



A. C. Frost & Company
and
Mr. A. C. Frost

ADMITTED

Seattle, Washington

Gentlemen:

This notice is given to A. C. Frost as well as to A. C. Frost & Company because, while the rights and duties hereinafter referred to have always been claimed by and performed in the name of A. C. Frost & Company, nevertheless we have now received notice that A. C. Frost & Company has ceased to exist as a corporation and has had no corporate existence since July 1, 1934. Therefore, out of an abundance of caution, we address this communication also to A. C. Frost.

On or about the 10th of September, 1934, the undersigned, Coeur d'Alene Mines Corporation, gave to W. J. Boland, of Toronto, an option by which Mr. Boland was authorized to undertake the sale of 1,300,000 shares of the treasury stock of this Company, to be sold upon certain terms therein specified. Thereafter, although Mr. Boland did not have our consent so to do, he advised us that he had transferred this option to A. C. Frost & Company. This option, as you know, called for the full performance of the option and the full payment by Mr. Boland of the total sum of \$130,000 by December 10, 1935, which was to terminate the option at that time.

This final date of December 10, 1935, was, of course, of the greatest importance to the undersigned because, as the option plainly points out, shortly after that date, on May 15, 1936, a payment of \$100,000 was to be made for the final payment on the properties.

Performance of the contract in full by December 10, 1935, was therefore intrinsically of the essence of the option.

Of the whole amount thus called for to be sold under the option above set forth, only 165,000 shares have been taken up directly by the combined effort of yourselves and Mr. Boland, although indirectly another 100,000 shares (80,000 shares sold by Mr. Gibson and 20,000 shares sold by Mr. Jones) may be treated as growing out of your efforts.

Your attention is further called to the fact that no extension of this option has at any time been asked for by you and that none has been given.

A. C. Frost & Company
and
A. C. Frost

-2-

In view of the expiration of the option on December 10, 1935, and because of your failure to take more than a small portion of the stock optioned to you, we must say to you that your option has expired by lapse of time and is terminated by your failure in performance thereof.

Therefore, in accordance with the terms of the contract, you are hereby notified of the expiration and termination of the option.

EXECUTED by direction of the Board of Trustees
of the Company this 11th day of March, 1936.

COEUR D'ALENE MINES CORPORATION,

By

R. W. Ferguson

President

Attest:

F. E. Collier

Secretary