



WHEN REPLYING PLEASE REFER TO

FILE NO.

000012

DEPARTMENT OF MINES AND PETROLEUM RESOURCES

Nelson, B.C.

310 Ward St.,
March 19, 1975.

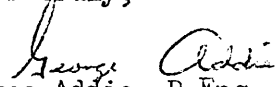
Mr. Austin Fraser,
Kida Development Ltd.,
860 Eldorado,
Trail, B.C.

Dear Mr. Fraser:

This is to verify our telephone conversation that I will be writing a report on the Reeves MacDonald Mine for the Department of Mines and Petroleum Resources. In essence I will be saying that the "possible ore" in the 240 K zone, as presented in a report dated January 17, 1975, titled "Proposed project for exploration and development of Red Bird property", is reasonable, in grade and tonnage, based on past experience. While this ore zone is not a high grade zone it definitely warrants being mined at today's prices. At the same time chances are good for finding more ore in the Reeves mine (i.e. the extension of the Reeves ore zone below the 240 level). The "possible high grade ore" is on the Heckla property which at present can only be reached via the Reeves workings. Another good reason to keep the mine going.

Please keep in mind that all of my references are to "possible ore" - none is "proven ore". Nevertheless, I have great confidence that this is a very good mine which should not be allowed to close with such an excellent potential.

Yours truly,


George Addie, P.Eng., P.Geol.,
District Geologist.

GA/hr

c.c. Dr. T. Grove.

Handwritten initials, possibly "GA", in dark ink.