



March 26, 1975

Mr. J. E. McMynn
Deputy Minister of Mines and Petroleum Resources
Parliament Buildings
Victoria, B.C., Canada

Dear Mr. McMynn:

I am writing to thank you for all the time and effort you have devoted to consideration of various possibilities for continuing the Reeves MacDonald Mine in operation. The interest shown by the Minister, by yourself, and by your staff, has been much appreciated. We are, of course, sorry that no mutually beneficial solution to the problems could be worked out. As you know, Reeves MacDonald was willing to consider any possibility and to contribute its property to some sort of joint venture with Hecla and the Government.

Clearly, as set out in the notes (attached) made by Bill Lampard after your conference call with him and George Wilhelm of Hecla, on March 24th, the size of the Government contribution required for working capital, and the terms of the smelting contract, are the stumbling blocks. We agree that it would not be realistic to expect further discussions to be at all fruitful. Obviously, the Reeves shutdown will have to continue to completion.

Again, your kind consideration and interest have been much appreciated.

Sincerely yours,


James H. Halley
President

DEPUTY MINISTER OF MINES
& PETROLEUM RESOURCES

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