

THE JOINT STOCK COMPANIES' ACTS 1862 AND 1867.

Memorandum of Association

OF THE
Morro da Gloria Gold
NEW ~~ROSARIO SILVER~~ MINING COMPANY,
LIMITED.

With Articles of Association annexed

~~MEMORANDUM OF ASSOCIATION OF A COMPANY
LIMITED BY SHARES.~~

1st. The name of the Company is "THE ~~NEW ROSARIO SILVER~~
gold MINING COMPANY, LIMITED."

2nd. The Registered Office of the Company will be situate in
England.

3rd. The objects for which the Company is established are:

To acquire
~~The acquiring~~, by purchase or otherwise, ~~from time to time~~, of
~~all the fee, or a grant, or a lease, of~~ certain Mines, called the
Morro da Gloria ~~New Rosario, Encarnacion, San Pedro, San Francisco, and~~ *and*
~~others, in the state of Republic of Mexico, together with the~~ *Province of Minas Geraes in the Empire*
Lands, Mills, Buildings, Minerals, Mineral Deposits, Mill Sites, *of Brazil*
Water Rights, and all Works, and Appurtenances connected
therewith, or belonging thereto, or of any Shares, or any
interests therein respectively.

To acquire
~~The acquiring~~ from time to time, by purchase or otherwise,
the fee, or a grant or lease of ~~the said~~ property, and
of any lands, mines, quarries, pits, works, mills, buildings,
and machinery, and of plant and things necessary, or
convenient, for the purpose of, carrying on mining operations
in, or near to, the said mines, or convenient to be worked, or
held therewith, or of any shares or interests therein.

To sell
~~The purchase and sale of~~ Silver, Gold, and other metals and
ores, and ~~the working, raising, winning, washing, and~~ *to*
~~getting of~~ the ores, metals, minerals, and mineral deposits on

*Pursuant to, and on the terms
and conditions
provided by
an Agreement
dated the
day of
and made
between
of the one
part, and
of the other
part*

the said properties, and produce from such mines, and otherwise ^{to} ~~developing~~ ^e the said mines, mineral deposits, and ~~the~~ ^{to} manufacture, smelting, ~~reducing~~ ^e and ~~sale~~ ^{sell} of such ores, minerals, and produce, ~~in every state.~~

To construct
~~The constructing~~ and maintaining railways, roads, water-courses, wharves, and other communications in ~~or~~ to any lands or mines purchased or held by the ^{said} Company, and ~~other~~ places, ~~and for~~ ^{to} ~~facilitating~~ ^e the carriage or transport of the ore, any proceeds of the mine or mines, and the erection on such lands of dwellings and other buildings, *as may be necessary*

To make
~~The rendering~~ such mines and mineral deposits, and lands, watterights, or property productive, by carrying on ~~in Mexico;~~ ^{all or} any of the operations hereinbefore mentioned, ~~or~~ ^{either} by letting selling, or otherwise disposing of the same, ~~or any~~ part thereof, or by granting any rights of mining or otherwise in or upon the same.

The purchase of the business of, or ~~the~~ ^{to} ~~amalgamation~~ ^e with, any individual or individuals, or Company or Companies, which shall be working mines or minerals in the same district, ~~and~~ ~~having the same or similar objects.~~

To do
~~The doing of~~ all such things as are incidental or conducive to the attainment of the above objects.

4th. The liability of the members is limited.

5th. The Capital of the Company is ^{to be one hundred} ~~Twenty~~ Thousand Pounds, divided into ^{one hundred} ~~Twenty~~ Thousand Shares of One Pound each.

WE, the several persons whose names and addresses are subscribed are desirous of being formed into a Company, in pursuance of this Memorandum of Association, and we respectively agree to take the number of Shares in the Capital of the Company, set opposite our respective names.

Names, Addresses, and Descriptions of Subscribers.	Number of Shares taken by each Subscriber.

Dated the day of 18

Witness to the above Signatures,

LIMITED COMPANY.

Articles of Association

OF THE

NEW ROSARIO SILVER MINING COMPANY,

LIMITED.

It is agreed as follows:—

1. That none of the regulations for the management of a Company contained in Table A in the schedule to the "Joint Stock Companies' Act, 1862," shall apply to this Company, except such as are embodied in these Articles.

2. That in the construction of these Articles the following words and expressions shall have the meanings hereby assigned to them respectively, so far as such meanings are not excluded by the context or subject matter, that is to say:—Words importing the singular number only shall include the plural; words importing the plural number only shall include the singular; words importing the masculine gender only shall include the feminine. The word "Directors" shall mean the Directors from time to time of the Company, or as the case may be, the Directors assembled at a Board or Meeting of Directors; and the words "The Company" shall mean the New Rosario Silver Mining Company, Limited. The expression "General

Meeting" shall include any meeting of the Shareholders of the Company duly convened and constituted pursuant to these Articles, whether an Ordinary or Extraordinary Meeting. The word "Month" shall mean Calendar Month.

REGULATIONS FOR THE MANAGEMENT OF THE
COMPANY. SHARES.

3. That no person shall be deemed to have accepted any share in the Company unless he shall have signed the Memorandum of Association, or these Articles, or a printed copy of such Memorandum or Articles in respect of such share, or shall otherwise have testified his acceptance of any share, by writing under his hand in such form as the Directors from time to time direct. But, nevertheless, nothing herein contained shall prevent the Directors from treating, if they shall so think fit, any person who shall have applied, or who shall apply for an allotment of shares, as having accepted any share which may be allotted to him, or, in anywise operate to release such person from liability in respect of such application and allotment.

4. In case any allottee of shares shall fail to perform any act, matter, or thing at the time and in manner required by the letter or terms of allotment, such allottee shall immediately upon any such default having been made, if the Directors shall so resolve, absolutely forfeit all right and interest in and to the shares so allotted, and to all moneys (if any) paid thereon.

5. Any person who shall either apply for, or who at his request shall have allotted to him, or who shall pay to this Company any deposit or sum of money upon or in part payment of any share, shall on the happening of any one of the above events become and be a Shareholder of this Company for all the purposes thereof and of these Articles, and notwithstanding he may not have signed an acceptance of such share as hereinbefore stipulated.

6. It shall be lawful for the Directors to issue to any person or persons in satisfaction of any services rendered by him or them to the Company, or to issue to any Corporation or Company, person or

persons as the consideration for the purchase or acquisition of any land which the Company may lawfully purchase, or of any mines, leases, ores, minerals, machinery, engines or other property and effects, or in respect of any debt due by the Company, shares in the Company on which the full sum of One Pound per share, or so much thereof as shall be agreed upon between the Directors and the parties accepting such shares, shall be credited as paid-up. The holder of any such "fully paid-up shares" shall not be liable to any call in respect of those shares.

7. Of the Fifty thousand shares of One Pound each into which the capital is divided, Twenty thousand of such shares, numbered 1 to 20,000 inclusive, shall be deemed and taken to be fully paid-up shares, upon each of which the full amount thereof, that is to say the sum of One Pound has been paid to and received by the Company, and certificates or warrants to bearer of all or any necessary portion of such shares may be forthwith sealed, issued, and delivered by the Directors (without payment of certificate fee or other charge) for or on account of and in part consideration of, or for the purchase and acquisition of the New Rosario, and other Silver Mines in the Memorandum of Association and in the said Agreement mentioned, but subject to the terms, stipulations, conditions, and provisoes in these Articles mentioned.

8. The Directors may, from time to time make such calls upon the Shareholders in respect of all monies unpaid on their shares as they think fit, provided that twenty-one days notice at least is giving of such call. And each Shareholder shall be liable to pay the amount of calls so made to the persons and at the times and places appointed by the Directors. But no call shall exceed five shillings per share, or be made at intervals of less than three months between each call.

9. A call shall be deemed to have been made at the time when the resolution authorising such call shall have been passed.

10. If before or on the day appointed for payment any Shareholder does not pay the amount of any call to which he is liable, then such Shareholder shall be liable to pay interest for the same at a rate from time to time to be determined by the Directors from the day appointed for the payment thereof to the time of the actual payment thereof.

11. The Directors may, if they think fit, receive from any of the Shareholders willing to advance the same all or any part of the monies due upon their respective shares beyond the sums actually called for, and upon the monies so paid in advance or so much thereof as from time to time exceeds the amount of the calls then made upon the shares in respect of which such advance has been made, the Directors may pay interest at such rate as the Shareholder paying such sum in advance and the Directors agree upon. Upon any fully paid-up shares issued for the purchase of the mine or property of the Company, or for services rendered, dividends shall be paid on the full amount of £1 per share, and upon all shares in proportion to the amount paid on each share.

12. If several persons are registered as joint holders of any share or shares, any one of such persons may give effectual receipts for any dividend payable in respect of such share or shares.

13. The Company may, with respect to any share or shares fully paid-up, or with respect to stock, issue under their common seal a warrant, stating that the bearer of such warrant is entitled to the share or shares, or stock therein specified, and may provide by coupons or otherwise for the payment of the future dividends, on the share or shares, or stock included in such warrant.

14. The bearer of a share warrant shall be deemed to be a member of the Company.

15. The Directors may decline to register any transfer of shares in any of the following cases:—

1. If the transfer be made by a Shareholder or nominee of a Shareholder, who is indebted to the Company, either for calls, fees, or on any other account whatsoever.
2. If the Directors shall be of opinion that the transferee or nominee is an irresponsible person.
3. If the form of transfer shall not be approved of by the Directors.
4. If the proposed transfer be not accompanied by such evidence of the title of the transferor as the Directors may require.

16. The Company shall have a lien on the shares of all Shareholders who may be indebted to, or under any liability to them until such debt or liability has been fully paid and satisfied.

17. In the event of any Shareholder being indebted to the Company, the Directors shall have power to give notice to such Shareholder, requiring payment of such debt on or before a day to be appointed by them for that purpose, and in the event of such Shareholder not paying such debt on or before the day so to be appointed, the Directors are to be at liberty to sell the shares belonging to such Shareholder, and to apply the proceeds thereof in satisfaction, so far as the same shall extend, of such debt.

18. Before registration of any transfer the Directors may demand from the transferee such sum as they think fit (not exceeding one shilling), and until the Directors shall otherwise determine, there shall be paid to the use of the Company by the transferee on the registration of any transfer, the said sum of one shilling; and a like fee shall be paid to the Company on the registration of any transmission of shares otherwise than by deed of transfer.

19. The instrument of transfer of any share in the Company shall be executed both by the transferor and transferee, and the transferor shall be deemed to remain a holder of such share until the name of the transferee is entered in the register book in respect thereof.

20. Before registration of any transfer, the instrument or transfer shall be deposited with, and shall thenceforward be kept by the Company.

21. The transfer books may be closed during the ten days immediately preceding and after the Ordinary General Meeting in each year, and also at any other time, to enable the list to be settled for the payment of a dividend.

TRANSMISSION OF SHARES.

22. The executors or administrators of a deceased Shareholder shall be the only persons recognised by the Company as having any title to his share or shares.

23. Any person becoming entitled to a share in consequence of the death, bankruptcy, or insolvency of any Shareholder, or in consequence of the marriage of any female Shareholder, or in any other way than by transfer, may be registered as a Shareholder upon such evidence being produced as may from time to time be required by the Directors.

FORFEITURE OF SHARES.

24. If any Shareholder fails to pay any call due on the appointed day the Directors may at any time thereafter during such time as the calls remain unpaid, serve a notice on him requiring him to pay within one month such call, together with interest and any expenses that may have accrued by reason of such non-payment.

25. The notice shall name a further day, and a place or places, being a place or places at which calls of the Company are usually made payable, on and at which such calls, all interest and expenses thereon, is to be paid. It shall also state that, in the event of non-payment at the time and place appointed, the shares in respect of which such call was made will be liable to be forfeited.

26. If the requisitions of any such notice as aforesaid are not complied with, any share in respect of which such notice has been given, may be forfeited by a resolution of the Directors to that effect. Provided always that the Directors may in their discretion, and they are hereby empowered at any time, either during the course of the proceedings to forfeit, and notwithstanding the giving of such notice in the preceding article mentioned, or after the said forfeiture, shall have become complete, either to suspend such forfeiture, and to proceed to recover the amount of such calls by action or otherwise, or to remit, discontinue, waive, or annul such forfeiture, and restore the shares to the proprietor thereof, to all intents and purposes, upon such terms and conditions as the Directors may think proper.

27. Any shares so forfeited, and the forfeiture of which shall not have been waived or remitted by the Directors, shall be deemed to be the property of the Company, and may be disposed of in such manner as the Directors think fit, or be absolutely extinguished by the Directors.

28. Any Shareholder whose shares have been forfeited shall notwithstanding be liable to pay to the Company all calls owing upon such shares at the time of forfeiture.

INCREASE OF CAPITAL—BORROWING POWERS

29. The Directors may, with the sanction of a special resolution of the Company obtained in General Meeting specially called for the purpose, from time to time increase the capital as they think fit.

30. The Directors may from time to time issue new shares for the increased amount of capital, either privileged or not, and either at par or at a premium or a discount, and the new shares so issued may be of such respective amounts and with such privileges priorities or advantages as the Company in General Meeting direct, or if no direction is given, as the Directors think expedient.

31. The holders of the new shares so issued shall be entitled to participate in the dividends and the profits of the Company according to the amount of shares held by them; and such shares shall, in proportion to the amount thereof, confer on the holders thereof respectively the same privileges and advantages for the purpose of voting at meetings of the Company, qualification for the office of Directors, and for other purposes, as shares in the original capital of the Company.

32. All new shares shall be offered to the original Shareholders in proportion to the existing shares held by them, or as near thereto as may be, and such offer shall be made by notice specifying the number of shares to which the Shareholder is entitled, and limiting a time within which the offer, if not accepted, will be deemed to have been declined; and after the expiration of such time, or on the receipt of an intimation from the Shareholder to whom such notice is given that he declines to accept the shares offered, the Directors may dispose of the same in such manner as they deem most beneficial to the Company.

33. Subject to any special rights, privileges, priorities or advantages which may be attached to any new shares under the powers hereinbefore contained, any capital raised by the creation of new

shares shall be considered as part of the original capital, and be subject to the same provisions in all respects, whether with reference to the payment of calls, or to the forfeiture of shares on non-payment of calls or otherwise, as if it were part of the original capital.

34. Such a portion (if any) of the capital money and revenue of the Company as the Board from time to time may think fit shall be set apart as a reserved fund, to be applicable at the discretion of the Board for the liquidation of the amount then remaining unpaid on the respective shares, or for any other purposes of the Company for which capital is properly applicable.

GENERAL MEETINGS.

35. The first General Meeting shall be held at such time not being more than Four months after the Registration of the Memorandum of Association of the Company, and at such place in London or Middlesex as the Directors may determine.

36. Subsequent General Meetings shall be held once or oftener in every year at such time and place as may be determined by the Directors.

37. The above-mentioned General Meetings shall be called Ordinary General Meetings; all other General Meetings shall be called Extraordinary.

38. The Directors may, whenever they think fit, and they shall upon a requisition made in writing by any number of Shareholders holding in the aggregate not less than One-fourth part of the shares of the Company*then taken up, convene an Extraordinary General Meeting.

39. Any requisition so made by the Shareholders shall express the object of the meeting proposed to be called, and shall be left at the registered office of the Company.

40. Upon the receipt of such requisition, the Directors shall forthwith proceed to convene the Extraordinary General Meeting.

41. If they do not proceed to convene the same within fourteen

days from the date of the requisition, the requisitionists, or any other shareholders holding the required number of shares, may themselves convene a meeting.

42. Seven days' notice at the least, specifying the place, the time, the hour of meeting, and the purpose for which any Ordinary or Extraordinary General, General Meeting is to be held, shall be given by advertisement, or in such other manner, if any, as may be prescribed by the Company.

43. Any Shareholder may, on giving not less than three days' previous notice, submit any resolution to a meeting beyond the matters contained in the notice given of such meeting.

44. The notice required of a Shareholder shall be given by leaving a copy of the resolution at the registered office of the Company.

45. No business shall be transacted at any meeting except the choice of a chairman for the meeting, or the selection of auditors, or the declaration of a dividend, unless seven Shareholders belonging to the Company, holding at least one thousand shares, shall be present at the commencement of such business.

46. If within one hour from the time appointed for the meeting the required number of Shareholders is not present, the meeting, if convened upon the requisition of the Shareholders, shall be dissolved. In any other case it shall stand adjourned to the following day at the same time and place, and if at such adjourned meeting the required number of Shareholders is not present, it shall be dissolved.

47. The Chairman (if any) of the Board of Directors shall preside as Chairman at any meeting of the Company.

48. If there is no such Chairman, or if at any meeting he is not present at the time of holding the same, or shall decline to take the chair, then the chair shall be taken by the Deputy-Chairman of the Directors (if any), or in case of his absence or refusal, or in case there is no such Deputy-Chairman, by any Director present, to be elected by a simple majority of the Shareholders personally present at the meeting, each Shareholder present being for this purpose entitled to only one vote. In the absence of all the Directors, or in case of the refusal of all those present, then the Shareholders shall choose in

manner aforesaid some one of their number to be the Chairman of such meeting.

49. The Chairman may, with the consent of the meeting, adjourn any meeting from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

50. At any General Meeting, unless a poll is demanded by at least five Shareholders personally present at such meeting, a declaration by the Chairman that a resolution has been carried, and an entry to that effect in the book of proceedings of the Company, shall be sufficient evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against such resolution.

51. If a poll is demanded in manner aforesaid, the same shall be taken in such manner as the Chairman directs, and the result of such poll shall be deemed to be the resolution of the Company in General Meeting.

VOTES OF SHAREHOLDERS.

52. Except when otherwise provided for by "The Joint-Stock Companies' Act, 1862," or by these Articles, every question to be decided by any General Meeting shall be decided by a simple majority of the Shareholders personally present thereat, and shall be so decided by a show of hands, the result being declared by the Chairman of such meeting as aforesaid.

53. If a poll is demanded in manner aforesaid then (except as lastly before expressed) every Shareholder shall have one vote for every share held by him.

54. If any Shareholder is a lunatic or idiot he may vote by the committee of his estate, and if any Shareholder is a minor, he may vote by his father or (if his father be dead) mother or guardian, or any one of his guardians, if more than one.

55. If one or more persons are jointly entitled to a share or shares, the person whose name stands first in the Register of Shareholders as one of the holders of such share or shares, and no other, shall be entitled to vote in respect of the same.

56. No Shareholder shall be entitled to vote at any meeting unless all calls due from him have been paid, nor until he shall have been possessed of his shares one calendar month, unless in the latter case such shares shall have been acquired, or shall come by bequest, or by marriage, or by succession to an intestate's estate, or by the custom of the City of London, or by any deed of settlement after the death of any person who shall have been entitled for life to the dividends of such shares.

57. Votes may be given, either personally or by proxies. A proxy shall be appointed in writing, under the hand of the appointor, or if such appointor is a Corporation, under their common seal.

58. No person shall be appointed a proxy who is not a Shareholder, and the instrument or mandate appointing him shall be deposited at the Registered Office of the Company not less than forty-eight hours before the time of holding the meeting at which he proposes to vote.

59. The appointment of proxies shall be in the form following:—
 "I _____, of _____ in the County of _____, a holder of _____ shares in the New Rosario Silver Mining Company, Limited, do hereby appoint _____, of _____, in the County of _____, a Shareholder in the said Company, as my proxy, to vote for me and in my behalf at the General (ordinary or extraordinary, as the case may be) Meeting, of Shareholders fixed to be held on the _____ day of _____ next, and at every adjournment thereof, and poll demanded at such meeting or adjournment. As witness my hand this _____ of _____, in the year of our Lord One thousand eight hundred _____"

60. No instrument or proxy shall be revoked or altered except by writing, under the hand of the appointing Shareholder, and left at the Registered Office of the Company, and such instrument shall then be considered as revoked or altered, as from the time that such notice shall be left at the office.

DIRECTORS AND THEIR REMUNERATION.

61. The number of Directors in London shall not be less than four, nor more than eight.

62. The first Directors shall be James Goodson, Esq., John Morkill, Esq., Charles Morris, Esq., John Potts, Esq., Alfred Bryant, Esq., and Henry Johnson M'Culloch, Esq.

63. The share qualification of a Director shall be his holding in his own right at least one hundred shares, and paying on the same.

64. The Directors shall be entitled to set apart and receive for their remuneration, out of the property of the Company, the sums following, that is to say—For the Chairman of the Board, the sum of Three guineas, and for each Director, the sum of Two guineas for every meeting of the Board attended by him, but to be subject to such regulations as may be agreed amongst themselves, and whenever the Company shall declare a *bona fide* dividend, or dividend and bonus on the paid-up capital of the Company (including the fully paid-up shares given in payment for the property or premises) of twenty per cent., then five per cent. of all divisible profits over and above the said twenty per cent.; and further, when a like dividend, or dividend and bonus of thirty per cent. on the paid-up capital of the Company, as above, shall be declared, then ten per cent. of all divisible profits over and above the said thirty per cent. shall be appropriated to the further remuneration of the Directors and of the manager or managing Director, in such proportions as the Board shall from time to time determine, and such further sum as shall be agreed to by a General Meeting.

POWERS OF DIRECTORS.

65. The business of the Company, and all matters relating to the Company and the affairs thereof, shall be controlled, managed and regulated by the Directors, who may from time to time appoint and remove any superintendent, manager, engineers, clerks, and other officers and servants of the Company at such salaries and with such powers and duties as the Directors shall think fit, and may appoint and remove the solicitors, bankers, and brokers of the Company, and may exercise and do (subject to the regulations of these Articles, and to the provisions of the Joint Stock Companies' Act, 1862 and 1867, and to such regulations as may be prescribed by the Company in General Meeting), all such powers, directions, acts, deeds and things which the Company might exercise and do, but no regu-

lation made by the Company in General Meeting, shall invalidate any prior act of the Directors which would have been valid if such regulation had not been made.

66. The Directors may proceed to carry into effect the objects or any one or more of the objects for which the Company is established as soon as so much of the nominal capital of the Company shall have been subscribed for or accepted as in the discretion of the Directors will justify their commencing business.

67. All moneys shall be received by the Directors, or by some persons duly authorised by them, and shall be paid to the account of the Company with their bankers.

68.—The consideration for any property to be purchased by the Company of any person or corporation, or for services rendered to the Company, may be paid wholly in money or shares of the Company, or partly in money and partly in shares, as may be agreed upon between the vendors and the Directors; and the Company, with the sanction of any General Meeting, may, if they think fit, attach to any such shares any privileges and priorities over the other shares in the Company as may be agreed upon. Any shares to be issued in payment or part payment of such purchase or services shall be deemed and taken as paid-up or free shares or partly paid-up or free shares as the case may be, and shall be entitled to such (if any) privileges and priorities over the other shares in the Company as may be agreed upon as aforesaid.

69. Without limiting the general authority hereby given to the Directors, they are authorised to have the following powers:

1. To adopt and carry out a certain agreement dated the 24th of Jany., 1870, and made between John Dickinson Brunton, of Leighton Crescent, Kentish Town, in the County of Middlesex, Esq., the vendor, of the one part, and Charles Morris, Esq., and John Morkill, Esq., therein called the purchasers, as trustees for and on behalf of a Company intended to be formed and to be called "The New Rosario Silver Mining Company, Limited," of the other part, whereby the said John D. Brunton agrees to sell, and the said purchasers agree to purchase the

said New Rosario and other Mines and mineral rights, on the property called New Rosario for the sum of £2,000 in cash, and £20,000 in fully paid-up shares of the Company, the Company thereby agreeing to provide the capital for working the mines, retaining fifteen twenty-fourths of the profits thereof for their own use, and paying the remaining nine twenty-fourths to the original owners, with such modifications or alterations therein as may be decided and agreed on by the Directors.

2. Out of the first monies which shall come to their hands, to pay to Mr. William Fautleroy Street, within twenty days after the day of the allotment of shares, the sum of £2,200 with which sum the said W. F. Street undertakes to defray all expenses of, and incidental to, the formation of and incorporation of the Company up to and including the allotment of shares therein, which said sum of £2,200 is to hold the Company harmless from any claim or suit against them.
3. To enter into any agreements for the working of the said properties and effects, or otherwise to purchase or acquire the said properties and effects, or any shares or interests therein on such terms, and to enter into such agreements and make such arrangements with the owners of the said properties respecting their interests in the Mines and the buildings, and properties belonging thereto, or the use thereof, or of parts thereof or for the working and making productive the said properties, as the said Directors shall think fit.
4. To purchase any ores, metals, or metallic minerals and substances, and also to search for, dig, mine, win, and work any mines or mineral deposits, and property purchased or acquired by them on behalf of the Company, or being in and upon the said property, and bring to surface and carry away, and to crush, stamp, dress, refine, smelt, and reduce any such ores, minerals, and metallic substances or any other ores purchased or acquired by them, and to sell and dispose of the said

ores, metals, and minerals, or of the substances and metals arising therefrom in such manner and upon such terms as they shall think proper.

5. To purchase or hire on contract for the use of, or to construct any depots or any roads, ways, railways, tramways, or waterways, for the purpose of facilitating the carriage of the said ores, metals, or metallic minerals or other produce or materials to or from the said mines from or to any other place or places.
6. To purchase and erect any machinery, engines, stamps, crushers, crushing and dressing floors, materials, plant, working stock, materials and effects, and construct tram or water ways, and watercourses, for the purpose of working and developing any mines or mineral property purchased or acquired by them, or on behalf of the Company, and to sell and dispose of any of such machinery, engines, materials, and other effects belonging to the Company, at such times and in such manner as they think proper.
7. To erect, purchase, or lease any offices, furnaces, retorts, smelting-houses, and other buildings and works required, or which may be necessary or convenient for the purpose of the business of the Company.
8. To exchange, sett, let, or underlet, such of the said mines, mineral ground, machinery and properties, and also to sell such of the machinery and effects, belonging to the Company, or any part thereof respectively, as, for the time being, shall not be required to be retained or occupied, or used by the Company, to any person, or persons, or to any corporation, association or joint stock company of what nature or kind soever, and enter into contracts or grant licenses for working the said mines and property, or any part thereof, and winning the minerals thereof, and on such prices, royalties, terms, articles, regulations, or conditions as they the said Directors may think fit. And for the purpose of such contracts the Directors are also

authorised and empowered to do all such acts, and exercise all such powers as are conferred upon them by these Articles of Association.

9. To contract, conditionally, for the sale or absolute disposal of the mines and lands of the Company, or any part thereof, to any person or corporation and upon such terms and conditions as they think proper, provided always that the Directors shall within a reasonable time after the making of such a conditional contract, convene an extraordinary meeting of the Company, for the purpose of obtaining the Company's ratification or rejection of such conditional contract.
10. To establish in Mexico such Agencies and Local Boards, or Committees, and make such regulations for their management as the Board from time to time think proper; and for that purpose they may appoint such Local Directors and members of Committees, managers, officers, clerks, and servants, with such remuneration and salaries as they may think advisable, and may pay the expenses occasioned thereby out of the funds of the Company; and may from time to time discontinue all or any of such Agencies, or Local Boards, or Committees, and may remove all or any of the Local Directors or members of Committees, managers, clerks, or servants, for such reasons as they think proper, and without assigning any cause.
11. To appoint one or more of the Directors for the time being, or any other person or persons, to be manager or managers of the Company, on such terms, for such period, and with such powers, as the Board shall think fit, and from time to time to remove or dismiss him or them from such office; and in the event of the resignation, retirement, or dismissal of any manager, to appoint another manager, being a Director or other person, and so on from time to time as occasion shall require.

12. To make, draw, accept, or indorse any promissory note, bill of exchange or other negotiable instrument.
13. To borrow on behalf of the Company such sum or sums of money as the Directors may from time to time find necessary or think advisable for any of the objects or purposes of the Company, and to borrow such moneys, in such manner, at such rate of interest, and generally upon such terms and conditions as they may from time to time think fit.
14. To secure the repayment of any moneys so borrowed, in such manner, and upon such of the property and assets of the Company, (including the future calls and unpaid share capital for the time being of the Company,) and upon such terms and conditions as they may from time to time think fit.
15. To issue bonds, obligations, or mortgage debentures, and execute mortgages of the Company's property or any part thereof for securing the repayment of any money borrowed with the interest thereon to such extent, and founded upon such securities and generally upon such terms and conditions as they may think fit.
16. To invest any of the moneys of the Company upon such securities, and lend any of the moneys thereof to such Companies or persons, and upon such terms as they (the Directors) may think desirable, and from time to time vary any investments at their discretion; but the Directors shall not have power to purchase any of the shares of the Company out of the moneys of the Company.
17. To accept payment of any money due to the Company in shares or otherwise, and by instalments and otherwise, either with or without security, and to give time for payment of any money owing to, or for the performance of any engagement with the Company, and to alter, vary, or cancel any agreement or arrangements entered into, with, or by the Company, and to satisfy any

demand against the Company upon such evidence as they may think reasonably sufficient (whether legally admissible or not); and to institute, defend, conduct, and compromise, terminate and abandon any suit, action, or other proceeding relating to the property or affairs of the Company, or to compound for and abandon or delay to enforce any debt, claim, or demand of the Company, and to settle any questions or disputes or dispute affecting the Company, or claims and demands of and against the Company by arbitration, opinion of counsel, certificate of accountant, or in such way or manner, and on such conditions as they may think best, and to dispute wholly or partially any award.

18. To make and enter into all such contracts and agreements as they may think advisable for all or any of the objects and purposes of the Company, or in the exercise of all powers conferred upon them; and from time to time to carry into and effect, vary and modify or abandon such contracts and agreements, or any of them.
19. To give receipts, releases, and other discharges for moneys payable to the Company, and for the claims and demands of the Company.
20. To act on behalf of the Company in all matters relating to bankrupts and insolvents.
21. To execute all deeds and documents which they may from time to time think necessary, and for that purpose to use, when necessary, the common seal of the Company, but so that every instrument to which the seal is affixed, shall be also signed by at least two of the Directors, and countersigned by the Secretary or Manager.
22. To sell, transfer and dispose of, or otherwise use and deal with, all or any of the securities for the time being held by the Company, in such manner and upon such terms and conditions in all respects, as they may from time to time think fit.

23. To appoint and send to Mexico, or elsewhere, one or more of the Directors with such powers of inspection, control, and regulation of the business or affairs of the Company or otherwise, and with such remuneration (in addition to the remuneration referred to in Article 64) as the Directors think fit, and to revoke any such appointment.

24. And generally to exercise all such powers and authorities, and to do all such acts as they may consider necessary for, or conducive or incidental to the due management of the affairs and business of the Company.

DISQUALIFICATION OF DIRECTORS.

70. The office of Director shall be vacated:

1. If he becomes a bankrupt or make an arrangement with his creditors;
2. If he cease to hold his share qualification;
3. If he hold any other office or place of profit under the Company;
4. If he be concerned in or participate in the profits of any contract with the Company;
5. If he participates in the profits of any work or act done for the Company.

But the above conditions shall be subject to the following exception, that is to say: That no Director shall vacate his office on account of his being a Shareholder in any Corporated Company which has entered into contracts with or done any work or act for this Company; nevertheless such Director shall not vote in respect of any such contract or work or act, and if he do attempt so to vote, his vote shall not be counted, and he shall incur a penalty of and pay to the Company the sum of Twenty pounds.

ROTATION OF DIRECTORS.

71. At the Second Ordinary General Meeting after the Incorporation of the Company and at the Ordinary General Meeting in every subsequent year, one-third of the Directors for the time being, or if their number is not a multiple of three, then the number nearest to one-third, shall retire from office.

72. The one-third or other nearest number to retire during the second and third years ensuing the Incorporation of the Company shall, unless the Directors agree among themselves, be determined by ballot; in every subsequent year the one-third or other nearest number who may have been longest in office shall retire.

73. A retiring Director shall be re-eligible.

74. The Company at the General Meeting at which any Directors retire in manner aforesaid shall fill up the vacated offices by electing a like number of persons.

75. If at any meeting, at which an election of Directors ought to take place, no such election is made, the meeting shall stand adjourned till the next day at the same time and place, and if at such adjourned meeting no election takes place, the former Directors shall continue to act until new Directors are appointed at the first Ordinary Meeting of the following year.

76. Any casual vacancy occurring in the Board of Directors may be filled up by the Directors, but any person so chosen shall retain his office so long only as the vacating Director would have retained the same, if no vacancy occurred.

PROCEEDINGS OF DIRECTORS.

77. The Directors may meet together for the dispatch of business, adjourn and otherwise regulate their meetings as they think fit, and determine the quorum necessary for the transaction of business. Questions arising at any meeting shall be decided by a majority of votes. In case of an equality of votes the Chairman in addition to his original vote shall have a casting vote. A Director

may at any time summon a meeting of the Directors, but the summons calling the meeting must state the business to be discussed at such meeting, and no other business shall be entered upon at such meeting.

78. The Directors may elect a Chairman of their meetings, and determine the period for which he shall hold office; but if no such Chairman is elected, or if at any meeting the Chairman is not present at the time appointed for holding the same, the Directors present shall choose some one of their number to be Chairman of such meeting.

79. The Directors may delegate any of their powers to Committees consisting of such Member or Members of their own body as they think fit; any Committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may be imposed on them by the Directors.

80. A Committee may elect a Chairman of their meetings; if no such Chairman is elected, or if he is not present at the time appointed for holding the same, the Members present shall choose one of their number to be Chairman of such meeting.

81. A Committee may meet and adjourn as they think proper; questions at any meeting shall be determined by a majority of votes of the Members present, and in case of an equal division of votes, the Chairman shall have a casting vote.

82. All acts done by any meeting of the Directors, or of a Committee of Directors, or by any person acting as Director, shall, notwithstanding that it be afterwards discovered that there was some defect in the appointment of any such Directors or persons acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such person had been duly appointed and was qualified to be a Director, and continuing Directors may act notwithstanding any vacancies in their body.

83. The Directors shall cause minutes to be made in books provided for the purpose:

1. Of all appointments of Officers made by the Directors.

2. Of the names of the Directors present at each meeting of Directors and of Committees of Directors.
 3. Of all orders made by the Directors and Committee of Directors, and
 4. Of all resolutions and proceedings of meetings of the Company, and of the Directors and Committees of Directors.
- And any such minute as aforesaid, if signed by any person purporting to be the Chairman of any meeting of Directors or Committee of Directors, or General Meeting of the Company, shall be receivable in evidence without any further proof.

DIVIDENDS.

84. The Directors may, with the sanction of the Company in General meeting, declare a dividend to be paid to the Shareholders in proportion to the amounts paid upon their shares.
85. No dividend shall be payable except out of the profits arising from the business of the Company.
86. The proprietors of paid-up shares, whether registered shares or warrants payable to bearer, and whether delivered or retained, shall be entitled to the same amount of dividend per share as shall be paid to the other Shareholders, and if partly paid-up Shares, in proportion to the amount paid on each Share.
87. The Directors may, before recommending any dividend, set aside out of the profits of the Company such sum as they think proper as a reserved fund, to be applied in equalising dividends, meeting contingencies, and extraordinary expenses, and at the discretion of the Directors in the general business of the Company.
88. The Directors may deduct from the dividends payable to any Shareholder all such sums of money as may be due from him to the Company on account of calls or otherwise.
89. Notice of any dividend that may have been declared shall be given to each Shareholder, or sent by post or otherwise to his registered place abode, and all dividends unclaimed for three years after having been declared, may be forfeited by the Directors for the benefit of the Company.

90. No dividend shall bear interest as against the Company.

ACCOUNTS.

91. The Directors shall cause true accounts to be kept:—

Of the property of the Company.

Of the sums of money received and expended by the Company, and the matters in respect of which such receipts and expenditure take place, and

Of the credits and liabilities of the Company.

Such accounts shall be kept upon the principle of double entry in a cash book, journal, and ledger, or such other books as the Directors may determine upon. The books of account shall be kept at the principal office of the Company, and, subject to any reasonable restrictions as to the time and manner of inspecting the same that may be imposed by the Directors, shall be open to the inspection of Shareholders during the hours of business.

92. Once at least in every year the Directors shall lay before the Company, in General Meeting, a statement of the income and expenditure for the past year, made up to a date not more than three months before such meeting.

93. The statement so made shall show, arranged under the most convenient heads, the amount of gross income, distinguishing the several sources from which it has been derived, and the amount of gross expenditure, distinguishing the expense of the establishment, salaries, and other like matters. Every item of expenditure fairly chargeable against the year's income shall be brought into account, so that a just balance of profit and loss may be laid before the meeting; and in cases where any item of expenditure which may in fairness be distributed over several years, has been incurred in any one year, the whole amount of such item shall be stated, with the addition of the reasons why only a portion of such expenditure is charged against the income of the year.

94. A balance-sheet shall be made out in every year and laid

before the ordinary General Meeting of the Company, and such balance-sheet shall contain a summary of the property and liabilities of the Company, arranged under the heads appearing in the form referred to in Table A in the schedule to "The Joint Stock Companies' Act, 1862," or as near thereto as circumstances admit.

95. A printed copy of such balance-sheet shall, seven days previously to such meeting, be delivered at, or sent by post, to the registered address of every Shareholder.

AUDIT.

96. The accounts of the Company shall be examined, and the correctness of the balance-sheet ascertained by one or more auditor or auditors, to be elected and removable by the Company in General Meeting.

97. If not more than one auditor is appointed, all the provisions herein contained relating to auditors, shall apply to him.

98. The auditors need not be Shareholders in the Company.

99. No person is eligible as an auditor who is interested otherwise than as a Shareholder, in any transactions of the Company, and no Director or other officer of the Company is eligible during his continuance in office.

100. The present auditors are Messrs. Addis, Harris and Smith, who shall continue in office until the next Ordinary General Meeting, when they shall retire.

101. The election of Auditors shall be made by the Company at their ordinary general meeting, in each year.

102. The remuneration of the Auditors shall be fixed by the Company at the time of their election.

103. Any Auditor shall be re-eligible on his quitting office.

104. If any casual vacancy occurs in the office of Auditor, the Directors shall forthwith call an Extraordinary General Meeting for the purpose of supplying the same.

105. If no election of Auditors is made in manner aforesaid, the Board of Trade may, on the application of one-fifth in number of the Shareholders of the Company, appoint an Auditor for the current year, and fix the remuneration to be paid to him by the Company for his services.

106. Every Auditor shall be supplied with a copy of the balance sheet, and it shall be his duty to examine the same with the accounts and vouchers relating thereto. For the purpose of such audit, the Auditors shall at all reasonable times of the day during the month next before the Ordinary General Meeting, have access to and inspection of the books of accounts of the Company, with such information and assistance from the Secretary as may be reasonably required.

107. The Auditors shall make a report to the Shareholders upon the balance sheets and accounts, and in every such report they shall state whether in their opinion the balance sheet is a full and fair balance sheet, containing the particulars required by these regulations and properly drawn up so as to exhibit a true and correct view of the state of the Company's affairs, and in case they shall have called for explanations or information from the Directors, whether such explanations or information have been given by the Directors, and whether they have been satisfactory, and such report shall be read, together with the report of the Directors at the ordinary meeting. Every account of the Directors, when audited and approved by a General Meeting, shall be conclusive, except as regards any error discovered therein, within two months next after such approval thereof, and whenever any such error is discovered therein within that period, the accounts shall be forthwith corrected, and thenceforth shall be conclusive.

INDEMNITY OF DIRECTORS, TRUSTEES, AND OFFICERS.

108. The Directors of the Company, and their respective heirs, executors, and administrators, shall be at all times indemnified out of the funds of the Company, from, and against all costs, charges, and expenses paid or incurred by them as Directors, except such as may have been, or may be occasioned by their own wilful default or neglect, and each of the Directors shall be charged with so much money only as he shall actually receive, and shall not be answerable or accountable

for his co-Directors, nor for any loss, damage, or misfortune which may happen in the course of the execution by him of the duties of his office unless the same shall have happened through his own wilful default or neglect.

109. The Directors shall out of the funds of the Company indemnify the said Secretary or Manager, and other the officers of the Company for the time being, their heirs, executors, and administrators from, and against all costs, charges, and damages which they the said officers respectively may properly incur, or be put unto in the performance of their respective duties, or in carrying into effect the orders of the Directors, or of any General Meeting. If any Officer or Servant of the Company be found giving any information or disclosing the affairs of the Company to any one but a *bond fide* Shareholder, he shall at once be dismissed from the service of the Company.

That Mr. Henry William Mathias be the Secretary of the Company, and at not less than £200 per annum, that he can only be removed at a general meeting of Shareholders.

NOTICES.

110. Notices requiring to be served or given by the Company upon or to the Shareholders may be served either personally or by leaving the same or sending them through the Post in a letter addressed to the Shareholders at their registered places of abode.

111. All notices directed to be given to or served upon the Shareholders shall with respect to any share, to which persons are jointly entitled, be in manner aforesaid given to or served upon whichever of the said persons is named first in the Register of Shareholders, and notice so given or served shall be sufficient notice to all the proprietors of such shares.

112. All notices required by the Joint Stock Companies' Act, or these Articles, to be given by advertisement, shall be advertised in a newspaper circulating in the district in which the registered Office of the Company is situate.

ARBITRATION.

113. Whenever any dispute or difference shall arise between the Company and any of their members, their heirs, executors, administrators or assigns, touching the matter, intent or construction of these

presents, or touching any act, deed or thing to be done, executed, omitted, or suffered in pusuance of these presents or of the statute, or otherwise relating to any of the affairs of the Company, every such difference shall be referred to two Arbitrators or their Umpire pursuant so and so far as with regard to the mode and consequence of the reference, and in all other respects to conform to the provisions on that behalf contained in the Common Law Procedure Act, 1854, or any then subsisting Statutory modification thereof.

GENERALLY.

114. All payments made by the Company above Five Pounds sterling, shall be made by cheques on their Bankers, signed by two Directors, and Countersigned by the Manager or Secretary.

115. It shall be lawful for the Company to enter into contracts or agreements with any shareholder or shareholders for the purchase of land, construction of works, supply of materials, or otherwise, and any Shareholder or Shareholders to whom the Company may be indebted on any account whatever, shall be at liberty to sue them for the amount due to him or them, notwithstanding his or their being such Shareholder or Shareholders.