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PMS JOHN E MC MYNN, DEPUTY MINISTER OF MINES

DEPT OF MINES AND PETROLEUM RESOURCES PARLIAMENT BLDG

VICTORIA BC CAN

RT

IN YOUR TELEPHONE CONVERSATION WITH WILLIAM LAMPARD OF FEBRUARY 28 1975 YOU ASKED THAT REEVES MACDONALD SET OUT IN WRITING THEIR PROPOSAL REGARDING THE PARTICIPATION THAT WOULD BE REQUIRED FROM THE BRITISH COLUMBIA GOVERNMENT TO MAKE IT POSSIBLE TO CONTINUE OPERATIONS AT REEVES MACDONALD MINE.

BASICALLY OUR PROPOSAL IS THAT A THREE PARTNER JOINT VENTURE BE ESTABLISHED BETWEEN REEVES MACDONALD HECLA MINING COMPANY AND THE B C GOVERNMENT. THE JOINT VENTURE WOULD DEVELOP AND MINE THE REEVES K ZONE AND THE UPPER PART OF THE RED BIRD OREBODY AND EXPLORE THE LOWER PART OF THE RED BIRD OREBODY AS OUTLINED IN THE PROPOSAL PRESENTED TO THE MINISTER OF MINES ON JANUARY 20 1975. REEVES MACDONALD WOULD CONTRIBUTE THE REEVES MINE, PLANT, EQUIPMENT AND THE K OREBODY. HECLA WOULD CONTRIBUTE THE RED BIRD PROPERTY. THE B.C. GOVERNMENT WOULD CONTRIBUTE ALL THE WORKING CAPITAL NECESSARY FOR THE VENTURE INCLUDING BUT NOT LIMITED TO MONIES NEEDED TO PAY ROYALTY TAXES AND THE EXPLORATION COSTS FOR THE LOWER RED BIRD. PARTICIPATION IN PROFITS WOULD BE ONE-THIRD FOR EACH PARTNER.

THE REEVES MACDONALD BOARD OF DIRECTORS IS AWARE OF THIS PROPOSAL. AND IT HAS BEEN DISCUSSED WITH THE PRESIDENT OF HECLA MINING CO. FINAL APPROVAL BY THE BOARDS OF THESE TWO COMPANIES WOULD OF COURSE BE CONTINGENT ON THE EXACT TERMS OF ANY AGREEMENT BETWEEN THE THREE PARTIES. SHOULD THE B.C. GOVERNMENT WISH FURTHER DISCUSSIONS ON THIS PROPOSAL BOTH REEVES AND HECLA WOULD BE PLEASED TO MEET WITH YOU OR YOUR REPRESENTATIVE AT YOUR EARLIEST CONVENIENCE. REPLY BY TWX TO BUNKER HILL CO, PO BOX 29 KELLOGG IDAHO TWX NO 510-776-1256 RNKR MAIN OFC

J H HALLEY VICE PRESIDENT, REEVES MACDONALD MINES LTD

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DEPUTY MINISTER OF MINES & PETROLEUM RESOURCES

REC'D MAR 3 '75 253

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Received by order of the Canadian Transport Commission No. 49274 December 5, 1932 to which this message assents as agent of the sender. Révisé par l'ordre de la Commission Canadienne des Transports no. 49274 en date du 5 décembre 1932, selon lesquelles la personne recevant ce message accepte de se conformer auxdites conditions au nom de l'expéditeur. Form C02TL-INT-REV

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