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ITEM 121

J. McLaren Forbes
2275 Mueller Drive
Reno, Nevada 89509
April 13, 1979

Mr. Enfield Bell
Freeport Exploration Co.
P. O. Box 1911
Reno, Nevada 89505

Dear Shark:

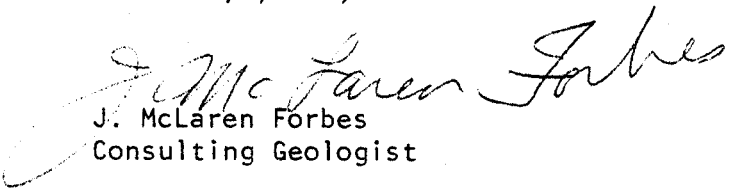
RE: Review of Ely Area Gold Potential - White Pine County, Nevada

My brief report summarizing reports by Roland Blanchard and E. N. Pennebaker are attached hereto.

I am also enclosing a copy of a report by J. H. Courtright which you may find of interest. All of the original drilling in the district was by churn drilling and this was an attempt to identify formations by panning heavy mineral concentrates which were then studied by microscope under oils.

A signed copy of the Freeport Exploration Company Consulting Agreement and my invoice for the visit to Ely are enclosed. I have been consulting for other clients in this general area and will continue to do so; however, I do not envisage any conflict of interest with Freeport.

Sincerely yours,


J. McLaren Forbes
Consulting Geologist

JMF:msg

Enclosures

April 13, 1979

J. McLaren Forbes
2275 Mueller Drive
Reno, Nevada 89509

Dear Mr. Forbes:

This will confirm the arrangements pursuant to which you will act as a consultant to Freeport Exploration Company ("Freeport") in connection with Freeport's operations in
The arrangements are as follows:

1. For your services as a consultant, Freeport will pay you a fee of ~~\$ 900~~ ^{\$ 1000} per day, payable monthly on the basis of statements submitted by you and approved by Freeport.
2. Your employment in this capacity will be as an independent contractor and will be effective commencing January 1, 1979 and will terminate December 31, 1979 unless either terminated sooner or extended for an additional period. You will be responsible for your own taxes, insurance and welfare benefits.
3. It is understood that you will consult with Freeport from time to time as it may request. Freeport agrees to reimburse you for all reasonable travel and subsistence expenses incurred by you during any trips made at its request. It is understood that you will submit a statement at the end of each month setting forth any travel or subsistence expenses incurred by you at Freeport's request during such month and that Freeport shall thereafter make appropriate payment.
4. Freeport understands that you do not believe that there is any conflict between your current activities on behalf of any other client. *I have been consulting for another client in the area and will continue to do so JML*
5. It is agreed that any mineral discoveries or deposits, whether or not commercial, which you may make (either alone or in conjunction with others) in the course of your consulting work for Freeport shall be the sole and exclusive property of Freeport. You agree that you will execute any instruments necessary to transfer to Freeport any such discoveries or deposits to which Freeport may become entitled under this agreement.
6. You agree that you will not, either during the existence of this agreement or thereafter, directly or indirectly, use for yourself or for others, or disclose to any third party, any secret or confidential information, knowledge or data regarding any discovery, deposit, process, formula or mining method at any time used, developed or investigated by Freeport or any of its affiliated companies whether or not developed or investigated by you during the period of this agreement.

7. All memoranda, notes, records, plats, schedules, or other writings made or compiled by you or delivered to you by Freeport concerning any discovery, deposit, process, formula or mining method at any time used, developed or investigated by Freeport, whether or not investigated by you, shall at all times be the property of Freeport; and upon the termination of this agreement or at such other time as Freeport may request, you will deliver or return to Freeport all such material except one copy to be held in confidence as personal reference.

If the foregoing is in accordance with your understanding, please indicate your acceptance by signing and returning the enclosed copy of this letter to Freeport.

Very truly yours,

FREEPORT EXPLORATION COMPANY

Er Steel
By *McLaren Forbes*

Accepted this 13 day

of APRIL, 1979.

McLaren Forbes

J. McLAREN FORBES
Consulting Geologist

APR 13 1979

2275 MUELLER DRIVE
RENO, NEVADA 89501

TELEPHONE: AREA CODE 702 - 326-1545

April 14, 1979

Mr. Enfield Bell
Vice President and
District Exploration Manager
Freeport Exploration Company
1 East Liberty
Reno, Nevada 89501

Ely trip and report.....\$500.00 \$500.00

Out-of-Pocket Expenses Ely trip.

Jailhouse Motel-----\$44.52
Miscellaneous-----13.13

total-----\$57.82

\$ 57.82
TOTAL DUE--\$557.82

J. McLaren Forbes
J. McLaren Forbes

300-67-617-402-1000 \$557.82

ACCOUNTING CODE	<i>Ely Area</i>
PROJECT APPROVAL	
AUDITED BY	
PAYMENT APPROVAL	

This will confirm the arrangements pursuant to which you will act as a consultant to Freeport Exploration Company ("Freeport") in connection with Freeport's operations in
The arrangements are as follows:

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2. Your employment in this capacity will be as an independent contractor and will be effective commencing _____ and will terminate _____ unless either terminated sooner or extended for an additional period. You will be responsible for your own taxes, insurance and welfare benefits.
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6. You agree that you will not, either during the existence of this agreement or thereafter, directly or indirectly, use for yourself or for others, or disclose to any third party, any secret or confidential information, knowledge or data regarding any discovery, deposit, process, formula or mining method at any time used, developed or investigated by Freeport or any of its affiliated companies whether or not developed or investigated by you during the period of this agreement.

7. All memoranda, notes, records, plats, schedules, or other writings made or compiled by you or delivered to you by Freeport concerning any discovery, deposit, process, formula or mining method at any time used, developed or investigated by Freeport, whether or not investigated by you, shall at all times be the property of Freeport; and upon the termination of this agreement or at such other time as Freeport may request, you will deliver or return to Freeport all such material except one copy to be held in confidence as personal reference.

If the foregoing is in accordance with your understanding, please indicate your acceptance by signing and returning the enclosed copy of this letter to Freeport.

Very truly yours,

FREEPORT EXPLORATION COMPANY

By

J. McLean Fisher

Accepted this 13 day

of April, 1979.