

OPTION AGREEMENT
MADE EFFECTIVE AS OF MARCH 13TH 2008
BETWEEN
MINAS DE AGUAS TENIDAS S.A.U.
AND
MINAS DE ESTAÑO DE ESPAÑA S.L.U.



THIS OPTION AGREEMENT made effective as of the 13th day of March, 2008.

BETWEEN:

MINAS DE AGUAS TENIDAS S.A.U., a corporation organised
under the laws of Spain

(hereinafter called "MATSA")

OF THE FIRST PART

- and -

MINAS DE ESTAÑO DE ESPAÑA S.L.U., a limited liability by
shares company organised under the laws of Spain

(hereinafter called "MINTIN")

OF THE SECOND PART

PREAMBLE

MINTIN holds exploration and investigation licences, located approximately 100kms west of the city of Cordoba, Region of Andalucia, SW Spain named the "Oropesa Prospects" and wishes to explore for mineral deposits on these licences in a manner which maximises shareholder value.

MATSA believes these exploration and investigation licences to the west of Cordoba may have considerable potential value, whose realisation will require technical and other assistance along with substantial exploration programs, involving among other things: drilling, geophysics, geochemistry, metallurgical testing and geological interpretation. MATSA agrees to provide MINTIN with technical and other assistance at cost for a period of 36 months from March 13th 2008, subject to the availability of such assistance.

The purpose of this Option Agreement is to provide MATSA the opportunity to participate directly in the Oropesa Prospects at the time of completion of a Pre-Feasibility Study. MATSA can elect to enter into a standard Joint Venture Agreement on the Oropesa Prospects at that time with MINTIN on terms described herein.

RECITALS

- A. MATSA and MINTIN have agreed to enter into an Option Agreement which shall give MATSA a 45 day exclusive right from the date of receiving a Pre-Feasibility study to acquire a direct interest in the Oropesa Prospects on the following basis: a 25.0% undivided direct interest for reimbursing double the amount of expenses incurred by MINTIN in bringing the Oropesa Prospects to Pre-Feasibility status.



- B. In the event the above option is exercised by MATSA, then MATSA irrevocably commits to fund its 25% direct share of the expenditures required to complete a bankable Feasibility Study. MATSA will make payment for its share of expenditures on demand from MINTIN.

NOW THEREFORE THE PARTIES WITNESS that in consideration of the mutual covenants expressed herein and for other good and valuable consideration, the receipt and sufficiency of which the Parties hereby acknowledge, MATSA and MINTIN hereby agree as follows:

ARTICLE 1 - THE JOINT VENTURE AND OBLIGATIONS CREATED

1.01 **Establishment.** Within 45 days of receiving a Pre-Feasibility Study from MINTIN, MATSA shall have the right to enter into a standard Joint Venture (the "JV") Agreement for the purposes and on the terms set out herein.

1.02 **Term.** This Option Agreement shall remain in full force and effect for 36 Months (the "Initial Term") from the date of signing, namely March 13th, 2008. Thereafter, this Agreement shall be automatically renewed for successive one-year terms unless terminated by either Party by providing written notice to the other not less than ninety (90) days prior the expiration of the Initial Term or any renewal term.

1.03 **Joint Venture Interests.** Should MATSA exercise its rights in this Option Agreement to enter into a standard Joint Venture Agreement, then the Parties' Joint Venture Interests shall be: MATSA 25% and MINTIN 75%.

1.04 **Contributions.** In the event MATSA exercises the right granted in this Option Agreement, then MATSA irrevocably commits to fund its 25% direct share of the expenditures required to complete a bankable Feasibility Study. MATSA will make payment for its share of expenditures on demand from MINTIN.

1.05 **Oropesa Prospects.** The Oropesa Prospects are defined as: (i) those exploration licences owned by MINTIN, located approximately 100kms west of the city of Cordoba in SW Spain, and (ii) any exploration or exploitation licences acquired by MINTIN, its subsidiaries or affiliates, within a 5km radius of the surface location of drill hole OR1, located near the main farmhouse on the Oropesa Prospects.

1.06 **Operator.** The Operator of any Joint Venture between MATSA and MINTIN, should it be formed, shall be MINTIN, unless otherwise agreed by the Parties.

1.07 **Assignment.** This Option Agreement or any of the rights under this Agreement shall not be changed or affected in the event of a further sale, assignment or transfer, by operation of law or otherwise, of MINTIN.

1.08 Rights, Obligations and Commitments of MATSA

1.14.1 MATSA will have the once only right, within 45 days of the delivery of the Pre-Feasibility Study, to acquire a direct interest in the Oropesa Prospects on the following basis: a 25.0% undivided direct interest for reimbursing double the amount of expenses incurred by MINTIN in bringing the Oropesa Prospects to Pre-Feasibility status.

1.14.3 In such an event, MATSA irrevocably commits to fund its 25% direct share of the expenditures required to complete a bankable Feasibility Study. MATSA will make payment for its share of expenditures on demand from MINTIN.

1.09 Rights of MINTIN.

1.15.1 MINTIN shall have the right to require technical and other assistance and use MATSA's surface facilities on a cost, subject to the availability of such assistance and surface facilities.

ARTICLE 2 - LEGAL JURISDICTION

2.01 This Option Agreement is governed by the laws of the Kingdom of Spain and the Region of Andalucia.

ARTICLE 3 - CONFIDENTIALITY

3.01 **Covenant.** All matters concerning the execution, contents and performance of the Option Agreement and any future Joint Venture Agreement shall be treated as and kept confidential by the Parties and shall only be disclosed as provided in Clauses 3.02 and 3.03 below

3.02 **Disclosure to Satisfy Regulatory Requirements.** If a Party or an Affiliate, by reason of any requirement of any regulatory body having jurisdiction over a Party, must disclose any matter concerning the execution or content of this Option Agreement, then the affected Party shall, prior to making any disclosure, forward the text of the disclosure to the other Parties. Each of the other Parties shall then have a period of time, to the maximum extent practical but not exceeding three days, to make reasonable suggestions for changes therein. The disclosing Party shall consider said suggestions and advise the other Parties prior to the disclosure if said suggestions are not to be incorporated in the disclosure.

3.03 **Disclosure to Other Parties.** Any Party or an Affiliate may disclose confidential information to:

- (a) public or private financing agencies or institutions;
- (b) consultants, contractors or subcontractors which the Parties may engage; or



(c) third parties to which a Party contemplates the transfer, assignment, sale, encumbrance or other disposition of all or part of its rights under this Option Agreement;

provided that in any such case only such confidential information as such Party shall have a legitimate business need to know shall be disclosed and further provided that the Party shall first enter into a written agreement with the third party receiving the information to protect the confidentiality of such information.

3.04 **Addresses.** The addresses of the Parties are as follows:


MATSA: Minas de Aguas Tenidas, S.A.
Carretera A-488, Km. 20,
21330 Almonaster la Real, Huelva

MINTIN: Minas de Estaño de España, S.L.U.
Avda. Americo Vespucio, 5
Edificio Cartuja
Bloque D – Oficina 10-11
41092 Isla de la Cartuja (Sevilla)
:


Any Party may change the addresses by giving the other Parties notice of such change in accordance with the foregoing.

IN WITNESS WHEREOF the Parties have duly executed this Option Agreement, this date of the 13th of March 2008.

MINAS DE AGUAS TENIDAS, S.A.

Per: 
Name: Norman Brewster
Title: charman.

MINAS DE ESTAÑO DE ESPAÑA S.L.U.

Per: 
Name: PETER MILLER
Title: DIRECTOR