mountain Apache Tribe that Tonto shall obtain a Business License from the Tribal Treasurer prior to the core drilling process.

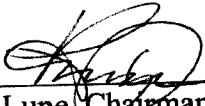
BE IT FURTHER RESOLVED by the Tribal Council of the White Mountain Apache Tribe that it hereby waives any other fees, appraisals, or bond requirements pursuant to Title 25 of the Code of Federal Regulations associated with the Exploration Permit only.

BE IT FURTHER RESOLVED by the Tribal Council of the White Mountain Apache Tribe that approval of this Exploration Permit does not grant any future right to a lease or permit, which approval must be obtained separately.

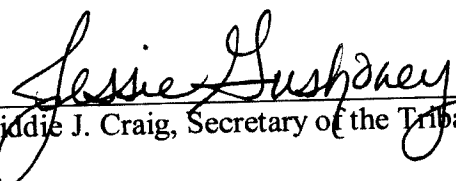
BE IT FURTHER RESOLVED by the Tribal Council of the White Mountain Apache Tribe that it hereby directs that in the event that this Resolution conflicts with a prior Resolution or Policy, this Resolution shall govern.

BE IT FURTHER RESOLVED by the Tribal Council of the White Mountain Apache Tribe that the Chairman, or in his absence, the Vice Chairman, is hereby authorized to execute any and all documents necessary to effectuate the intent of this Resolution.

The foregoing resolution was on **OCTOBER 13, 2011** duly adopted by a vote of **EIGHT** 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 Constitution of the Tribe, 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 of the Tribal Council



Marjiddie J. Craig, Secretary of the Tribal Council **ACTING**