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La Playa & El Banco Claims  
State of Nayarit  
Mexico

December 31st, 1923.

Mr. R. W. Collins;  
Denver, Colorado.

Dear Sir:-

I am handing you herewith a report made by Mr. Alfredo Terrazas on the silver claims situated in Nayarit, Mexico, a short description of which I gave you some time ago. At that time I did not know the exact location of the properties but I find from Mr. Terrazas report that they are at a place where I was employed just twenty years ago. I remember the "El Banco" discovery very well. Some very high grade ore was taken out; sorted, sacked and shipped to the railroad, which, at that time, was about 100 miles from the mine. The railroad is now much closer. The Castellanas company (English) suffered from very extravagant management, and, although the Castellanas mine was undoubtedly valuable, the company went bankrupt. The "El Banco" discovery was not made in time to save the company from failure. I had never heard of the "La Playa" claims but I judge from Mr. Terraza's report that these are a part of the Castellana system of veins. It is probable that the English owners continued to pay taxes on the mining properties but that during the revolutionary disturbances their agents in Mexico overlooked the payment of taxes on the "El Banco" and "La Playa" claims and that as a consequence these claims were thrown open for relocation.

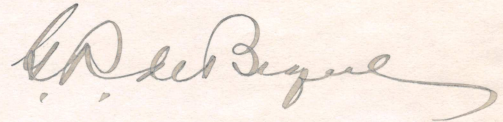
Mr. Terrazas is a mining engineer of high standing. He is a graduate of the Michigan School of Mines and I understand that he stands high in Mexican Government circles as he is married to the daughter of the governor of one of the Mexican states. That he has been employed for several years by one of the largest English mining companies in America (El Oro Mining & Railway Co.) to examine mining properties for them in Mexico is evidence of his standing as an engineer.

Sufficient time can be had to make an examination of these claims and to begin work if the examination is satisfactory. It appears to me that the terms on which the property can be secured are very liberal to anyone desiring a prospect that has the ear-marks of making a big mine. The purchasers should be willing to pay us a commission of \$15,000 for presenting this property to them as it is a reasonable amount, and, when it is divided among all of us, none of us will be making an exorbitant sum. In justice to ourselves as well as to the owners, the purchasers should be required to give some evidence of their

ability to develop this property before they are granted an option to make examination. Details regarding extent of work that will be required to be accomplished and the time in which it may be done can be arranged when the option is negotiated. Before going into these details, some agreement should be made with the prospective purchasers regarding the payment of the \$15,000 commission to us. As far as I am concerned, this may consist of a part down at time of signing the option and the balance at a later date when the purchasers have had sufficient time to determine if they wish to proceed with the development of the mine- possibly six months or so would be about right. The first payment should be placed in escrow here in Denver subject to our order when the option is signed in Mexico City. I have no doubt that this kind of an arrangement would meet with the approval of my associates in Mexico.

If your people are interested and can qualify to our satisfaction I will put them in direct touch with the people in Mexico City with whom they can arrange details of purchase. In the agreement regarding our commission some provision should be made for payments to us if negotiations should be made for an outright purchase of the entire property.

Yours very truly,

A handwritten signature in cursive script, appearing to read "L. P. de Beque". The signature is written in dark ink and is positioned to the right of the typed closing "Yours very truly,".