

## RELEASE AND SETTLEMENT AGREEMENT

THIS RELEASE AND SETTLEMENT AGREEMENT (the "Agreement") is made by and between Freeport Minerals Corporation, a Delaware corporation, ("Freeport"), and the City of Bisbee, Arizona, a municipality under the laws of the State of Arizona ("City") (Freeport and the City each a "Party," and together, the "Parties").

WHEREAS, Freeport has conducted the Bisbee Soil Program in the Bisbee area ("Freeport's Operations");

WHEREAS, the City holds in trust for the public, and maintains and operates, roadways, rights-of-ways, easements, and other features, both paved and unpaved, that collectively comprise a system for transportation, that are located throughout the City limits (collectively, the "Roads");

WHEREAS, as part of Freeport's Operations, including the Bisbee Soil Program, Freeport has used the Roads;

WHEREAS, the City claims that the Roads have been damaged by Freeport's Operations, and seeks compensation therefor;

WHEREAS, Freeport denies the City's claims; and,

WHEREAS, the Parties desire to settle and resolve any and all claims between them related to Freeport's Operations impacts on the Roads.

NOW THEREFORE, the Parties, in consideration of the mutual agreements and covenants contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, agree as follows:

1. The recitals above are incorporated into this Agreement.
2. In return for Freeport's performance of its obligations set forth in Section 3, the City does hereby release and forever discharge, and covenants not to sue Freeport and its insurers, agents, employees, directors, officers, shareholders, contractors, consultants, successors and assigns, representatives, parents, subsidiaries, and affiliates from any and all claims, actions, causes of action, demands, rights, damages, costs, losses, expenses, compensation, and liabilities whatsoever, whether in law or equity, that the City may now have or that may hereafter accrue, whether knowable, suspected, unsuspected, asserted, unasserted, contingent or otherwise, on account of or in any way growing out of or connected to any and all known or unknown, foreseen or unforeseen, damage to the Roads resulting from or in any way connected to or arising out of

Freeport's Operations through the date of this Agreement.

3. Within thirty (30) business days after the Effective Date, Freeport will pay to the City One Hundred Thirty-Three Thousand Dollars (\$133,000). The City agrees that these funds will be used to maintain and/or improve the Roads.

4. The Parties understand and agree that this settlement is the compromise of disputed claims, and that this Agreement and Freeport's performance of its obligations under this Agreement are not to be construed as an admission of liability in law or fact, as a waiver of any right or defense, or as an estoppel against Freeport, and that Freeport denies any liability to the City and enters into this Agreement merely to avoid any future action related to the City's claims.

5. This Agreement is effective on the latest date it is signed by one of the Parties ("Effective Date").

6. Each Party covenants, represents, and warrants to the other Party (as appropriate) that (a) it has full power and authority to execute and perform this Agreement, (b) the signatories below have full power and authority to execute this Agreement and bind the respective Parties hereto; and (c) it has obtained all consents and approvals required in connection with execution and performance of this Agreement.

7. The mutual obligations of the Parties as provided in this Agreement are the sole consideration for this Agreement, and no representations, promises, or inducements have been made by the parties other than as appear in this Agreement. Further, the Parties declare and represent that no promise, inducement, or agreement not herein has been made between them, and that this Agreement contains the entire agreement between the Parties.

8. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one and the same instrument. Facsimile or electronically scanned signature pages of this Agreement shall be valid and binding as original signatures and shall be considered an agreement of the faxing or sending Party to fully execute and deliver originally signed copies of this Agreement to the other Party.

9. This Agreement may not be amended except in writing signed by both Parties.

10. This Agreement shall inure to the benefit of and be binding upon the Parties and their respective legal representatives, successors, and assigns. There shall be no third-party beneficiaries to this Agreement.

11. This Agreement shall be governed by the laws of the State of Arizona, without reference to any choice of law provisions.

12. This Agreement represents the final, entire agreement of the Parties related to this subject matter, and hereby incorporates and supersedes any other agreements, oral or written, between the Parties on this subject. It may not be contradicted by any evidence of prior, contemporaneous, or subsequent oral agreements.

13. In the event any of the provisions, or portions or applications thereof, of this Agreement are held to be unenforceable or invalid by any court of competent jurisdiction, the Parties shall negotiate an equitable adjustment in the provisions of this Agreement with a view toward effecting the purpose of this Agreement, and the validity and enforceability of the remaining provisions, or portions or applications thereof, shall not be affected thereby.

14. The Parties acknowledge that this Agreement constitutes a negotiated compromise between persons sophisticated and knowledgeable in the matters dealt with in this Agreement. The Parties agree that any rule of construction under which any ambiguities are construed against the drafter of a legal document is not applicable and shall not apply to this Agreement. Except as expressly set forth in this Agreement, no Party has relied on any representation or statement made by the other Party in the negotiation, drafting, or execution of this Agreement. No Party has any fiduciary or other duty to the other Party in respect of the negotiating, drafting, or execution of this Agreement.

[Signatures Appear on the Following Page]

