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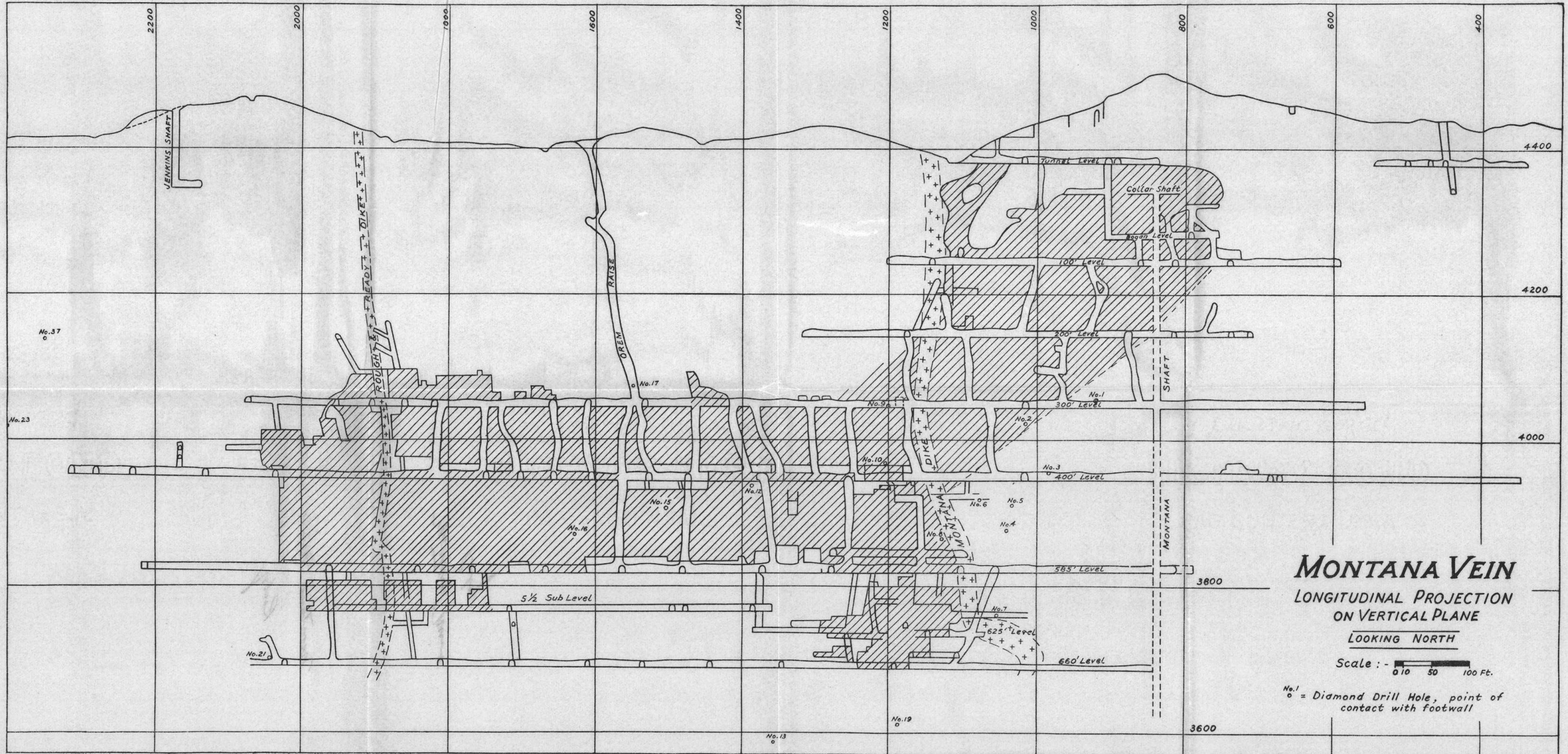
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MONTANA VEIN

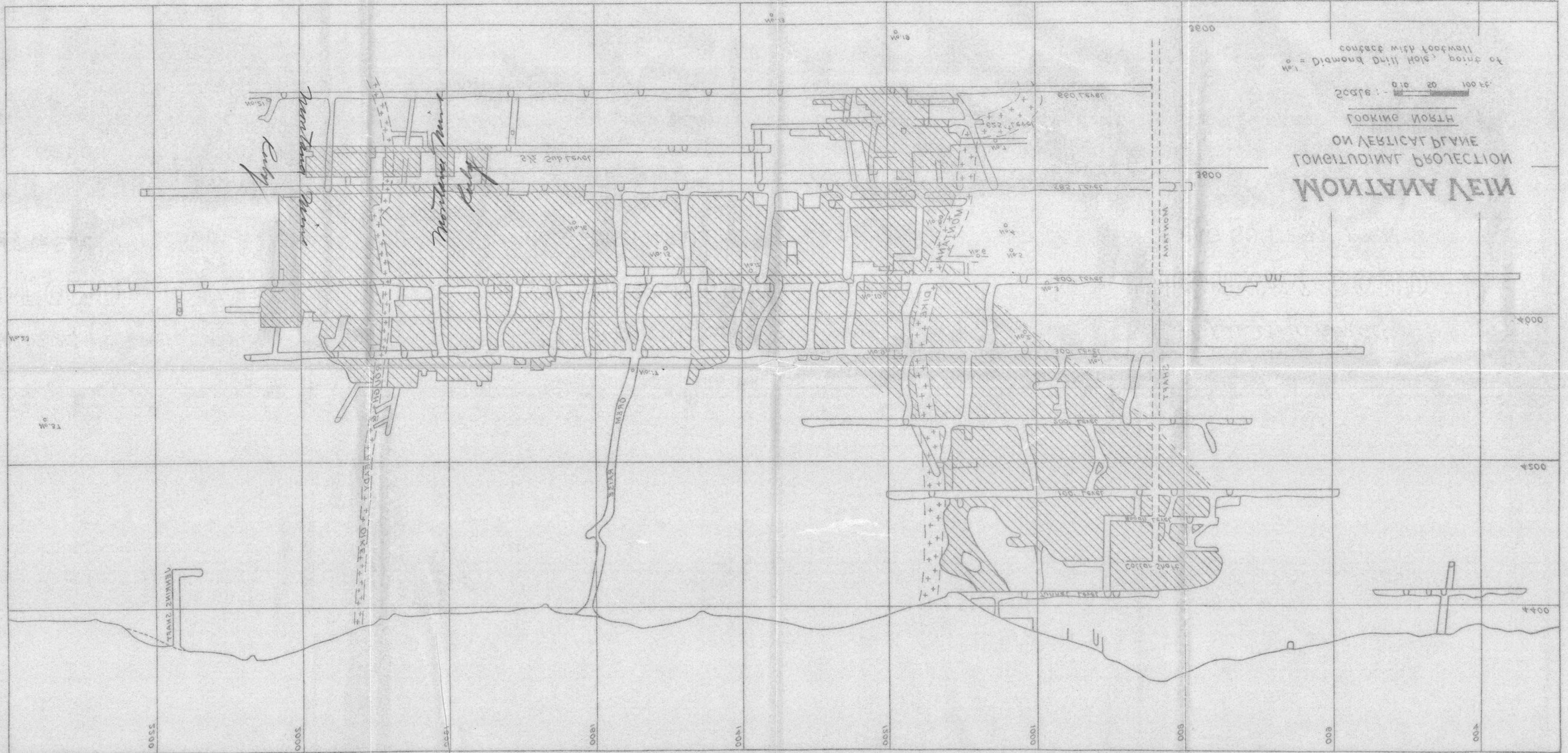
LONGITUDINAL PROJECTION
ON VERTICAL PLANE

LOOKING NORTH

Scale: - 0 10 50 100 Ft.

No. 1
o = Diamond Drill Hole, point of
contact with footwall

Plate XXXV.—Montana Mine, longitudinal projection, looking north.



contact with footwall
No. 1 = Diamond Drill Hole, point of

Scale: - 0 20 100 ft

LOOKING NORTH
ON VERTICAL PLANE
LONGITUDINAL PROJECTION
MONTANA VEIN

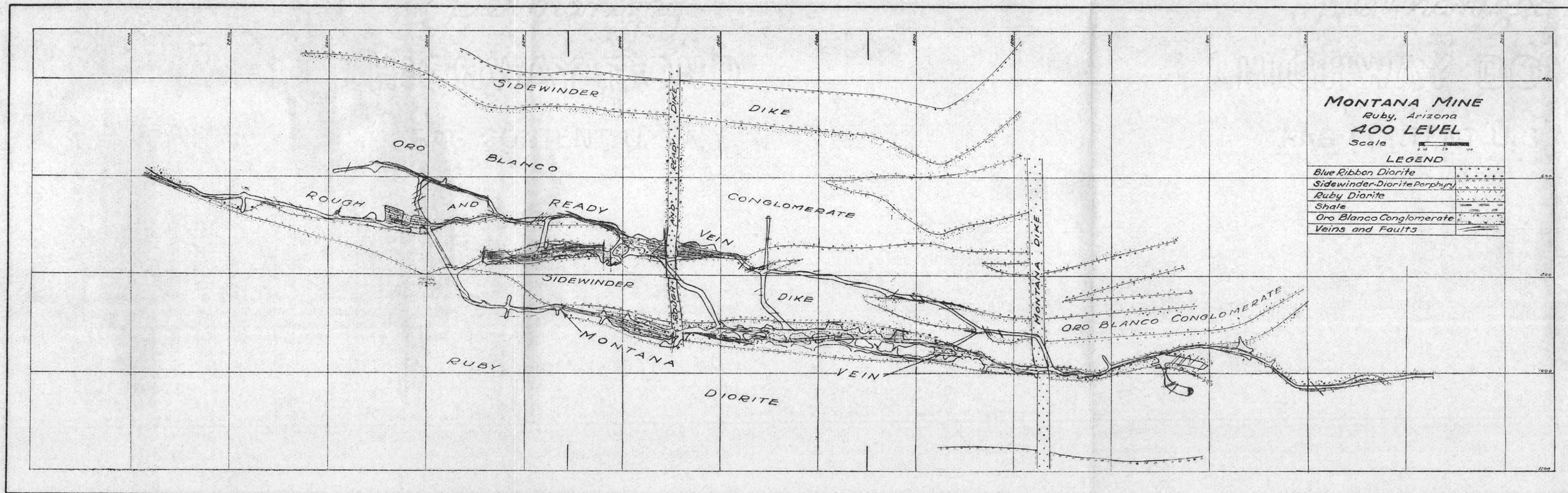


Plate XXXIII.—Montana Mine, 400 level.

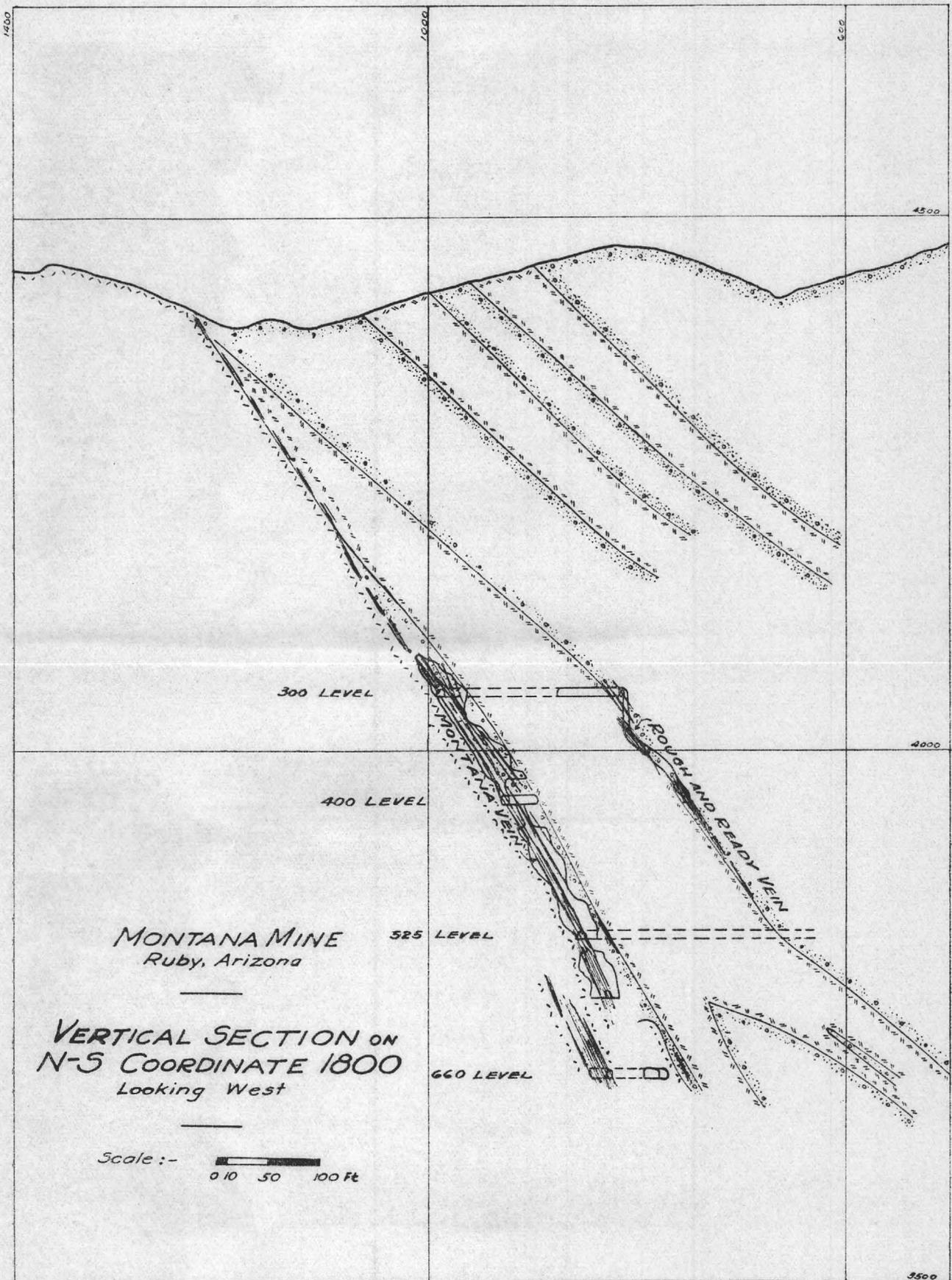


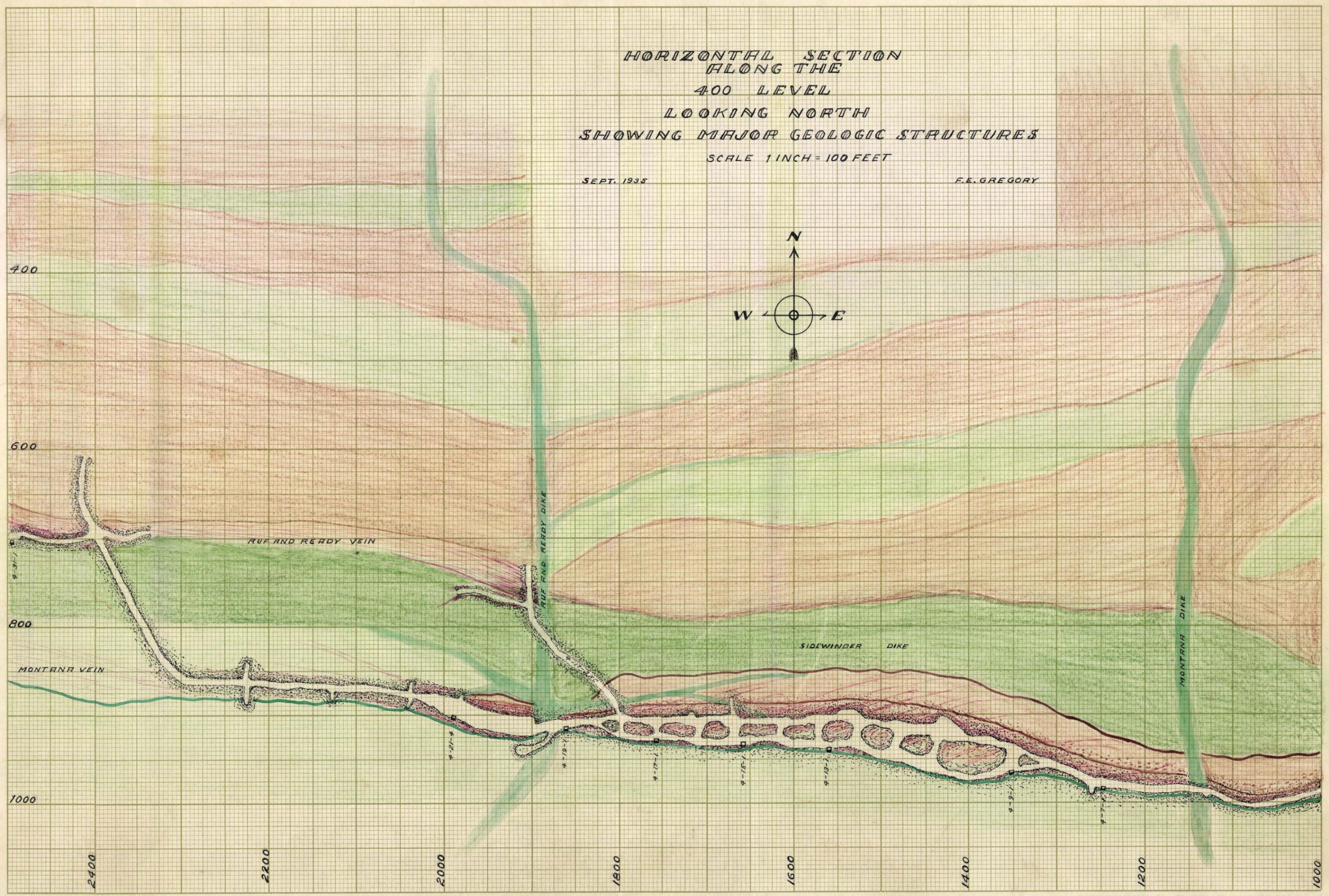
Plate XXXIV.—Montana Mine, vertical section.

E.D.M.

HORIZONTAL SECTION
ALONG THE
400 LEVEL
LOOKING NORTH
SHOWING MAJOR GEOLOGIC STRUCTURES
SCALE 1 INCH = 100 FEET

SEPT. 1935

F.E. GREGORY



OPTION AGREEMENT

THIS AGREEMENT made as of the _____ day of January, 1958, between Mike Clark, Carol Clarke (his wife), of Arivaca, Arizona, Dan Clarke, Virginia Clarke (his wife), P. M. Clarke, and Gypsy Clarke (his wife), of Tucson, Arizona, hereinafter collectively called "Optionors," and Bear Creek Mining Company, a Delaware corporation with an office at 161 East 42d Street, New York 17, N.Y., hereinafter called "Bear Creek". /Clarke & Clarke -patent land, Mike Clarke - claims. royalties paid from land from which ore taken to owner./

W I T N E S S E T H :

Optionors desire to grant to Bear Creek an option to explore and purchase certain lands and all of the interests of Optionors in and to certain lands in Santa Cruz County, Arizona. The said lands are particularly described in Exhibit A attached hereto and are hereinafter called the "premises".

Optionors represent that they are the owners of the following described lands included within the premises, to wit:
The East half of Section 13, The North half of the Southwest quarter of Section 13, The Southwest quarter of the Southwest quarter of Section 13, ? The Southeast quarter of the Northeast quarter of Section 14, The west half of the Southeast quarter of Section 24, The Northeast quarter of the Southwest quarter of Section 24, The Northwest quarter of the Northeast quarter of Section 25. All in Township 10 East of Range 22 South, G. & S. R. B & M. The Northwest quarter and the North half of the Southwest quarter of Section 18, Township 11 East of Range 22 South, G&SRB&M.

Optionors further represent that they are the owners of certain unpatented mining claims included within the premises, that the said mining claims are valid and in good standing and are more specifically described in the list hereto attached marked Exhibit B.

Optionors further represent that they own certain rights in other lands included within the premises by virtue of leases from the State of Arizona and from the United States of America.

Optionors further represent that there are mining claims included within the premises which are owned by parties who are strangers to this agreement.

Bear Creek is desirous of entering into an agreement with the Optionors whereby it will have the option to explore and to purchase/mineral rights/ the premises upon the terms and conditions hereinafter set forth.

NOW, THEREFORE, in consideration of the premises and the agreements hereinbelow set forth, the parties hereto agree together as follows:

1. The Optionors hereby grant Bear Creek, or its nominee, the sole and exclusive option to purchase and acquire, free to any mortgage, lien or encumbrance of any kind, on or before January 1st, 1968, the Optionors' /mineral/ interest in the mining claims and premises for the price and upon the terms and conditions hereinafter set forth. It is the intention of the parties hereto that the Option thus granted to Bear Creek shall include the right to purchase any and all present or future mining claims or mineral interests on the premises, of which any of the Optionors or Bear Creek is or may become the record owner or a beneficial owner. This agreement, including the options herein granted, therefore, embraces all mining claims or mineral interests of the Optionors in such area irrespective of whether they are specifically set forth above. Optionors agree that they will assist Bear Creek in the staking and location of any additional mining claims which may be requested by Bear Creek in the area of said premises. Bear Creek will compensate Optionors therefor by repaying expenses incurred plus a reasonable charge for the labor extended.

2. In the event that Bear Creek elects to exercise the option to purchase herein granted to it, the total purchase price to be paid by Bear Creek to the Optionors for free, clear and unencumbered title to/ mineral rights/ to the premises (the title of the Optionors in accordance with the above representations) is the sum of Two Hundred Thousand (\$200,00) Dollars ~~plus~~ ~~and~~ and a two per cent (2%) royalty, based on net smelter returns, payable as provided in paragraph 7, on all ores extracted from the premises which sum of Two Hundred Thousand (\$200,000) Dollars shall be a credit on

said royalty. "Net Smelter Returns" shall be determined in accordance with Exhibit C attached.

/Bear Creek agrees that Optionors may reserve from the premises and retain title to the following described patented lands, to wit: The West half of the Southeast quarter of Section 24, The Northeast quarter of the Southwest quarter of Section 24, and the Northwest quarter of the Northeast quarter of Section 25. All in Township 10 East of Range 22 South, G&SRB&M. provided that the said lands do not contain commercial minerals. Bear Creek shall have the unfettered right to explore the said lands and if the said lands contain commercial minerals, the said lands will be conveyed to Bear Creek. In either event there will be no adjustment in the purchase price./ omit

(Omite total 3., rewrite)

3. It is agreed that the Optionors will, on or before March 1, 1958, deposit in escrow with the Phoenix Title and Trust Company at Tucson, Arizona, good and sufficient deeds or other title documents conveying the premises covered hereby to Bear Creek with instructions to deliver /mineral interest/ the same to Bear Creek upon payment by Bear Creek of the sum of Two Hundred Thousand (\$200,000) Dollars for the account of Optionors. The escrow instructions shall also provide that in the event that Bear Creek shall fail to pay any sum due within the option period, or shall give written notice by registered mail to Optionors and to said escrow holder that it has elected to abandon its rights hereunder and as hereinafter provided, such deed or title documents shall thereupon be returned to the Optionors.

4. Upon execution of this instrument, Bear Creek and its authorized representative /shall within 90 days and continue/ shall be entitled to enter upon the land embraced within the premises to conduct thereon prospecting, exploration, drilling, trenching, stripping, excavating, test pitting, sampling and other operations, the extent thereof to be such as seems to Bear Creek or its representatives appropriate, desirable or necessary. Bear Creek shall be entitled freely to remove therefrom any equipment, structures or other facilities which it shall have installed, at any time within ninety (90) days after it shall have, in any manner hereinafter set forth, surrendered the option to purchase granted herein or terminated the same during the continuance of the agreement. It shall be authorized to remove such materials or minerals in or on the premises as in its judgement are necessary in order to properly prospect, test and explore the claims. This authorization does not include removal and treatment of ore for profit prior to exercise of the option. /good, ref. par. 7/

5. Bear Creek agrees to investigate, map and explore the premises to the extent that Bear Creek, in its unfettered discretion deems appropriate and advisable, provided, however, that Bear Creek shall do sufficient current work with respect to the unpatented mining claims to maintain the same as good and valid unpatented mining claims under the laws of the United States and the State of Arizona relating to assessment work so long as its right to explore hereunder shall remain in full force and effect.

6. Upon the execution of this agreement as consideration therefor, Bear Creek shall pay Optionors the sum of Twenty (\$20) /~~\$25.00~~ 2,500.00/ Dollars.

7. During the period while Bear Creek shall continue its operations under this option and prior to the exercise thereof, it shall pay to the escrow holder hereinabove mentioned, amounts as set forth in the following schedule: /On or before/

	On January 1, 1960	\$10,000.00	
January 1, 1961	10,000.00	January 1, 1962	20,000.00
January 1, 1963	20,000.00	January 1, 1964	20,000.00
January 1, 1965	30,000.00	January 1, 1966	30,000.00
January 1, 1967	30,000.00	January 1, 1968	30,000.00

All such payments shall be a credit against the royalties as provided in paragraph 2.

8. Optionors may inspect the operations of Bear Creek providing they do not hinder the work in any way, but Bear Creek shall not be liable for personal injury or the death of said persons while so doing. The Optionors

shall not be entitled to receive any drilling results or other technical data while the option is still in force and effect.

9. The option agreement may be surrendered and cancelled by Bear Creek at any time after the date of its execution, said cancellation to be made by written notice thereof at least ten (10) days prior to the expiration of the month in which cancellation shall be made, providing that if the cancellation be made effective as of a date three (3) months before the expiration of the period for doing current assessment work there shall be no obligation on the part of Bear Creek to do such assessment work, but if, effective as of a date less than three (3) months from the expiration of the current assessment work, Bear Creek shall be required to complete such assessment work notwithstanding such cancellation. Upon surrender of this option by Bear Creek or its expiration if it has not been exercised in the period provided, Bear Creek shall have no further interest or right in the premises same the right to remove equipment, structures, and other facilities as above provided and shall have no obligation or duties with respect to the premises except as herein specifically provided. Upon surrender and cancellation or expiration of the option agreement Bear Creek shall be obligated within a reasonable time to furnish the Optionors with copies of all drill logs, portions of drill cores not used for testing, maps and other technical data which it has prepared or obtained from its operations on the premises.

10. In the event that Bear Creek shall be in default in making any payment for which provision is herein made, it shall not lose its right to acquire said property unless within thirty (30) days after notice of said default, given in writing by Optionors to Bear Creek, Bear Creek shall fail to cure such default by the appropriate payment. In the event that Bear Creek shall fail to cure such default as above provided, then this option agreement shall terminate and Optionors shall have the same rights as though the agreement had been surrendered and cancelled by Bear Creek as hereinabove provided.

11. Optionors agree that they will not sell, transfer, convey or encumber the whole or any portion of the premises nor this agreement at any time during the existence of this agreement, without Bear Creek's written consent, provided that such consent shall not be unreasonably withheld. In no event shall Bear Creek be requested or required to consent to any assignment to any person, firm, association or corporation which is engaged in the same business as, or engaged in competition with Bear Creek, or any corporate affiliate of Bear Creek. The consent of Bear Creek shall not be required with respect to any dealings between Optionors as to their respective interests hereunder.

12. Bear Creek undertakes that it will pay all wages, expenses and other obligations which it may incur in connection with the prospecting and exploration of the premises pursuant to this agreement and that it will not permit any such charges to become a lien or encumbrance on the claim or property covered hereby. Bear Creek further agrees to save the Optionors harmless from any and all damages, claims, costs and expenses arising from or growing out of any or all injuries to persons or property in connection with the exploration work done by Bear Creek on the premises during the life of this option.

13. Bear Creek shall be excused from the performance of its obligation of every kind under this agreement/ provided that Mike Clarke or authorized agent be hired, at salary not less than \$500 per month, to act as caretaker of interest of both parties/ during such period or periods as performance may be made impossible by acts of God, the elements, strikes, governmental control and all other causes of interference beyond the control of Bear Creek whether or not of a kind similar to those mentioned. From the beginning of stoppage of performance by Bear Creek on account of such cause until Bear Creek is able to resume performance, performance under this agreement shall be suspended and the term of this agreement shall be extended by the time elapsed during which performance was suspended by such act beyond the control of Bear Creek.

14. In the event that the option be exercised Bear Creek will give to

Optionors the right to graze livestock; to use watering facilities; and to maintain corrals at or near watering facilities, provided such use shall not interfere with the mining or related activities of Bear Creek, such right to be at the sole risk of Optionors.

15. This agreement shall be binding upon and inure to the benefit of the parties hereto, their heirs, representatives, successors and assigns, provided / that the Optionors have received total payment, royalties, etc, of which amount totals not less than \$500,000/ that the interest of Bear Creek herein shall not be transferred or assigned, except to Kennecott Copper Corporation or a corporation fifty-one per cent (51%) or more of the capital stock of which is owned or controlled directly or indirectly by Kennecott Copper Corporation or by Bear Creek.

16. Any notice herein provided to be given to Optionors shall be deemed so given if sent by registered mail to Mike Clarke, Arivaca, Arizona, until such time as Optionors shall designate in writing to Bear Creek some other address for the receipt of such notices. Any notices herein provided to be ~~given~~ given to Bear Creek shall be deemed so given if sent by registered mail addressed to 161 East 42d Street, New York 17, New York, or to such addresses as may be designated in writing by Bear Creek to Optionors.

17. In the event that Bear Creek shall surrender and cancel this agreement all work done by it on the optioned property shall inure to the benefit of the Optionors for the purpose of securing patents on the claims covered hereby. In such event, Bear Creek shall furnish Optionors with a verified statement of the work to be done.

IN WITNESS WHEREOF, the parties hereto have caused this instrument/ to be executed as of the day and year first above written.

MIKE CLARKE (Mike Clarke Claims) CAROL CLARKE

DAN CLARKE (Clarke and Clarke) VIRGINIA CLARKE

P. M. CLARKE GYPSY CLARKE

ATTEST: BEAR CREEK MINING COMPANY

Secretary President

STATE OF ARIZONA)
COUNTY OF PINA) ss.:
on this the ___ day of February, 1958, before me personally came _____
known to me and to me known to be the persons
described in and who executed the foregoing instrument, and they duly
acknowledged to me that they executed the same as their free act and deed.
My commission expires: _____
Notary Public

STATE OF NEW YORK)
COUNTY OF NEW YORK) ss.:
On this the ___ day of February, 1958, before me personally came C. H.
BURGESS, to me known, who, being duly sworn, did depose and say that he
resides at New York, N.Y.;; that he is the PRESIDENT of BEAR CREEK MINING
COMPANY, the corporation which executed the foregoing instrument; that he
knows the seal of said corporation; that the seal affixed to said instrument
is such corporate seal; that it was so affixed by order of the Board of
Directors of said corporation, and that he signed his name thereto by like
order

Notary Public

EXHIBIT A

The following lands comprise the "premises":

Sections 13 through 36, inclusive, in Township 11 East of Range 22 South, G. & S. R. B. & M.

Sections 13, 14, 15, 16, 21, 22, 23, 24, 25, 26, 27, 28, 33, 34, 35, 36, all in Township 10 East of Range 22 South G. & S. R. B. & M.

The word "premises" does not include any portion of the above lands /not being within boundary of the Clarke Ranch/ in which Optionors have no interest.

EXHIBIT B

<u>All recorded in Santa Cruz County</u>					
<u>Name of Claim</u>	<u>BOOK</u>	<u>Page</u>	<u>Name of Claim</u>	<u>Book</u>	<u>Page</u>
San Felipe 1	008	211	San Fe		
" 2	008	212	San Felipe 8	008	382
" 3	008	213	" 9	008	383
" 4	008	214	" 10	008	384
" 5	008	215	" 11	008	385
" 6	008	380	" 12	008	386
" 7	008	381	Clarke Claim	003	481
			El Monte Claim	006	253

EXHIBIT C "NET SMELTER RETURNS"

The term "Net Smelter Returns" means the sum total of all or any of the following:

(a) In the case of (1) ores or minerals mined from the premises for shipment without processing, or (2) concentrates milled or pregnant solutions leached by Bear Creek from material mined from the premises, or (3) metals or metal salts derived directly from the processing, other than smelting or chemical or electrolytic deposition, of ores, minerals, rejects, or tailings mined from the premises, which shipping ores or minerals, concentrates, or metals, or metal salts are sold by Bear Creek to a buyer who is a stranger to this agreement:

-----the net amount received by Bear Creek on account of such sale, including premium metal payments and government subsidies, to the extent that such payments are not prohibited by law or government regulations, less cost of transportation from the shipping point to delivery point, if applicable.

(b) in the case of those materials defined in paragraph (a) above which are sold by Bear Creek to one of its affiliates or removed from the premises by Bear Creek for its own account:

----- the calculated net value, f.o.b. shipping point for the premises, of such material, including premium metal payments and government subsidies to the extent that such payments are not prohibited by law or government regulation, which value shall be determined by calculating the fair market value, at the time of sale or removal, of the minerals, or metals or metal salts normally recovered by the trade from similar materials, and by deducting from such fair market value those costs normally encountered in the trade in putting said minerals or metals, or metal salts in a condition suitable for sale, and also deducting from such fair market value any transportation costs which will be normally encountered between the shipping point for the premises and the delivery point normally taken for said market. The factors to be used in determining such calculated net value shall be: processing plant or smelter schedules currently applicable to the treatment of the material covered hereby; prices for such minerals or metals or metal salts which are the averages for the month in question as quoted in the sources referred to in the applicable processing plant or smelter schedules; and smelter and processing plant recoveries which are shown in the records of the smelter or processing plant actually used.

AUG * 58



AUG * 58



AUG * 58



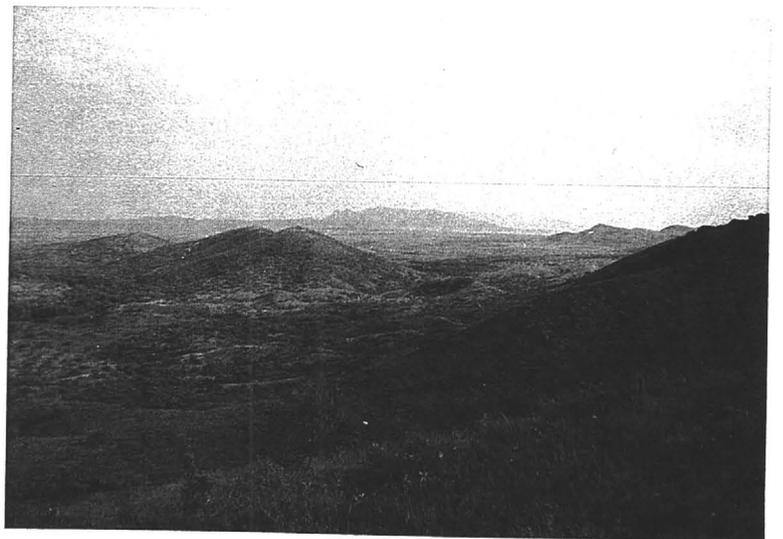
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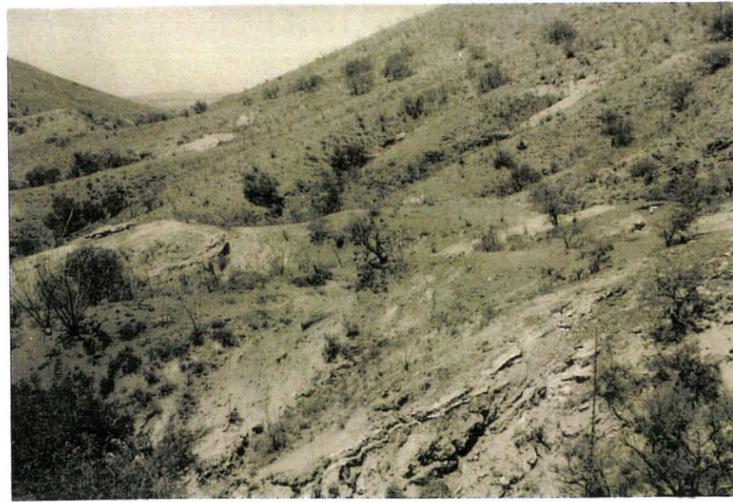
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JUN • 58 •



JUN • 58



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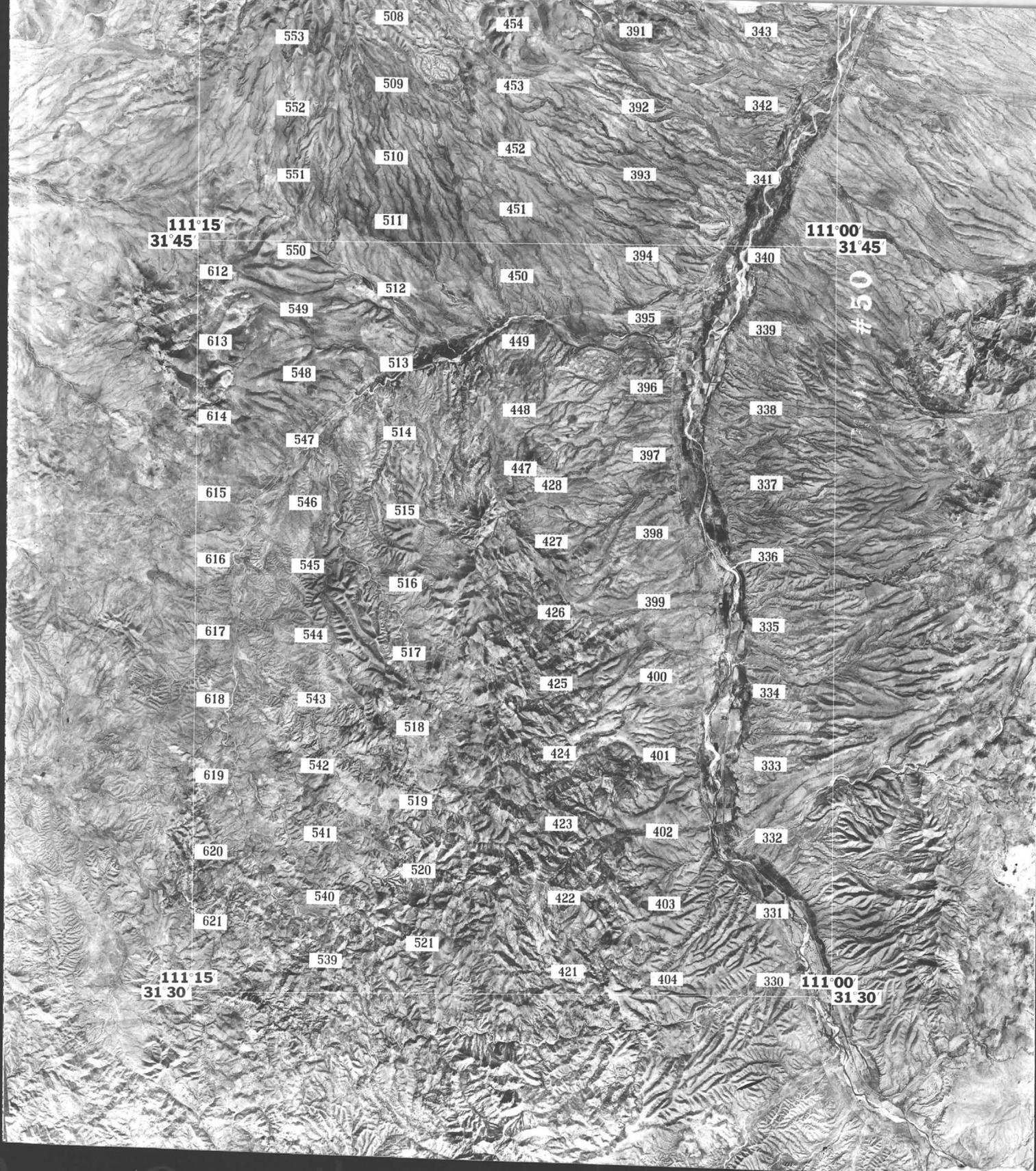
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7



Apr 20 1960 - S. C. G.
Mike Clark Ranch - Ruby -

ARIZ Quad #460

Santa Cruz - Pima Counties

ARIZONA

Mike Clark Ranch

Ruby

Mike Clark

Phone: 011 - 522 (Vogels)

Mail: 9 P.R. Mike Clark Ranch
Arivaca, Arizona.

Oro Blanco Dist

OPTION AGREEMENT

THIS AGREEMENT' made as of the _____ day of January, 1958, between Mike Clark, Carol Clarke (his wife), of Arivaca, Arizona, Dan Clarke, Virginia Clarke (his wife), P. M. Clarke, and Gypsy Clarke (his wife), of Tucson, Arizona, hereinafter collectively called "Optionors," and Bear Creek Mining Company, a Delaware corporation with an office at 161 East 42d Street, New York 17, N.Y., hereinafter called "Bear Creek". /Clarke & Clarke -patent land, Mike Clarke - claims. royalties paid from land from which ore taken to owner./

W I T N E S S E T H :

Optionors desire to grant to Bear Creek an option to explore and purchase certain lands and all of the interests of Optionors in and to certain lands in Santa Cruz County, Arizona. The said lands are particularly described in Exhibit A attached hereto and are hereinafter called the "premises".

Optionors represent that they are the owners of the following described lands included within the premises, to wit:

The East half of Section 13, The North half of the Southwest quarter of Section 13, The Southwest quarter of the Southwest quarter of Section 13, ? The Southeast quarter of the Northeast quarter of Section 14, The west half of the Southeast quarter of Section 24, The Northeast quarter of the Southwest quarter of Section 24, The Northwest quarter of the Northeast quarter of Section 25. All in Township 10 East of Range 22 South, G. & S. R. B & M. The Northwest quarter and the North half of the Southwest quarter of Section 18, Township 11 East of Range 22 South, G&SRB&M.

Optionors further represent that they are the owners of certain unpatented mining claims included within the premises, that the said mining claims are valid and in good standing and are more specifically described in the list hereto attached marked Exhibit B.

Optionors further represent that they own certain rights in other lands included within the premises by virtue of leases from the State of Arizona and from the United States of America.

Optionors further represent that there are mining claims included within the premises which are owned by parties who are strangers to this agreement.

Bear Creek is desirous of entering into an agreement with the Optionors whereby it will have the option to explore and to purchase/mineral rights/ the premises upon the terms and conditions hereinafter set forth.

NOW, THEREFORE, in consideration of the premises and the agreements hereinbelow set forth, the parties hereto agree together as follows:

1. The Optionors hereby grant Bear Creek, or its nominee, the sole and exclusive option to purchase and acquire, free to any mortgage, lien or encumbrance of any kind, on or before January 1st, 1968, the Optionors' /mineral/ interest in the mining claims and premises for the price and upon the terms and conditions hereinafter set forth. It is the intention of the parties hereto that the Option thus granted to Bear Creek shall include the right to purchase any and all present or future mining claims or mineral interests on the premises, of which any of the Optionors or Bear Creek is or may become the record owner or a beneficial owner. This agreement, including the options herein granted, therefore, embraces all mining claims or mineral interests of the Optionors in such area irrespective of whether they are specifically set forth above. Optionors agree that they will assist Bear Creek in the staking and location of any additional mining claims which may be requested by Bear Creek in the area of said premises. Bear Creek will compensate Optionors therefor by repaying expenses incurred plus a reasonable charge for the labor extended.

2. In the event that Bear Creek elects to exercise the option to purchase herein granted to it, the total purchase price to be paid by Bear Creek to the Optionors for free, clear and unencumbered title to/ mineral rights/ to the premises (the title of the Optionors in accordance with the above representations) is the sum of Two Hundred Thousand (\$200,00) Dollars ~~and~~ ~~plus~~ ~~and~~ ~~plus~~ and a two per cent (2%) royalty, based on net smelter returns, payable as provided in paragraph 7, on all ores extracted from the premises which sum of Two Hundred Thousand (\$200,000) Dollars shall be a credit on

said royalty. "Net Smelter Returns" shall be determined in accordance with Exhibit C attached.

/Bear Creek agrees that Optionors may reserve from the premises and retain title to the following described patented lands, to wit: The West half of the Southeast quarter of Section 24, The Northeast quarter of the Southwest quarter of Section 24, and the Northwest quarter of the Northeast quarter of Section 25. All in Township 10 East of Range 22 South, G&SRB&M. provided that the said lands do not contain commercial minerals. Bear Creek shall have the unfettered right to explore the said lands and if the said lands contain commercial minerals, the said lands will be conveyed to Bear Creek. In either event there will be no adjustment in the purchase price./

(Omite total 3., rewrite)

3. It is agreed that the Optionors will, on or before March 1, 1958, deposit in escrow with the Phoenix Title and Trust Company at Tucson, Arizona, good and sufficient deeds or other title documents conveying the premises covered hereby to Bear Creek with instructions to deliver /mineral interest/ the same to Bear Creek upon payment by Bear Creek of the sum of Two Hundred Thousand (\$200,000) Dollars for the account of Optionors. The escrow instructions shall also provide that in the event that Bear Creek shall fail to pay any sum due within the option period, or shall give written notice by registered mail to Optionors and to said escrow holder that it has elected to abandon its rights hereunder and as hereinafter provided, such deed or title documents shall thereupon be returned to the Optionors.

4. Upon execution of this instrument, Bear Creek and its authorized representative /shall within 90 days and continue/ shall be entitled to enter upon the land embraced within the premises to conduct thereon prospecting, exploration, drilling, trenching, stripping, excavating, test pitting, sampling and other operations, the extent thereof to be such as seems to Bear Creek or its representatives appropriate, desirable or necessary. Bear Creek shall be entitled freely to remove therefrom any equipment, structures or other facilities which it shall have installed, at any time within ninety (90) days after it shall have, in any manner hereinafter set forth, surrendered the option to purchase granted herein or terminated the same during the continuance of the agreement. It shall be authorized to remove such materials or minerals in or on the premises as in its judgement are necessary in order to properly prospect, test and explore the claims. This authorization does not include removal and treatment of ore for profit prior to exercise of the option. /good, ref. par. 7/

5. Bear Creek agrees to investigate, map and explore the premises to the extent that Bear Creek, in its unfettered discretion deems appropriate and advisable, provided, however, that Bear Creek shall do sufficient current work with respect to the unpatented mining claims to maintain the same as good and valid unpatented mining claims under the laws of the United States and the State of Arizona relating to assessment work so long as its right to explore hereunder shall remain in full force and effect.

6. Upon the execution of this agreement as consideration therefor, Bear Creek shall pay Optionors the sum of Twenty (\$20) /~~\$25.00~~/ Dollars.
 2,500.00.

7. During the period while Bear Creek shall continue its operations under this option and prior to the exercise thereof, it shall pay to the escrow holder hereinabove mentioned, amounts as set forth in the following schedule: /On or before/

	On January 1, 1960		\$10,000.00
January 1, 1961	10,000.00	January 1, 1962	20,000.00
January 1, 1963	20,000.00	January 1, 1964	20,000.00
January 1, 1965	30,000.00	January 1, 1966	30,000.00
January 1, 1967	30,000.00	January 1, 1968	30,000.00

All such payments shall be a credit against the royalties as provided in paragraph 2.

8. Optionors may inspect the operations of Bear Creek providing they do not hinder the work in any way, but Bear Creek shall not be liable for personal injury or the death of said persons while so doing. The Optionors

shall not be entitled to receive any drilling results or other technical data while the option is still in force and effect.

9. The option agreement may be surrendered and cancelled by Bear Creek at any time after the date of its execution, said cancellation to be made by written notice thereof at least ten (10) days prior to the expiration of the month in which cancellation shall be made, providing that if the cancellation be made effective as of a date three (3) months before the expiration of the period for doing current assessment work there shall be no obligation on the part of Bear Creek to do such assessment work, but if, effective as of a date less than three (3) months from the expiration of the current assessment work, Bear Creek shall be required to complete such assessment work notwithstanding such cancellation. Upon surrender of this option by Bear Creek or its expiration if it has not been exercised in the period provided, Bear Creek shall have no further interest or right in the premises same the right to remove equipment, structures, and other facilities as above provided and shall have no obligation or duties with respect to the premises except as herein specifically provided. Upon surrender and cancellation or expiration of the option agreement Bear Creek shall be obligated within a reasonable time to furnish the Optionors with copies of all drill logs, portions of drill cores not used for testing, maps and other technical data which it has prepared or obtained from its operations on the premises.

10. In the event that Bear Creek shall be in default in making any payment for which provision is herein made, it shall not lose its right to acquire said property unless within thirty (30) days after notice of said default, given in writing by Optionors to Bear Creek, Bear Creek shall fail to cure such default by the appropriate payment. In the event that Bear Creek shall fail to cure such default as above provided, then this option agreement shall terminate and Optionors shall have the same rights as though the agreement had been surrendered and cancelled by Bear Creek as hereinabove provided.

11. Optionors agree that they will not sell, transfer, convey or encumber the whole or any portion of the premises nor this agreement at any time during the existence of this agreement, without Bear Creek's written consent, provided that such consent shall not be unreasonably withheld. In no event shall Bear Creek be requested or required to consent to any assignment to any person, firm, association or corporation which is engaged in the same business as, or engaged in competition with Bear Creek, or any corporate affiliate of Bear Creek. The consent of Bear Creek shall not be required with respect to any dealings between Optionors as to their respective interests hereunder.

12. Bear Creek undertakes that it will pay all wages, expenses and other obligations which it may incur in connection with the prospecting and exploration of the premises pursuant to this agreement and that it will not permit any such charges to become a lien or encumbrance on the claim or property covered hereby. Bear Creek further agrees to save the Optionors harmless from any and all damages, claims, costs and expenses arising from or growing out of any or all injuries to persons or property in connection with the exploration work done by Bear Creek on the premises during the life of this option.

13. Bear Creek shall be excused from the performance of its obligation of every kind under this agreement/ provided that Mike Clarke or authorized agent be hired, at salary not less than \$500 per month, to act as caretaker of interest of both parties/ during such period or periods as performance may be made impossible by acts of God, the elements, strikes, governmental control and all other causes of interference beyond the control of Bear Creek whether or not of a kind similar to those mentioned. From the beginning of stoppage of performance by Bear Creek on account of such cause until Bear Creek is able to resume performance, performance under this agreement shall be suspended and the term of this agreement shall be extended by the time elapsed during which performance was suspended by such act beyond the control of Bear Creek.

14. In the event that the option be exercised Bear Creek will give to

Optionors the right to graze livestock; to use watering facilities; and to maintain corrals at or near watering facilities, provided such use shall not interfere with the mining or related activities of Bear Creek, such right to be at the sole risk of Optionors.

15. This agreement shall be binding upon and inure to the benefit of the parties hereto, their heirs, representatives, successors and assigns, provided / that the Optionors have received total payment, royalties, etc, of which amount totals not less than \$500,000/ that the interest of Bear Creek herein shall not be transferred or assigned, except to Kennecott Copper Corporation or a corporation fifty-one per cent (51%) or more of the capital stock of which is owned or controlled directly or indirectly by Kennecott Copper Corporation or by Bear Creek.

16. Any notice herein provided to be given to Optionors shall be deemed so given if sent by registered mail to Mike Clarke, Arivaca, Arizona, until such time as Optionors shall designate in writing to Bear Creek some other address for the receipt of such notices. Any notices herein provided to be ~~sent~~ given to Bear Creek shall be deemed so given if sent by registered mail addressed to 161 East 42d Street, New York 17, New York, or to such addresses as may be designated in writing by Bear Creek to Optionors.

17. In the event that Bear Creek shall surrender and cancel this agreement all work done by it on the optioned property shall inure to the benefit of the Optionors for the purpose of securing patents on the claims covered hereby. In such event, Bear Creek shall furnish Optionors with a verified statement of the work to be done.

IN WITNESS WHEREOF, the parties hereto have caused this instruments/ to be executed as of the day and year first above written.

MIKE CLARKE (Mike Clarke Claims) CAROL CLARKE

DAN CLARKE (Clarke and Clarke) VIRGINIA CLARKE

P. M. CLARKE " GYPSY CLARKE

ATTEST: BEAR CREEK MINING COMPANY

Secretary President

STATE OF ARIZONA)
COUNTY OF PIMA) ss.:
on this the ___ day of February, 1958, before me personally came _____
known to me and to me known to be the persons
described in and who executed the foregoing instrument, and they duly
acknowledged to me that they executed the same as their free act and deed.
My commission expires: _____
Notary Public

STATE OF NEW YORK)
COUNTY OF NEW YORK) ss.:
On this the ___ day of February, 1958, before me personally came C. H.
BURGESS, to me known, who, being duly sworn, did depose and say that he
resides at New York, N.Y.;; that he is the PRESIDENT of BEAR CREEK MINING
COMPANY, the corporation which executed the foregoing instrument; that he
knows the seal of said corporation; that the seal affixed to said instrument
is such corporate seal; that it was so affixed by order of the Board of
Directo~~rs~~s of said corporation, and that he signed his name thereto by like
order

&

Notary Public

EXHIBIT A

The following lands comprise the "premises":

Sections 13 through 36, inclusive, in Township 11 East of Range 22 South, G. & S. R. B. & M.

Sections 13, 14, 15, 16, 21, 22, 23, 24, 25, 26, 27, 28, 33, 34, 35, 36, all in Township 10 East of Range 22 South G. & S. R. B. & M.

The word "premises" does not include any portion of the above lands /not being within boundary of the Clarke Ranch/ in which Optionors have no interest.

EXHIBIT B

Name of Claim	All recorded in		Santa Cruz County		Book	Page
	BOOK	Page	Name of Claim			
San Felipe 1	008	211	San Fe			
" 2	008	212	San Felipe 8	8	008	382
" 3	008	213	" 9	9	008	383
" 4	008	214	" 10	10	008	384
" 5	008	215	" 11	11	008	385
" 6	008	380	" 12	12	008	386
" 7	008	381	Clarke Claim		003	481
			El Monte Claim		006	253

EXHIBIT C "NET SMELTER RETURNS"

The term "Net Smelter Returns" means the sum total of all or any of the following:

(a) In the case of (1) ores or minerals mined from the premises for shipment without processing, or (2) concentrates milled or pregnant solutions leached by Bear Creek from material mined from the premises, or (3) metals or metal salts derived directly from the processing, other than smelting or chemical or electrolytic deposition, of ores, minerals, rejects, or tailings mined from the premises, which shipping ores or minerals, concentrates, or metals, or metal salts are sold by Bear Creek to a buyer who is a stranger to this agreement:

-----the net amount received by Bear Creek on account of such sale, including premium metal payments and government subsidies, to the extent that such payments are not prohibited by law or government regulations, less cost of transportation from the shipping point to delivery point, if applicable.

(b) in the case of those materials defined in paragraph (a) above which are sold by Bear Creek to one of its affiliates or removed from the premises by Bear Creek for its own account:

----- the calculated net value, F.o.b. shipping point for the premises, of such material, including premium metal payments and government subsidies to the extent that such payments are not prohibited by law or government regulation, which value shall be determined by calculating the fair market value, at the time of sale or removal, of the minerals, or metals or metal salts normally recovered by the trade from similar materials, and by deducting from such fair market value those costs normally encountered in the trade in putting said minerals or metals, or metal salts in a condition suitable for sale, and also deducting from such fair market value any transportation costs which will be normally encountered between the shipping point for the premises and the delivery point normally taken for said market. The factors to be used in determining such calculated net value shall be: processing plant or smelter schedules currently applicable to the treatment of the material covered hereby; prices for such minerals or metals or metal salts which are the averages for the month in question as quoted in the sources referred to in the applicable processing plant or smelter schedules; and smelter and processing plant recoveries which are shown in the records of the smelter or processing plant actually used.

OPTION AGREEMENT

THIS AGREEMENT made as of the day of January, 1958, between Mike Clark, Carol Clarke (his wife), of Arivaca, Arizona, Dan Clarke, Virginia Clarke (his wife), P. M. Clarke, and Gypsy Clarke (his wife), of Tucson, Arizona, hereinafter collectively called "Optionors," and Bear Creek Mining Company, a Delaware corporation with an office at 161 East 42d Street, New York 17, N.Y., hereinafter called "Bear Creek". /Clarke & Clarke -patent land, Mike Clarke - claims. royalties paid from land from which ore taken to owner./

W I T N E S S E T H :

Optionors desire to grant to Bear Creek an option to explore and purchase certain lands and all of the interests of Optionors in and to certain lands in Santa Cruz County, Arizona. The said lands are particularly described in Exhibit A attached hereto and are hereinafter called the "premises".

Optionors represent that they are the owners of the following described lands included within the premises, to wit:
The East half of Section 13, The North half of the Southwest quarter of Section 13, The Southwest quarter of the Southwest quarter of Section 13, ? The Southeast quarter of the Northeast quarter of Section 14, The west half of the Southeast quarter of Section 24, The Northeast quarter of the Southwest quarter of Section 24, The Northwest quarter of the Northeast quarter of Section 25. All in Township 10 East of Range 22 South, G. & S. R. B & M. The Northwest quarter and the North half of the Southwest quarter of Section 18, Township 11 East of Range 22 South, G&SRB&M.

Optionors further represent that they are the owners of certain unpatented mining claims included within the premises, that the said mining claims are valid and in good standing and are more specifically described in the list hereto attached marked Exhibit B.

Optionors further represent that they own certain rights in other lands included within the premises by virtue of leases from the State of Arizona and from the United States of America.

Optionors further represent that there are mining claims included within the premises which are owned by parties who are strangers to this agreement.

Bear Creek is desirous of entering into an agreement with the Optionors whereby it will have the option to explore and to purchase/mineral rights/ the premises upon the terms and conditions hereinafter set forth.

NOW, THEREFORE, in consideration of the premises and the agreements hereinbelow set forth, the parties hereto agree together as follows:

1. The Optionors hereby grant Bear Creek, or its nominee, the sole and exclusive option to purchase and acquire, free to any mortgage, lien or encumbrance of any kind, on or before January 1st, 1968, the Optionors' /mineral/ interest in the mining claims and premises for the price and upon the terms and conditions hereinafter set forth. It is the intention of the parties hereto that the Option thus granted to Bear Creek shall include the right to purchase any and all present or future mining claims or mineral interests on the premises, of which any of the Optionors or Bear Creek is or may become the record owner or a beneficial owner. This agreement, including the options herein granted, therefore, embraces all mining claims or mineral interests of the Optionors in such area irrespective of whether they are specifically set forth above. Optionors agree that they will assist Bear Creek in the staking and location of any additional mining claims which may be requested by Bear Creek in the area of said premises. Bear Creek will compensate Optionors therefor by repaying expenses incurred plus a reasonable charge for the labor extended.

2. In the event that Bear Creek elects to exercise the option to purchase herein granted to it, the total purchase price to be paid by Bear Creek to the Optionors for free, clear and unencumbered title to/ mineral rights/ to the premises (the title of the Optionors in accordance with the above representations) is the sum of Two Hundred Thousand (\$200,00) Dollars ~~xxx~~ ~~xxx~~ and a two per cent (2%) royalty, based on net smelter returns, payable as provided in paragraph 7, on all ores extracted from the premises which sum of Two Hundred Thousand (\$200,000) Dollars shall be a credit on

said royalty. "Net Smelter Returns" shall be determined in accordance with Exhibit C attached.

/Bear Creek agrees that Optionors may reserve from the premises and retain title to the following described patented lands, to wit: The West half of the Southeast quarter of Section 24, The Northeast quarter of the Southwest quarter of Section 24, and the Northwest quarter of the Northeast quarter of Section 25. All in Township 10 East of Range 22 South, G&SRB&M, provided that the said lands do not contain commercial minerals. Bear Creek shall have the unfettered right to explore the said lands and if the said lands contain commercial minerals, the said lands will be conveyed to Bear Creek. In either event there will be no adjustment in the purchase price./

(Omite total 3., rewrite)

3. It is agreed that the Optionors will, on or before March 1, 1958, deposit in escrow with the Phoenix Title and Trust Company at Tucson, Arizona, good and sufficient deeds or other title documents conveying the premises covered hereby to Bear Creek with instructions to deliver /mineral interest/ the same to Bear Creek upon payment by Bear Creek of the sum of Two Hundred Thousand (\$200,000) Dollars for the account of Optionors. The escrow instructions shall also provide that in the event that Bear Creek shall fail to pay any sum due within the option period, or shall give written notice by registered mail to Optionors and to said escrow holder that it has elected to abandon its rights hereunder and as hereinafter provided, such deed or title documents shall thereupon be returned to the Optionors.

4. Upon execution of this instrument, Bear Creek and its authorized representative /shall within 90 days and continue/ shall be entitled to enter upon the land embraced within the premises to conduct thereon prospecting, exploration, drilling, trenching, stripping, excavating, test pitting, sampling and other operations, the extent thereof to be such as seems to Bear Creek or its representatives appropriate, desirable or necessary. Bear Creek shall be entitled freely to remove therefrom any equipment, structures or other facilities which it shall have installed, at any time within ninety (90) days after it shall have, in any manner hereinafter set forth, surrendered the option to purchase granted herein or terminated the same during the continuance of the agreement. It shall be authorized to remove such materials or minerals in or on the premises as in its judgement are necessary in order to properly prospect, test and explore the claims. This authorization does not include removal and treatment of ore for profit prior to exercise of the option. /good, ref. par. 7/

5. Bear Creek agrees to investigate, map and explore the premises to the extent that Bear Creek, in its unfettered discretion deems appropriate and advisable, provided, however, that Bear Creek shall do sufficient current work with respect to the unpatented mining claims to maintain the same as good and valid unpatented mining claims under the laws of the United States and the State of Arizona relating to assessment work so long as its right to explore hereunder shall remain in full force and effect.

6. Upon the execution of this agreement as consideration therefor, Bear Creek shall pay Optionors the sum of Twenty (\$20) /~~\$25.00~~/ Dollars.

7,500.00

7. During the period while Bear Creek shall continue its operations under this option and prior to the exercise thereof, it shall pay to the escrow holder hereinabove mentioned, amounts as set forth in the following schedule: /On or before/

	On January 1, 1960		\$10,000.00
January 1, 1961	10,000.00	January 1, 1962	20,000.00
January 1, 1963	20,000.00	January 1, 1964	20,000.00
January 1, 1965	30,000.00	January 1, 1966	30,000.00
January 1, 1967	30,000.00	January 1, 1968	30,000.00

All such payments shall be a credit against the royalties as provided in paragraph 2.

8. Optionors may inspect the operations of Bear Creek providing they do not hinder the work in any way, but Bear Creek shall not be liable for personal injury or the death of said persons while so doing. The Optionors

shall not be entitled to receive any drilling results or other technical data while the option is still in force and effect.

9. The option agreement may be surrendered and cancelled by Bear Creek at any time after the date of its execution, said cancellation to be made by written notice thereof at least ten (10) days prior to the expiration of the month in which cancellation shall be made, providing that if the cancellation be made effective as of a date three (3) months before the expiration of the period for doing current assessment work there shall be no obligation on the part of Bear Creek to do such assessment work, but if, effective as of a date less than three (3) months from the expiration of the current assessment work, Bear Creek shall be required to complete such assessment work notwithstanding such cancellation. Upon surrender of this option by Bear Creek or its expiration if it has not been exercised in the period provided, Bear Creek shall have no further interest or right in the premises same the right to remove equipment, structures, and other facilities as above provided and shall have no obligation or duties with respect to the premises except as herein specifically provided. Upon surrender and cancellation or expiration of the option agreement Bear Creek shall be obligated within a reasonable time to furnish the Optionors with copies of all drill logs, portions of drill cores not used for testing, maps and other technical data which it has prepared or obtained from its operations on the premises.

10. In the event that Bear Creek shall be in default in making any payment for which provision is herein made, it shall not lose its right to acquire said property unless within thirty (30) days after notice of said default, given in writing by Optionors to Bear Creek, Bear Creek shall fail to cure such default by the appropriate payment. In the event that Bear Creek shall fail to cure such default as above provided, then this option agreement shall terminate and Optionors shall have the same rights as though the agreement had been surrendered and cancelled by Bear Creek as hereinabove provided.

11. Optionors agree that they will not sell, transfer, convey or encumber the whole or any portion of the premises nor this agreement at any time during the existence of this agreement, without Bear Creek's written consent, provided that such consent shall not be unreasonably withheld. In no event shall Bear Creek be requested or required to consent to any assignment to any person, firm, association or corporation which is engaged in the same business as, or engaged in competition with Bear Creek, or any corporate affiliate of Bear Creek. The consent of Bear Creek shall not be required with respect to any dealings between Optionors as to their respective interests hereunder.

12. Bear Creek undertakes that it will pay all wages, expenses and other obligations which it may incur in connection with the prospecting and exploration of the premises pursuant to this agreement and that it will not permit any such charges to become a lien or encumbrance on the claim or property covered hereby. Bear Creek further agrees to save the Optionors harmless from any and all damages, claims, costs and expenses arising from or growing out of any or all injuries to persons or property in connection with the exploration work done by Bear Creek on the premises during the life of this option.

13. Bear Creek shall be excused from the performance of its obligation of every kind under this agreement/ provided that Mike Clarke or authorized agent be hired, at salary not less than \$500 per month, to act as caretaker of interest of both parties/ during such period or periods as performance may be made impossible by acts of God, the elements, strikes, governmental control and all other causes of interference beyond the control of Bear Creek whether or not of a kind similar to those mentioned. From the beginning of stoppage of performance by Bear Creek on account of such cause until Bear Creek is able to resume performance, performance under this agreement shall be suspended and the term of this agreement shall be extended by the time elapsed during which performance was suspended by such act beyond the control of Bear Creek.

14. In the event that the option be exercised Bear Creek will give to

Optionors the right to graze livestock; to use watering facilities; and to maintain corrals at or near watering facilities, provided such use shall not interfere with the mining or related activities of Bear Creek, such right to be at the sole risk of Optionors.

15. This agreement shall be binding upon and inure to the benefit of the parties hereto, their heirs, representatives, successors and assigns, provided / that the Optionors have received total payment, royalties, etc, of which amount totals not less than \$500,000/ that the interest of Bear Creek herein shall not be transferred or assigned, except to Kennecott Copper Corporation or a corporation fifty-one per cent (51%) or more of the capital stock of which is owned or controlled directly or indirectly by Kennecott Copper Corporation or by Bear Creek.

16. Any notice herein provided to be given to Optionors shall be deemed so given if sent by registered mail to Mike Clarke, Arivaca, Arizona, until such time as Optionors shall designate in writing to Bear Creek some other address for the receipt of such notices. Any notices herein provided to be ~~sent~~ given to Bear Creek shall be deemed so given if sent by registered mail addressed to 161 East 42d Street, New York 17, New York, or to such addresses as may be designated in writing by Bear Creek to Optionors.

17. In the event that Bear Creek shall surrender and cancel this agreement all work done by it on the optioned property shall inure to the benefit of the Optionors for the purpose of securing patents on the claims covered hereby. In such event, Bear Creek shall furnish Optionors with a verified statement of the work to be done.

IN WITNESS WHEREOF, the parties hereto have caused this instrument/ to be executed as of the day and year first above written.

MIKE CLARKE (Mike Clarke Claims) CAROL CLARKE

DAN CLARKE (Clarke and Clarke) VIRGINIA CLARKE

P. M. CLARKE " GYPSY CLARKE

ATTEST: BEAR CREEK MINING COMPANY

Secretary President

STATE OF ARIZONA)
COUNTY OF PINA) ss.:
on this the ___ day of February, 1958, before me personally came _____
known to me and to me known to be the persons
described in and who executed the foregoing instrument, and they duly
acknowledged to me that they executed the same as their free act and deed.
My commission expires: _____
Notary Public

STATE OF NEW YORK)
COUNTY OF NEW YORK) ss.:
On this the ___ day of February, 1958, before me personally came C. H.
BURGESS, to me known, who, being duly sworn, did depose and say that he
resides at New York, N.Y.;; that he is the PRESIDENT of BEAR CREEK MINING
COMPANY, the corporation which executed the foregoing instrument; that he
knows the seal of said corporation; that the seal affixed to said instrument
is such corporate seal; that it was so affixed by order of the Board of
Directo**s** of said corporation, and that he signed his name thereto by like
order

&
Notary Public

EXHIBIT A

The following lands comprise the "premises":

Sections 13 through 36, inclusive, in Township 11 East of Range 22 South, G. & S. R. B. & M.

Sections 13, 14, 15, 16, 21, 22, 23, 24, 25, 26, 27, 28, 33, 34, 35, 36, all in Township 10 East of Range 22 South G. & S. R. B. & M.

The word "premises" does not include any portion of the above lands /not being within boundary of the Clarke Ranch/ in which Optionors have no interest.

EXHIBIT B

<u>All recorded in Santa Cruz County</u>						
<u>Name of Claim</u>	<u>BOOK</u>	<u>Page</u>	<u>Name of Claim</u>	<u>Book</u>	<u>Page</u>	
			San Fe			
San Felipe	1	008	San Felipe	8	008	382
"	2	008	"	9	008	383
"	3	008	"	10	008	384
"	4	008	"	11	008	385
"	5	008	"	12	008	386
"	6	008	Clarke Claim	003		481
"	7	008	El Monte Claim	006		253

EXHIBIT C "NET SMELTER RETURNS"

The term "Net Smelter Returns" means the sum total of all or any of the following:

(a) In the case of (1) ores or minerals mined from the premises for shipment without processing, or (2) concentrates milled or pregnant solutions leached by Bear Creek from material mined from the premises, or (3) metals or metal salts derived directly from the processing, other than smelting or chemical or electrolytic deposition, of ores, minerals, rejects, or tailings mined from the premises, which shipping ores or minerals, concentrates, or metals, or metal salts are sold by Bear Creek to a buyer who is a stranger to this agreement:

-----the net amount received by Bear Creek on account of such sale, including premium metal payments and government subsidies, to the extent that such payments are not prohibited by law or government regulations, less cost of transportation from the shipping point to delivery point, if applicable.

(b) in the case of those materials defined in paragraph (a) above which are sold by Bear Creek to one of its affiliates or removed from the premises by Bear Creek for its own account:

----- the calculated net value, F.o.b. shipping point for the premises, of such material, including premium metal payments and government subsidies to the extent that such payments are not prohibited by law or government regulation, which value shall be determined by calculating the fair market value, at the time of sale or removal, of the minerals, or metals or metal salts normally recovered by the trade from similar materials, and by deducting from such fair market value those costs normally encountered in the trade in putting said minerals or metals, or metal salts in a condition suitable for sale, and also deducting from such fair market value any transportation costs which will be normally encountered between the shipping point for the premises and the delivery point normally taken for said market. The factors to be used in determining such calculated net value shall be: processing plant or smelter schedules currently applicable to the treatment of the material covered hereby; prices for such minerals or metals or metal salts which are the averages for the month in question as quoted in the sources referred to in the applicable processing plant or smelter schedules; and smelter and processing plant recoveries which are shown in the records of the smelter or processing plant actually used.

OPTION AGREEMENT

THIS AGREEMENT made as of the day of January, 1958, between Mike Clark, Carol Clarke (his wife), of Arivaca, Arizona, Dan Clarke, Virginia Clarke (his wife), P. M. Clarke, and Gypsy Clarke (his wife), of Tucson, Arizona, hereinafter collectively called "Optionors," and Bear Creek Mining Company, a Delaware corporation with an office at 161 East 42d Street, New York 17, N.Y., hereinafter called "Bear Creek". /Clarke & Clarke -patent land, Mike Clarke - claims, royalties paid from land from which ore taken to owner./

W I T N E S S E T H :

Optionors desire to grant to Bear Creek an option to explore and purchase certain lands and all of the interests of Optionors in and to certain lands in Santa Cruz County, Arizona. The said lands are particularly described in Exhibit A attached hereto and are hereinafter called the "premises".

Optionors represent that they are the owners of the following described lands included within the premises, to wit:
The East half of Section 13, The North half of the Southwest quarter of Section 13, The Southwest quarter of the Southwest quarter of Section 13, ? The Southeast quarter of the Northeast quarter of Section 14, The west half of the Southeast quarter of Section 24, The Northeast quarter of the Southwest quarter of Section 24, The Northwest quarter of the Northeast quarter of Section 25. All in Township 10 East of Range 22 South, G. & S. R. B & M. The Northwest quarter and the North half of the Southwest quarter of Section 18, Township 11 East of Range 22 South, G&SRB&M.

Optionors further represent that they are the owners of certain unpatented mining claims included within the premises, that the said mining claims are valid and in good standing and are more specifically described in the list hereto attached marked Exhibit B.

Optionors further represent that they own certain rights in other lands included within the premises by virtue of leases from the State of Arizona and from the United States of America.

Optionors further represent that there are mining claims included within the premises which are owned by parties who are strangers to this agreement.

Bear Creek is desirous of entering into an agreement with the Optionors whereby it will have the option to explore and to purchase/mineral rights/ the premises upon the terms and conditions hereinafter set forth.

NOW, THEREFORE, in consideration of the premises and the agreements hereinbelow set forth, the parties hereto agree together as follows:

1. The Optionors hereby grant Bear Creek, or its nominee, the sole and exclusive option to purchase and acquire, free to any mortgage, lien or encumbrance of any kind, on or before January 1st, 1968, the Optionors' /mineral/ interest in the mining claims and premises for the price and upon the terms and conditions hereinafter set forth. It is the intention of the parties hereto that the Option thus granted to Bear Creek shall include the right to purchase any and all present or future mining claims or mineral interests on the premises, of which any of the Optionors or Bear Creek is or may become the record owner or a beneficial owner. This agreement, including the options herein granted, therefore, embraces all mining claims or mineral interests of the Optionors in such area irrespective of whether they are specifically set forth above. Optionors agree that they will assist Bear Creek in the staking and location of any additional mining claims which may be requested by Bear Creek in the area of said premises. Bear Creek will compensate Optionors therefor by repaying expenses incurred plus a reasonable charge for the labor extended.

2. In the event that Bear Creek elects to exercise the option to purchase herein granted to it, the total purchase price to be paid by Bear Creek to the Optionors for free, clear and unencumbered title to/ mineral rights/ to the premises (the title of the Optionors in accordance with the above representations) is the sum of Two Hundred Thousand (\$200,00) Dollars ~~xxx~~ ~~xxx~~ and a two per cent (2%) royalty, based on net smelter returns, payable as provided in paragraph 7, on all ores extracted from the premises which sum of Two Hundred Thousand (\$200,000) Dollars shall be a credit on

said royalty. "Net Smelter Returns" shall be determined in accordance with Exhibit C attached.

/Bear Creek agrees that Optionors may reserve from the premises and retain title to the following described patented lands, to wit: The West half of the Southeast quarter of Section 24, The Northeast quarter of the Southwest quarter of Section 24, and the Northwest quarter of the Northeast quarter of Section 25. All in Township 10 East of Range 22 South, G&SRB&M, provided that the said lands do not contain commercial minerals. Bear Creek shall have the unfettered right to explore the said lands and if the said lands contain commercial minerals, the said lands will be conveyed to Bear Creek. In either event there will be no adjustment in the purchase price./

(Omite total 3., rewrite)

3. It is agreed that the Optionors will, on or before March 1, 1958, deposit in escrow with the Phoenix Title and Trust Company at Tucson, Arizona, good and sufficient deeds or other title documents conveying the premises covered hereby to Bear Creek with instructions to deliver /mineral interest/ the same to Bear Creek upon payment by Bear Creek of the sum of Two Hundred Thousand (\$200,000) Dollars for the account of Optionors. The escrow instructions shall also provide that in the event that Bear Creek shall fail to pay any sum due within the option period, or shall give written notice by registered mail to Optionors and to said escrow holder that it has elected to abandon its rights hereunder and as hereinafter provided, such deed or title documents shall thereupon be returned to the Optionors.

4. Upon execution of this instrument, Bear Creek and its authorized representative /shall within 90 days and continue/ shall be entitled to enter upon the land embraced within the premises to conduct thereon prospecting, exploration, drilling, trenching, stripping, excavating, test pitting, sampling and other operations, the extent thereof to be such as seems to Bear Creek or its representatives appropriate, desirable or necessary. Bear Creek shall be entitled freely to remove therefrom any equipment, structures or other facilities which it shall have installed, at any time within ninety (90) days after it shall have, in any manner hereinafter set forth, surrendered the option to purchase granted herein or terminated the same during the continuance of the agreement. It shall be authorized to remove such materials or minerals in or on the premises as in its judgement are necessary in order to properly prospect, test and explore the claims. This authorization does not include removal and treatment of ore for profit prior to exercise of the option. /good, ref. par. 7/

5. Bear Creek agrees to investigate, map and explore the premises to the extent that Bear Creek, in its unfettered discretion deems appropriate and advisable, provided, however, that Bear Creek shall do sufficient current work with respect to the unpatented mining claims to maintain the same as good and valid unpatented mining claims under the laws of the United States and the State of Arizona relating to assessment work so long as its right to explore hereunder shall remain in full force and effect.

6. Upon the execution of this agreement as consideration therefor, Bear Creek shall pay Optionors the sum of Twenty (\$20) /~~\$25.00~~/ Dollars.

2,500.00

7. During the period while Bear Creek shall continue its operations under this option and prior to the exercise thereof, it shall pay to the escrow holder hereinabove mentioned, amounts as set forth in the following schedule: /On or before/

	On January 1, 1960	\$10,000.00	
January 1, 1961	10,000.00	January 1, 1962	20,000.00
January 1, 1963	20,000.00	January 1, 1964	20,000.00
January 1, 1965	30,000.00	January 1, 1966	30,000.00
January 1, 1967	30,000.00	January 1, 1968	30,000.00

All such payments shall be a credit against the royalties as provided in paragraph 2.

8. Optionors may inspect the operations of Bear Creek providing they do not hinder the work in any way, but Bear Creek shall not be liable for personal injury or the death of said persons while so doing. The Optionors

shall not be entitled to receive any drilling results or other technical data while the option is still in force and effect.

9. The option agreement may be surrendered and cancelled by Bear Creek at any time after the date of its execution, said cancellation to be made by written notice thereof at least ten (10) days prior to the expiration of the month in which cancellation shall be made, providing that if the cancellation be made effective as of a date three (3) months before the expiration of the period for doing current assessment work there shall be no obligation on the part of Bear Creek to do such assessment work, but if, effective as of a date less than three (3) months from the expiration of the current assessment work, Bear Creek shall be required to complete such assessment work notwithstanding such cancellation. Upon surrender of this option by Bear Creek or its expiration if it has not been exercised in the period provided, Bear Creek shall have no further interest or right in the premises same the right to remove equipment, structures, and other facilities as above provided and shall have no obligation or duties with respect to the premises except as herein specifically provided. Upon surrender and cancellation or expiration of the option agreement Bear Creek shall be obligated within a reasonable time to furnish the Optionors with copies of all drill logs, portions of drill cores not used for testing, maps and other technical data which it has prepared or obtained from its operations on the premises.

10. In the event that Bear Creek shall be in default in making any payment for which provision is herein made, it shall not lose its right to acquire said property unless within thirty (30) days after notice of said default, given in writing by Optionors to Bear Creek, Bear Creek shall fail to cure such default by the appropriate payment. In the event that Bear Creek shall fail to cure such default as above provided, then this option agreement shall terminate and Optionors shall have the same rights as though the agreement had been surrendered and cancelled by Bear Creek as hereinabove provided.

11. Optionors agree that they will not sell, transfer, convey or encumber the whole or any portion of the premises nor this agreement at any time during the existence of this agreement, without Bear Creek's written consent, provided that such consent shall not be unreasonably withheld. In no event shall Bear Creek be requested or required to consent to any assignment to any person, firm, association or corporation which is engaged in the same business as, or engaged in competition with Bear Creek, or any corporate affiliate of Bear Creek. The consent of Bear Creek shall not be required with respect to any dealings between Optionors as to their respective interests hereunder.

12. Bear Creek undertakes that it will pay all wages, expenses and other obligations which it may incur in connection with the prospecting and exploration of the premises pursuant to this agreement and that it will not permit any such charges to become a lien or encumbrance on the claim or property covered hereby. Bear Creek further agrees to save the Optionors harmless from any and all damages, claims, costs and expenses arising from or growing out of any or all injuries to persons or property in connection with the exploration work done by Bear Creek on the premises during the life of this option.

13. Bear Creek shall be excused from the performance of its obligation of every kind under this agreement/ provided that Mike Clarke or authorized agent be hired, at salary not less than \$500 per month, to act as caretaker of interest of both parties/ during such period or periods as performance may be made impossible by acts of God, the elements, strikes, governmental control and all other causes of interference beyond the control of Bear Creek whether or not of a kind similar to those mentioned. From the beginning of stoppage of performance by Bear Creek on account of such cause until Bear Creek is able to resume performance, performance under this agreement shall be suspended and the term of this agreement shall be extended by the time elapsed during which performance was suspended by such act beyond the control of Bear Creek.

14. In the event that the option be exercised Bear Creek will give to

Optionors the right to graze livestock; to use watering facilities; and to maintain corrals at or near watering facilities, provided such use shall not interfere with the mining or related activities of Bear Creek, such right to be at the sole risk of Optionors.

15. This agreement shall be binding upon and inure to the benefit of the parties hereto, their heirs, representatives, successors and assigns, provided / that the Optionors have received total payment, royalties, etc, of which amount totals not less than \$500,000/ that the interest of Bear Creek herein shall not be transferred or assigned, except to Kennecott Copper Corporation or a corporation fifty-one per cent (51%) or more of the capital stock of which is owned or controlled directly or indirectly by Kennecott Copper Corporation or by Bear Creek.

16. Any notice herein provided to be given to Optionors shall be deemed so given if sent by registered mail to Mike Clarke, Arivaca, Arizona, until such time as Optionors shall designate in writing to Bear Creek some other address for the receipt of such notices. Any notices herein provided to be ~~sent~~ given to Bear Creek shall be deemed so given if sent by registered mail addressed to 161 East 42d Street, New York 17, New York, or to such addresses as may be designated in writing by Bear Creek to Optionors.

17. In the event that Bear Creek shall surrender and cancel this agreement all work done by it on the optioned property shall inure to the benefit of the Optionors for the purpose of securing patents on the claims covered hereby. In such event, Bear Creek shall furnish Optionors with a verified statement of the work to be done.

IN WITNESS WHEREOF, the parties hereto have caused this instrument/ to be executed as of the day and year first above written.

MIKE CLARKE (Mike Clarke Claims) CAROL CLARKE

DAN CLARKE (Clarke and Clarke) VIRGINIA CLARKE

P. M. CLARKE " GYPSY CLARKE

ATTEST: BEAR CREEK MINING COMPANY

Secretary President

STATE OF ARIZONA)
COUNTY OF PINA) ss.:
on this the ___ day of February, 1958, before me personally came _____ known to me and to me known to be the persons described in and who executed the foregoing instrument, and they duly acknowledged to me that they executed the same as their free act and deed. My commission expires: _____

Notary Public

STATE OF NEW YORK)
COUNTY OF NEW YORK) ss.:
On this the ___ day of February, 1958, before me personally came C. H. BURGESS, to me known, who, being duly sworn, did depose and say that he resides at New York, N.Y.; that he is the PRESIDENT of BEAR CREEK MINING COMPANY, the corporation which executed the foregoing instrument; that he knows the seal of said corporation; that the seal affixed to said instrument is such corporate seal; that it was so affixed by order of the Board of Directors of said corporation, and that he signed his name thereto by like order

&

Notary Public

EXHIBIT A

The following lands comprise the "premises":

Sections 13 through 36, inclusive, in Township 11 East of Range 22 South, G. & S. R. B. & M.

Sections 13, 14, 15, 16, 21, 22, 23, 24, 25, 26, 27, 28, 33, 34, 35, 36, all in Township 10 East of Range 22 South G. & S. R. B. & M.

The word "premises" does not include any portion of the above lands /not being within boundary of the Clarke Ranch/ in which Optioners have no interest.

EXHIBIT B

<u>All recorded in Santa Cruz County</u>					
<u>Name of Claim</u>	<u>BOOK</u>	<u>Page</u>	<u>Name of Claim</u>	<u>Book</u>	<u>Page</u>
San Felipe 1	008	211	San Fe		
" 2	008	212	San Felipe 8	008	382
" 3	008	213	" 9	008	383
" 4	008	214	" 10	008	384
" 5	008	215	" 11	008	385
" 6	008	380	" 12	008	386
" 7	008	381	Clarke Claim	003	481
			El Monte Claim	006	253

EXHIBIT C "NET SMELTER RETURNS"

The term "Net Smelter Returns" means the sum total of all or any of the following:

(a) In the case of (1) ores or minerals mined from the premises for shipment without processing, or (2) concentrates milled or pregnant solutions leached by Bear Creek from material mined from the premises, or (3) metals or metal salts derived directly from the processing, other than smelting or chemical or electrolytic deposition, of ores, minerals, rejects, or tailings mined from the premises, which shipping ores or minerals, concentrates, or metals, or metal salts are sold by Bear Creek to a buyer who is a stranger to this agreement:

-----the net amount received by Bear Creek on account of such sale, including premium metal payments and government subsidies, to the extent that such payments are not prohibited by law or government regulations, less cost of transportation from the shipping point to delivery point, if applicable.

(b) in the case of those materials defined in paragraph (a) above which are sold by Bear Creek to one of its affiliates or removed from the premises by Bear Creek for its own account:

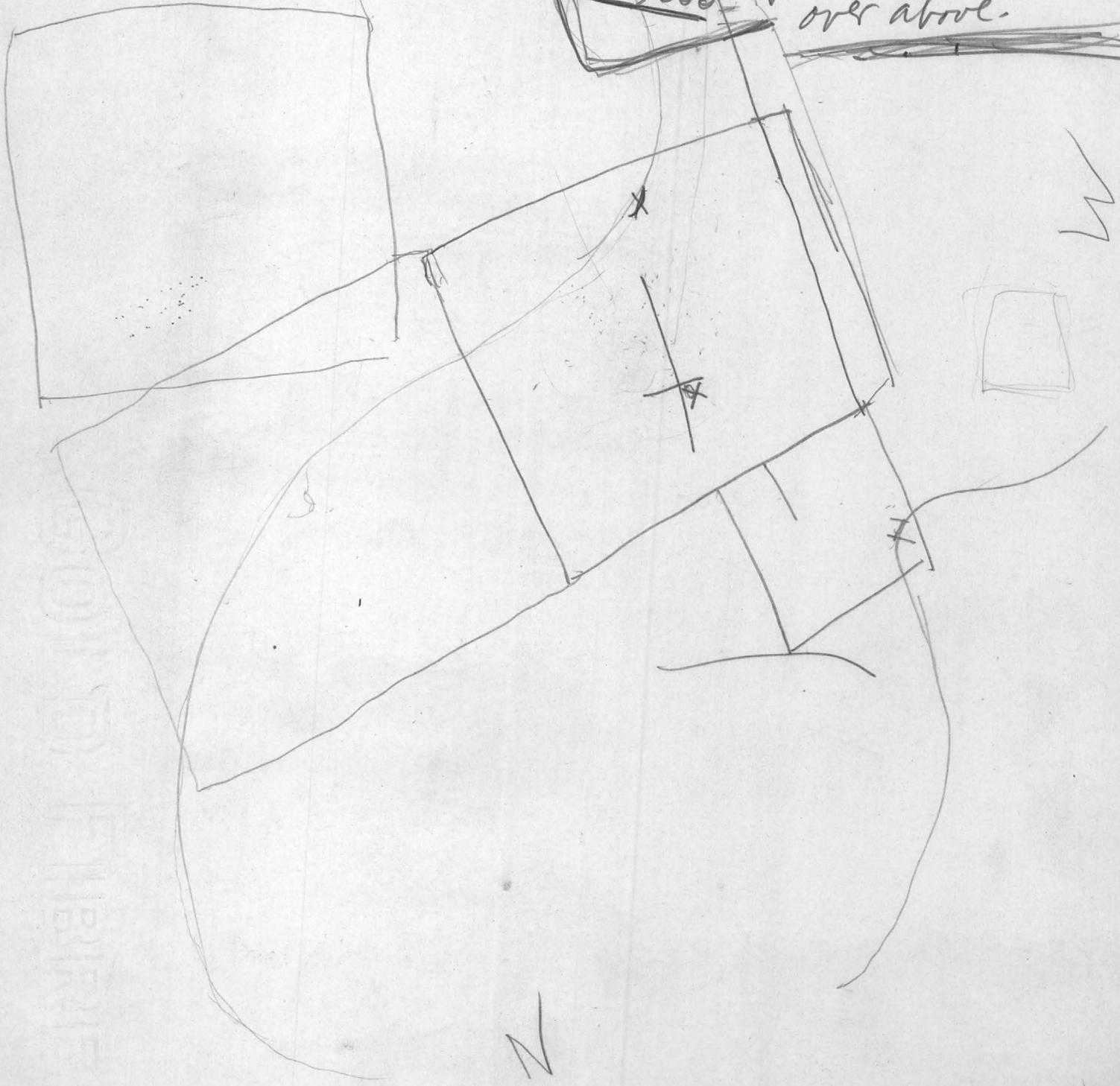
----- the calculated net value, f.o.b. shipping point for the premises, of such material, including premium metal payments and government subsidies to the extent that such payments are not prohibited by law or government regulation, which value shall be determined by calculating the fair market value, at the time of sale or removal, of the minerals, or metals or metal salts normally recovered by the trade from similar materials, and by deducting from such fair market value those costs normally encountered in the trade in putting said minerals or metals, or metal salts in a condition suitable for sale, and also deducting from such fair market value any transportation costs which will be normally encountered between the shipping point for the premises and the delivery point normally taken for said market. The factors to be used in determining such calculated net value shall be: processing plant or smelter schedules currently applicable to the treatment of the material covered hereby; prices for such minerals or metals or metal salts which are the averages for the month in question as quoted in the sources referred to in the applicable processing plant or smelter schedules; and smelter and processing plant recoveries which are shown in the records of the smelter or processing plant actually used.

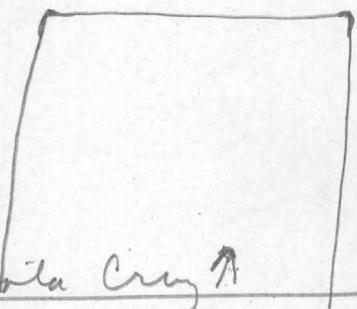
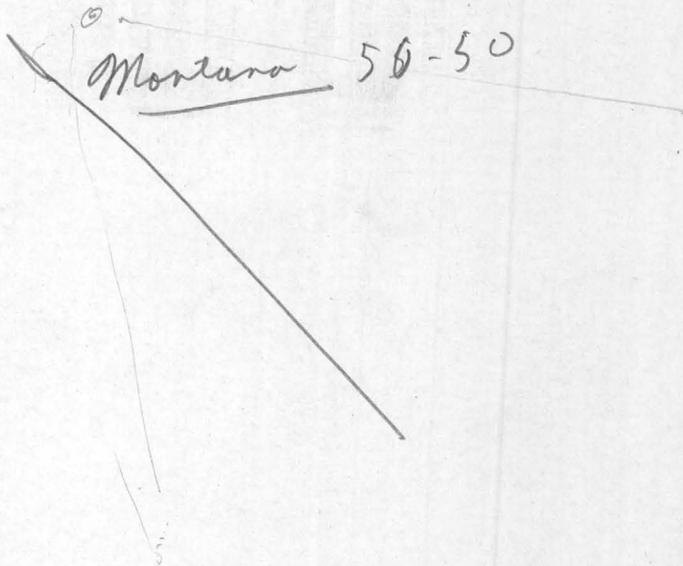
Mike Clark Ranch File
7/24/58

Santa Cruz Co

50 of County line.
\$ 1,000,000 Min T.O.
or 2% gross royalty C&M.
2 1/2% " " other Minerals

300,000 * option to "Geopex"
split 50-50 all over above.





Santa Cruz A

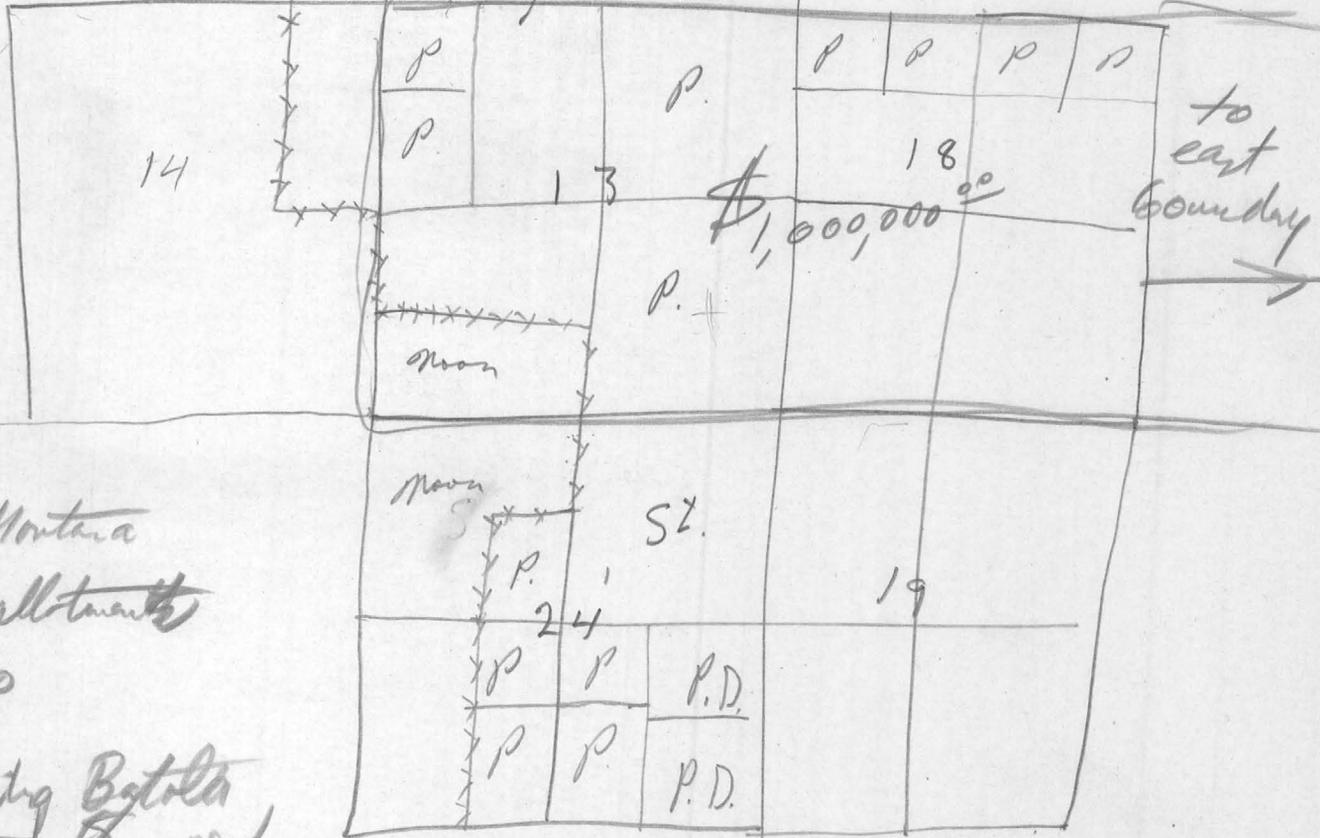
1 year option renewable for 1 year within 6 Mos ^{antifrat} of date of agreement & thereafter for a term of 10 years paying ^{the estate} \$12,500 dollars per year ^{in addition} for ^{the equipment} ~~royalty~~ ^{in man hours of work done & money spent on} the property.

30 day cancellation clause w/ notice ^{any} ^{within} 90 days after ~~completion~~ cancellation of agreement.

Anti, litter, refuse, trash garbage etc clause

Non liability clause

Permanent surface improvements remain on property clause
90 days to remove other expt asbestos etc clause



① ~~Montana~~ Montana
Forest allotment
50-50

Rest including Bartola
allotment @ \$1000.00/acre

sec. 13, 18 and east. 1 million

R. 10 E | R. 11 E

any and all damage to
Reimburse all surface improvements (such as but not limited to: roads, ditches, wells, fences etc.)
" \$25,000.00 any permanent, discharge or obstruction of either
(6 months)
stock drive way, namely, the approaches to Tomlin Well or Bartola Dam.



1951.
CLAIM MAP OF
THE CONSOLIDATED
MONTANA MINE GROUP.

Consisting of 362 Acres. U.S. Patent Surveys: 2206, 1939 & 1940.
And 18 Unpatented Claims or Fractions and Amended, AS
Recorded In Santa Cruz County Recorder's Office.

Summarized In Proof of Labor: BK 2, P. 600, June 28, 1950.
Property Of: Hugo W. Miller & Family.

Scale: 1 in = 600 feet. Nogales, Arizona.

Formerly Known As: Montana, Miller-Hanson, Rubiana Groups.
In The ORD BLANCO MINING DISTRICT
Santa Cruz County, Arizona.

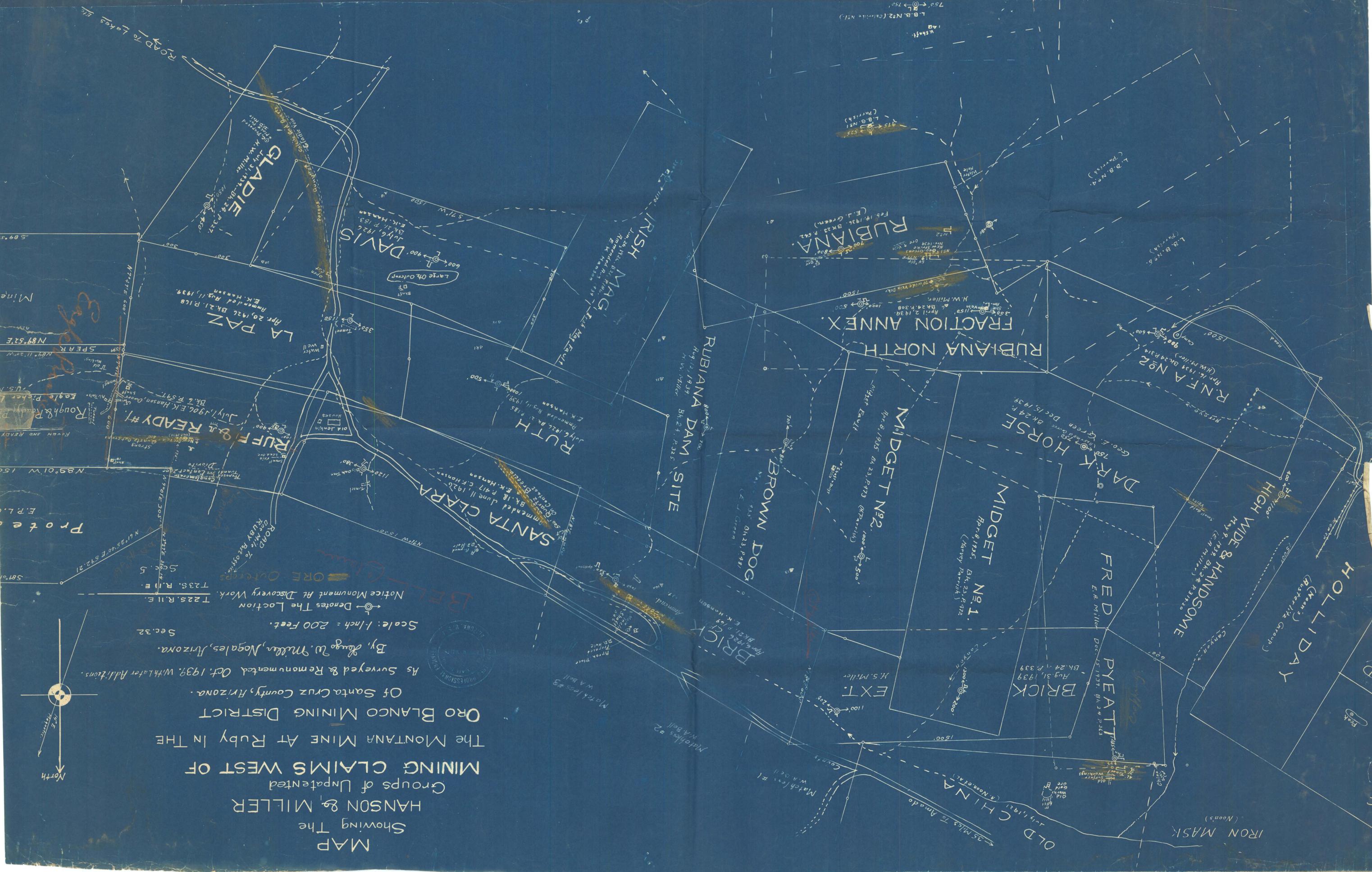
Property
50 H.M.

Peak
of
Montana

Road
To Dos Amigos
Black Pine
Mexico Border.

Mine Road (Keweenaw)

MAP
Showing The
HANSON & MILLER
Groups of Unpatented
MINING CLAIMS WEST OF
THE MONTANA MINE AT RUBY IN THE
ORO BLANCO MINING DISTRICT
Of Santa Cruz County, Arizona.
As Surveyed & Remonumented Oct. 1939. With Later Additions.
By, Hugo W. Miller, Nogales, Arizona.
Scale: 1 inch = 200 Feet.
Sec. 32



MONTANA MINE

AND VICINITY
RUBY, ARIZONA.

SHOWING SURFACE GEOLOGY

SCALE 20' 100' 200'

G.M. Fowler July, 1938 Joplin, Mo.

LEGEND

Blue Ribbon Diorite	+ + + +
Sidewinder - Diorite Porphyry	
Ruby Diorite	
Shale	
Oro Blanco Conglomerate	
Veins and Faults	
Mining Claims with solid lines owned by E.P.M. & S.Co.	

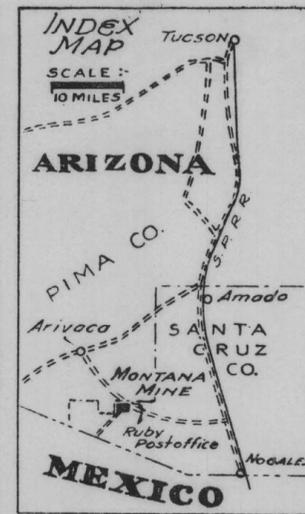


Plate XXXII.—Geologic map Montana Mine and vicinity.

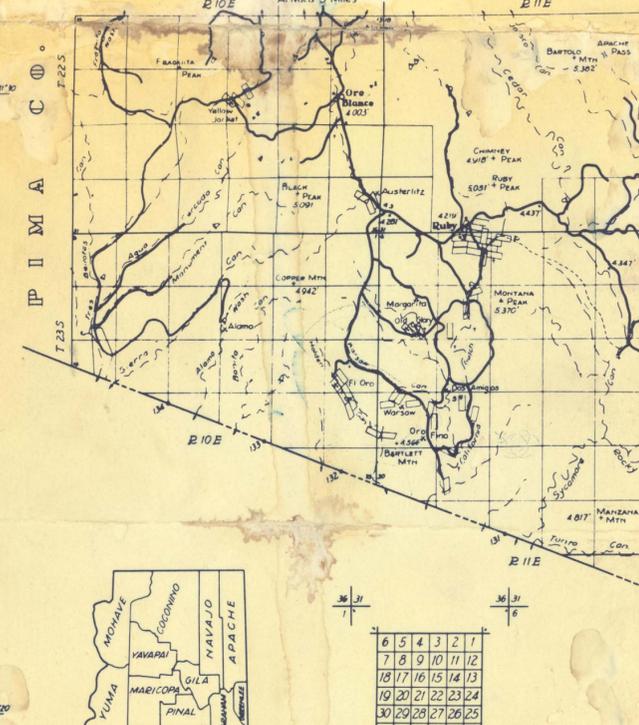
LENON'S MAP OF SANTA CRUZ COUNTY ARIZONA

SHOWING
PRINCIPAL MINES AND PROSPECTS
AND
ALL PATENTED MINING CLAIMS
Compiled and Sold by
Eobit Lenon Registered Mining Engineer Patagonia, Arizona



1950 LEGEND

- Trail
- Unimproved Road
- Bladed Road
- Paved Road
- Township Line
- Section Line
- National Forest Boundary
- Highway Mileage
- Live Stream
- Intermittent Stream
- Mine or Prospect
- Well
- Spring
- Tank or Dam
- U.S. Mineral Map Unit
- Transposition 1/4 Trm
- Bench Mark 1/4 Trm Elevation
- Railroad
- Start of Entry
- Pass
- International Boundary Monument
- Town or Settlement
- School House
- Cemetery
- Patented Mining Claim
- Forest Homestead
- Mine
- Peak
- Pass



KEY TO COUNTIES

6	5	4	3	2	1
7	8	9	10	11	12
13	14	15	16	17	18
19	20	21	22	23	24
25	26	27	28	29	30
31	32	33	34	35	36

TOWNSHIP DIAGRAM

