Zeehan to the mutual convenience of your representatives and myself.

(B) The first Option will be for a period of six (6) months. An extension of the Option for a further six (6) months will be granted on the payment of one thousand pounds (£1000) which will be deducted from the first instalment of the Purchase Price as indicated hereinafter.

(C) Further six monthly extensions will be granted on payment of £1000 for each such six monthly period, provided that the total length of the Option does not exceed two (2) years in all, and with the proviso that the total cost of such extensions be deductible from the first instalment of the Purchase Price.

(D) During the total Option Period it will be my responsibility to provide sound mining tenements but the E.Z. Company will comply with the conditions imposed by the Director of Mines.

(E) The total consideration as the Purchase Price will consist of cash payments plus royalty in perpetuity:–

(a) Cash Payments totalling £24,000 to be paid at three (3) stages of development.

(i) On Exercise of the Option the sum of £8000 less the amount paid for Option Extensions. To be paid in six-monthly instalments until stage 2 is reached

(ii) On the commencement of erecting + installing treatment plant of whatever description the sum of £8000 to be paid in six monthly instalments until Stage 3 is reached

(iii) On the consignment of the first saleable products the sum of £8000 to be paid in 4 six-monthly instalments until first royalty payable

(b) Royalty in perpetuity to me, my heirs or assigns as follows:–

(i) One-half of one per cent of the value realised on all products sold

or

(ii) On a sliding scale of pence (?) in the pound (£1) on value of crude ore scheduled thus:-

The first £5 to be exempt from royalty
£5-1-0 to £10 royalty @ 1d in the pound
£10-1-0 to £15 royalty @ 1½d in the pound
£15-1-0 to £20 royalty @ 2d in the pound
and so on rising by ½d
for each £5 rise.

With the proviso that the value of crude ore be calculated by dividing the 'sale value' by the tons of crude ore mined to produce that particular consignment or those particular consignments.

(iii) The 'sale value' to be the amount in the Account Sales before any deduction of commission, discount freights or taxes.

(6) If at any time a separate company is formed to exploit the Zeehan Tin-Silver Project I my heirs or assigns to have the right to subscribe 40% of the Capital.

(7) I place at your disposal my services as consultant free of charge except travelling expenses if such are involved. I feel strongly that I can make future contributions to the success of this enterprise.