

CYPRUS MINES
CORPORATION

ACQUISITION OF
ASSETS OF
CHARLES MATHIEU,
INC. AND
SUBSIDIARIES

1979

PLAINTIFF'S
EXHIBIT
CAM-62

EXHIBIT **7**
WIT: **Mulryan**
DATE: **7-17-15**
G. LUCAS, RPR, RMR, CRR, CLR

CYPRUS MINES CORPORATION

ACQUISITION OF ASSETS OF
CHARLES MATHIEU, INC. AND SUBSIDIARIES

1979

GEORGE D. LESSNER

F O R E W O R D

The documents in this volume pertain to the acquisition for cash of certain of the real and personal property assets of Charles Mathieu, Inc., a New Jersey corporation ("Mathieu") and of its subsidiaries, American Talc Company, Inc., an Alabama corporation ("American"), Metropolitan Talc Company, Inc., a New Jersey corporation ("Metropolitan") and Resource Processors, Inc., a Georgia corporation ("Resource") by Cyprus Georesearch Company, a wholly-owned subsidiary of Cyprus Mines Corporation ("Cyprus") incorporated in Nevada ("Georesearch").

On May 4, 1979, following discussions between representatives of the companies, the principals of Mathieu, by a letter of understanding to Cyprus, outlined the basic terms of the purchase by Cyprus of all the outstanding stock of Mathieu for approximately \$2,400,000. A stock purchase agreement was negotiated; however, evidence of a substantial potential liability of Mathieu arose and it was determined to abandon the stock purchase format in favor of the purchase for cash of the plants, certain real property and inventories of each of the companies in the Mathieu family. Additionally, it was decided for certain administrative reasons that the acquiring party would be Georesearch. On August 3, 1979 Georesearch entered into purchase agreements with each of Mathieu and its subsidiaries providing for the acquisition of certain real and personal property of each of them (the "Purchase Agreements") and various related agreements.

Pursuant to agreements dated as of November 11, 1977, (the "Whittaker Agreements"), Whittaker, Clark & Daniels, Inc. ("Whittaker"), the distributor of substantially all of the products of Mathieu and its subsidiaries, had rights to the first refusal of the sale of the stock or substantially all the assets of Metropolitan. Accordingly, the Purchase Agreement regarding the assets of Metropolitan (the "Metropolitan Purchase Agreement") was conditioned upon the waiver by Whittaker or the expiration without exercise in the time required of its first refusal rights. Each of the Purchase Agreements was conditioned upon the consummation of the transactions contemplated by the others. Written notice of the proposed sale of the assets of Metropolitan was duly given pursuant to the Whittaker Agreements and the assets were offered for sale to Whittaker on the terms set forth in the Metropolitan Purchase Agreement on August 3, 1979. Whittaker agreed to waive its rights to first refusal in consideration of the agreement of Georesearch to continue for a specified period to provide Whittaker with its requirements for talc products theretofore produced by Mathieu and its subsidiaries.

Bulk transfer notices were mailed to the creditors of Mathieu and each of its subsidiaries pursuant to the Uniform Commercial Codes of the States of Alabama and New Jersey on September 7, 1979. On September 17, 1979, upon the running of the ten-day notice periods required by the Alabama and New Jersey Uniform Commercial Codes and the provision for payment of claims duly filed during those

periods and not contested by Mathieu or any of the subsidiaries, the transactions were closed through escrow managed by the Summit and Elizabeth Trust Co. of Summit, New Jersey.

Cyprus and Georesearch were represented by Kenneth Julin, Richard Grantham, H. J. Mulryan, Maurice Warner, George Lessner and Louis Murino. O'Melveny & Myers acted as counsel for Cyprus and Georesearch, Guido R. Henry and Steven E. Lewis participating. The Mathieu companies were represented by Peter H. Bixby and Donald R. Ferry. Gifford, Woody, Palmer & Serles acted as counsel for the Mathieu companies, James P. Beggans, James C. Kellogg and Danforth W. Rogers participating.

GLOSSARY

PARTIES

"American"	American Talc Company, Inc., an Alabama corporation
"Cyprus"	<u>Cyprus Mines Corporation, a New York corporation</u> Kenneth F. Julin, Senior Vice President - Industrial Operations Richard R. Grantham, Senior Vice President, Treasurer H. T. Mulryan, Vice President Maurice F. Warner, President - Talc Division George D. Lessner, Vice President - Operations Louis D. Murino, Vice President - Marketing
"Cyprus Georesearch"	Cyprus Georesearch Company, a Nevada corporation
"Escrow Agent"	Summit and Elizabeth Trust Company, a New Jersey chartered trust company
"Mathieu"	<u>Charles Mathieu, Inc., a New Jersey corporation</u> Donald R. Ferry, President Peter H. Bixby, Vice President
"Metropolitan"	Metropolitan Talc Company, Inc., a New Jersey corporation
"Resource Processors"	Resource Processors, Inc., a Georgia corporation

"Whittaker" Whittaker, Clark & Daniels, Inc., a
New Jersey corporation

COUNSEL

"GWP&S" Gifford, Woody, Palmer & Serles

James P. Beggans

James C. Kellogg

Danforth W. Rogers

"O'M&M" O'Melveny & Myers

Guido R. Henry

Steven E. Lewis

TERMS

"American Agreement" Agreement For The Sale and Purchase Of
Certain Assets Of American Talc Company,
Inc. dated as of August 3, 1979.

"Asset Purchase
Agreements" American, Mathieu, Metropolitan and
Resource Agreements, collectively.

"Asset Purchases" Purchase of assets of American, Mathieu,
Metropolitan and Resource Processors
pursuant to the Asset Purchase Agreements.

"Mathieu Agreement" Agreement dated August 3, 1979 between
Cyprus Georesearch and Mathieu.

"Metropolitan
Agreement" Agreement For The Sale and Purchase Of
Certain Assets Of Metropolitan Talc
Company, Inc. dated as of August 3, 1979.

"Resource Agreement" Agreement For The Sale and Purchase Of
Certain Assets Of Resource Processors,
Inc. dated as of August 3, 1979.

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I. AGREEMENTS PROVIDING FOR PURCHASE OF ASSETS

- 1 Letter dated May 4, 1979 from Imperial Products Co., Inc., Donald R. Ferry, Joanne F. Gates and Audrey F. Bixby to Cyprus outlining terms of acquisition of Mathieu Stock.
- 2 Agreement For The Sale And Purchase Of Certain Assets Of American Talc Company, Inc. dated as of August 3, 1979 by and between Cyprus Georesearch and American.
- 3 Agreement dated August 3, 1979 between Cyprus Georesearch and Mathieu providing for the purchase of inventories of crude talc ore owned by Mathieu and for the appointment of Mathieu as the exclusive importer of European talc ore for Cyprus Georesearch, its parents and subsidiaries.
- 4 Agreement For The Sale And Purchase Of Certain Assets Of Metropolitan Talc Company, Inc. dated as of August 3, 1979 by and between Cyprus Georesearch and Metropolitan.
- 5 Agreement For The Sale And Purchase Of Certain Assets Of Resource Processors, Inc. dated as of August 3, 1979 by and between Cyprus Georesearch and Resource Processors.

6 First Amendment To Exploration Agreement With Option To Acquire Mining Lease entered into as of August 3, 1979 by and between Resource Processors and Cyprus providing for the amendment of the option exercise price and royalty provisions of said Exploration Agreement.

7 Stock Purchase Agreement dated as of August 29, 1979 by and between Cyprus Georesearch and Resource Processors, providing for the purchase of the common stock of Madison Minerals, Inc., a Montana corporation, owned by Resource Processors.

II. PROCEEDINGS WITH WHITTAKER, CLARK & DANIELS, INC.

8 Agreement dated November 11, 1977 by and between Mathieu and Whittaker.

9 Distributor Agreement dated November 11, 1977 by and between Metropolitan and Whittaker.

10 Letter dated April 18, 1979 from GWP&S to George Lessner regarding Whittaker Agreements.

11 Letter dated August 3, 1979 from GWP&S to Whittaker advising of terms of proposed sale of assets of Metropolitan to Cyprus Georesearch and offering such assets for sale to Whittaker.

- 12 Letter dated August 9, 1979 from Apruzzese & McDermott, counsel to Whittaker, to Mathieu and Metropolitan responding to offer for sale and requesting information.
- 13 Letter dated August 13, 1979 from O'M&M to George Lessner regarding response of Whittaker counsel to offer for sale of Metropolitan assets.
- 14 Form of Letter dated August 14, 1979 from GWP&S to Whittaker transmitting Metropolitan Agreement and responding to letter of Whittaker counsel of August 9, 1979.
- 15 Talc Supply Agreement dated as of August 28, 1979 by and between Cyprus Georesearch and Whittaker providing for the sale of certain talc products to Whittaker.
- 16 Agreement dated August 28, 1979 by and among Whittaker, Mathieu and Metropolitan providing, among other things, for the waiver by Whittaker of its right to the first refusal of the purchase of the capital stock or assets of Metropolitan.
- 17 Agreement dated August 28, 1979 by and between Cyprus Georesearch and Whittaker providing for the waiver by Whittaker of its right to the first refusal of the purchase of the capital stock or assets of Metropolitan.

III. CORPORATE PROCEEDINGS OF CYPRUS

- 18 Resolutions adopted by the Board of Directors of Cyprus on September 12, 1979 approving the Asset Purchases, the purchase of the crude talc inventories of Mathieu and the appointment of Mathieu as exclusive importer of European talc for Cyprus Georesearch.

IV. BULK TRANSFER MATERIALS

- 19 Notice of Bulk Transfer to creditors of American pursuant to Article 6 of the Uniform Commercial Code of the State of Alabama dated September 7, 1979.
- 20 Notice of Bulk Transfer to creditors of Mathieu pursuant to Article 6 of the Uniform Commercial Code of the State of New Jersey dated September 7, 1979.
- 21 Notice of Bulk Transfer to creditors of Metropolitan pursuant to Article 6 of the Uniform Commercial Code of the State of New Jersey dated September 7, 1979.

V. CLOSING DOCUMENTS

- 22 Escrow Instructions to Escrow Agent regarding the Closings.
- 23 Supplemental Escrow Instructions to Escrow Agent dated September 17, 1979 regarding disbursement of funds.

- 24 Letter dated October 17, 1979 from Escrow Agent to Cyprus Georesearch regarding claims submitted pursuant to bulk transfer notices.

A. Documents Delivered By American, Mathieu, Metropolitan and Resource Processors.

- 25 Certified copy of resolutions adopted by the Board of Directors and the stockholders of American on September 17, 1979 authorizing the sale of assets of American and ratifying, approving, confirming and adopting the American Agreement.
- 26 Certified copy of the resolutions adopted by the Board of Directors and the stockholders of Metropolitan on September 17, 1979, authorizing the sale of assets of Metropolitan and ratifying, approving, confirming and adopting the Metropolitan Agreement.
- 27 Certified copy of the resolutions adopted by the Board of Directors and the stockholders of Resource Processors on September 17, 1979, authorizing the sale of assets of Resource Processors and ratifying, approving, confirming and adopting the Resource Agreement.
- 28 Certificate of Peter H. Bixby and Donald R. Ferry dated September 17, 1979 delivered pursuant to Paragraphs 7(a) and (b) of the American Agreement.

- 29 Certificate of Peter H. Bixby and Donald R. Ferry dated September 17, 1979 delivered pursuant to Paragraphs 7(a) and (b) of the Metropolitan Agreement.
- 30 Certificate of Peter H. Bixby and Donald R. Ferry dated September 17, 1979 delivered pursuant to Paragraphs 7(a) and (b) of the Resource Agreement.
- 31 Letter from American to Cyprus Georesearch providing for the proration of 1979 property taxes on the Alabama property purchased pursuant to the American Agreement.
- 32 Agreement dated September 17, 1979 between Cyprus Georesearch and Donald R. Ferry and Peter H. Bixby providing for the indemnification of Cyprus Georesearch for losses arising out of its obligations under the Bulk Transfers Chapters of the Uniform Commercial Codes of Alabama, Montana and New Jersey and Notices To Creditors dated September 7, 1979 given thereunder.
- 33 Patent Assignment dated September 17, 1979 from Resource Processors to Cyprus Georesearch regarding talc beneficiation method.

B. Conveyances

- 34 Deed of Metropolitan dated September 17, 1979 conveying improved New Jersey real property to Cyprus Georesearch, as recorded by the Clerk of Middlesex County, New Jersey on September 18, 1979.

- 35 Form of Deed of American dated September 17, 1979 conveying improvements on Alabama real property to Cyprus Georesearch, as recorded with the Probate Judge of Talladega County, Alabama on September 17, 1979.
- 36 Form of Deed of Resource Processors dated September 17, 1979 conveying Alabama real property to Cyprus Georesearch, as recorded with the Probate Judge of Talladega County, Alabama on September 17, 1979.
- 37 Bill of Sale of American dated September 17, 1979 conveying American personal property to Cyprus Georesearch, as recorded with the Probate Judge of Talladega County, Alabama on September 17, 1979.
- 38 Form of Bill of Sale of Metropolitan dated September 17, 1979 conveying the Metropolitan personal property to Cyprus Georesearch, as recorded with the County Recorder of Middlesex County, New Jersey on September 18, 1979.
- 39 Bill of Sale of Resource dated September 17, 1979 conveying the Resource personal property to Cyprus Georesearch, as recorded with the Probate Judge of Talladega County, Alabama on September 17, 1979.
- 40 Form of Bill of Sale of Mathieu dated September 17, 1979 conveying the crude talc ore of Mathieu to Cyprus

Georesearch, as recorded with the County Recorder of Middlesex County, New Jersey on September 18, 1979.

- 41 Policy of title insurance on the New Jersey real property conveyed by Metropolitan issued by Pioneer National Title Insurance as of September 17, 1979.

C. Documents Delivered By Cyprus Georesearch.

- 42 Form UCC-1 Financing Statement covering the sale of the crude talc ore of Mathieu to Cyprus Georesearch as recorded with the New Jersey Secretary of State on September 18, 1979.
- 43 Form UCC-1 Financing Statement covering the sale of the crude talc ore of Mathieu to Cyprus Georesearch as recorded with the County Clerk of New Brunswick County, New Jersey on September 18, 1979.
- 44 Form UCC-1 Financing Statement covering the personal property of Metropolitan sold to Cyprus Georesearch as recorded with the New Jersey Secretary of State on September 18, 1979.
- 45 Form UCC-1 Financing Statement covering the personal property of Metropolitan sold to Cyprus Georesearch as recorded with the County Clerk of New Brunswick County, New Jersey on September 18, 1979.

- 46 Form UCC-1 Financing Statement covering the personal property of American sold to Cyprus Georesearch as recorded with the Probate Judge of Talladega County, Alabama on September 17, 1979.
- 47 Form UCC-1 Financing Statement covering personal property of Resource Processors sold to Cyprus Georesearch as recorded with the Probate Judge of Talladega County, Alabama on September 17, 1979.
- 48 Certificate of the Secretary of State of the State of Alabama dated August 7, 1979, as to the good standing of Cyprus Georesearch on the date thereof.
- 49 Certificate of the Secretary of State of the State of Nevada dated August 16, 1979, as to the good standing of Cyprus Georesearch on the date thereof.
- 50 Certificate of the Secretary of State of New Jersey dated August 3, 1979, as to the good standing of Cyprus Georesearch on the date thereof.
- 51 Articles of Incorporation of Cyprus Georesearch certified by the Secretary of State of the State of Nevada as of August 16, 1979.
- 52 Certificate of P.J. McLean dated September 17, 1979 as to the truth of the representations and warranties of Cyprus Georesearch set forth in the American Agreement.

- 53 Certificate of P.J. McLean dated September 17, 1979 as to the truth of the representations and warranties of Cyprus Georesearch set forth in the Metropolitan Agreement.
- 54 Certificate of P.J. McLean dated September 17, 1979 as to the truth of the representations and warranties of Cyprus Georesearch set forth in the Resource Agreement.
- 55 Letter dated September 12, 1979 from O'M&M to GWP&S delivering certain closing documents for execution.

D. Opinions

- 56 Opinion of GWP&S dated September 17, 1979 to Cyprus Georesearch pursuant to Paragraph 7(g) of the American Agreement.
- 57 Opinion of GWP&S dated September 17, 1979 to Cyprus Georesearch pursuant to Paragraph 7(i) of the Metropolitan Agreement.
- 58 Opinion of GWP&S dated September 17, 1979 delivered to Cyprus Georesearch pursuant to Paragraph 7(h) of the Resource Processors Agreement.
- 59 Opinion of Beggans & Kellogg dated September 17, 1979 delivered to GWP&S in connection with the opinion of GWP&S pursuant to Paragraph 7(i) of the Metropolitan Agreement.