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EXTRACT FROM LETTER OF SEPTEMBER 17TH, 1955 FROM E. O. CHISHOLM TO CL. COLEMAN

DAK OPTION

A point arose with Kulan about the Dak option. He was under the impression that if we dropped the option on their 40% that the claims would revert to the stakers. I pointed out that we were 50% owners of the claims which were transferred to us and that the decision to hold the claims or drop them remained with us. The point that Derosier staked 8 of the claims complicates the agreement somewhat as he was not under the Kulan-Law-Green grubstake agreement. However since he was an agent for Kulan it would appear that he comes under Clause (4) which states "It is clearly understood that the 50% interest owned by this company is to be free and clear from outside claims by other persons or parties which may have helped you in making a discovery." As the claims are in good standing for 1 year due to our work I recommended that we hold them for one year at least until we see how things develop in that section.

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