

REEVES MacDONALD MINES LTD.

GCNL 242 DEC. 18/75

PERIOD ENDED SEPTEMBER 30,	THREE MONTHS		NINE MONTHS	
	1975	1974	1975	1974
Sale of Concentrates	\$ 562	\$775,731	\$496,342	\$2,995,549
Sale of Equipment & Supplies	27,269	-	145,255	-
Less Transportation Charges	-	27,892	19,421	113,292
Net Sales	\$27,831	\$747,839	\$622,176	\$2,882,257
Production & Shutdown Cost	24,521	594,470	625,613	1,666,994
Administrative Expenses	14,600	17,471	42,905	51,764
Interest Expense	-	11,672	-	38,722
Amortization	-	25,290	25,290	75,870
Depreciation	56,325	60,825	187,678	182,475
Depletion	-	9,509	7,361	31,781
B.C. Mineral Taxes	-	330,000	27,594	330,000
Net Income (Loss)	\$(67,615)	\$(301,398)	\$(294,265)	\$504,651
Per Share	(3¢)	(13¢)	(13¢)	22¢

WITH OPERATIONS SHUT DOWN - The interim report of Reeves MacDonald Mines Ltd. referred to in FIRM SEEKS NEW VENTURES GCNL 228(75) has now been received. F.G.Woodruff, president, reports that mine and mill operations are completely shut down with the only activity being some equipment sales. Efforts to find opportunities for participation in other mining ventures have been unsuccessful due to the company's limited resources and the adverse governmental environment for mining.

The company will continue to sell off mining equipment and supplies as favorable opportunities arise. These sales provide cash to meet ongoing expenses and reduce future property taxes and insurance costs.

NTS 82/F/3

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MARCH 25, 1976

REEVES MacDONALD MINES LIMITED

YEAR ENDED DECEMBER 31,	1975	1974	
Concentrate Value Less			MINE CLOSED BUT EXPLORATION MAY BE POSSIBLE UNDER NEW B.C. GOV'T.
Smelter & Transport Charges	\$476,921	\$3,552,170	Operations at the mine of Reeves MacDonald Mines Limited at Remac, SE B.C., were stopped in March 1975 having become uneconomic. Final shipments of concentrates were made in May. F.G.Woodruff, president, reports that some \$175,000 was realized from the sale of supplies and miscellaneous mobile equipment and these funds are being used to meet on-going expenses. The mine hoists, compressors, crushing plant, and concentrator are intact and protected.
Production & Shutdown Costs	539,050	2,311,728	During 1975, 35,507 tons of ore were milled prior to the shut-down, compared to 195,547 tons in 1974. Concentrates sold from mine production and plant clean-up yielded 343,159 pounds of lead, 1,876,815 lbs. zinc, 17,072 lbs. cadmium, and 9,152 ounces silver. Total revenues for concentrates sold amounted to \$476,921.
Mineral Land Taxes	36,784	478,720	
Administrative Expenses	75,436	87,491	
Interest Expense	-	38,722	
Amortiz'n., Deprec'n., Deplet'n.	107,679	418,735	
Outside Exploration	-	5,510	
Other Income	67,203	97,846	
Income & Mining Taxes	-	280,000	
Income(Loss) Bef.Following	(214,825)	29,110	
Per Share	(9¢)	1¢	
Tax Loss Carry-Forward	-	280,000	
Net Income(Loss)	(214,825)	309,110	
Earnings Per Share	(9¢)	13¢	
Shares Issued	2,338,000	2,338,000	
Working Capital	\$224,320	\$297,107	

The payment of \$453,153 for 1974 B.C. Mineral Land Taxes substantially depleted the cash resources of the company, states Mr. Woodruff. Taxes based on the limited 1975 production will cost \$67,000 and are payable in July, 1976. Additional sales of supplies, equipment, or timber, will be necessary in the last half of 1976 in order to meet on-going costs.

Current economic conditions remain unfavorable for exploration and development of adjoining properties; however, with the changed political environment in B.C., there is a possibility that conditions will improve sufficiently to encourage some type of exploration project.

The annual meeting will be held on 15Apr75 at 2 p.m. at 501 Front St., Nelson, B.C. Owning 60.35% of the outstanding shares, major shareholder is The Bunker Hill Company of Kellogg, Idaho, which is wholly owned by Gulf Resources & Chemical Corp. of Houston, Texas.

GEORGE CROSS NEWS LETTER LTD.

REEVES MacDONALD MINES LIMITED

MARCH 24, 1977 PROB 82F/BW

YEAR ENDED DECEMBER 31,	1976	1975
Income	\$47,792	\$67,203
Costs and Expenses	400,257	758,949
Less Operating Revenue	-	476,921
Net Loss	352,465	214,825
Working Capital	\$30,761	\$224,320
Shares Issued	2,338,000	2,338,000

Operations at the Reeves MacDonald Mine near Trail, B.C., remained completely shut down during 1976. Efforts to interest others in a joint venture involving use of the facilities for exploration and development of adjoining properties continued throughout the year. Despite some reduction in the heavy provincial tax burden and the improvement in the political environment, these efforts were unsuccessful. Accordingly, the financial statements for the period include a write-down of \$76,000 representing previously incurred deferred mine development and exploration costs, and \$187,000 to reflect the estimated realizable value of supply inventories, plant and equipment.

F.G. Woodruff, president, states in the annual report that, during the year, the payment of approximately \$73,000 for 1975 Mineral Land Taxes and \$70,000 for 1975 and 1976 property taxes depleted cash resources. Consequently, the company negotiated a sale of approximately 4 million board feet of timber to provide cash for ongoing expenses in the coming year.

The company was assessed an additional \$20,000 for 1974 and 1975 Mineral Land Taxes as a result of an audit of the mine records by the British Columbia Department of Mines and Petroleum Resources. An appeal was filed with the Mineral Land Tax Review Board but not pursued when it became apparent that any potential reduction in this assessment would be offset by the cost of supporting the appeal.

REEVES MacDONALD MINES LIMITED

STRONG CASH POSITION PROMISES - In 1977, says F.G. Woodruff, president of Reeves MacDonald

TIME TO SEEK NEW VENTURES Mines Limited in his annual report, the company's mining and

milling equipment was sold in order to increase cash resources and reduce the holding costs of property taxes, insurance, etc. This difficult decision was made after almost 2 yrs. of intensive, but unsuccessful, efforts to interest others in a mining venture using Reeves' facilities at Remac in SE B.C. The sale was made to Rabin Brothers of San Francisco for a firm bid of \$236,000 U.S. The timber sale negotiated in 1976 was completed in 1977 & generated additional net income of \$102,500 for the year. The financial results for 1977 reflect write-off of unamortized cost of tailings pond in amt. of \$303,400 & writedown by \$81,500 of remaining plant & equipm. to estimated realizable values. The accts. show a loss for year of \$342,115 but a working capital increase of \$336,257 during the year to \$367,018 at 31 Dec 77.

Annual meeting: 27 Apr 78, 2 p.m., 501 Front St., Nelson, B.C. The Bunker Hill Company of Kellogg, Idaho, wholly-owned by Gulf Resources & Chemical Corp. of Houston, Texas, owns 60.35% of Reeves MacDonald's issued shares.

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Producers file 82F/BW

REEVES MacDONALD MINES LTD.

SEPTEMBER 1, 1978 Property file 082F/BW

6 MONTHS ENDED 30 JUNE	1978	1977
Revenue	\$19,051	\$105,903
Cost of Shutdown	9,950	23,190
Prop. & Miner. Land Tax	10,580	16,400
General, Admin. Exp.	1,200	1,200
Net Income (Loss)	\$(2,679)	\$65,113
Per Share	-	3¢
Working Capital	\$364,339	\$95,874

WORKING CAPITAL STRENGTHENED

F.G. Woodruff, president of Reeves MacDonald Mines Ltd., reports that a major effort is being made this summer and fall to clean up the area at the mine site at Remac in SE B.C. by demolishing buildings and other structures. This work is being done not only to meet government-mandated reclamation requirements, but should also result

in the reduction of property taxes which remain a serious cash drain.

Jurisdiction of the company has been shifted from B.C. to Canada.