

GARLAND, GANSNER & ARLIDGE

BARRISTERS, SOLICITORS, ETC.

CHARLES B. GARLAND, Q. C.
LEO. S. GANSNER, B.A., B. COM.
BRUCE K. ARLIDGE, B. A., LLB.

Reply Attention of Mr. **Garland**

NELSON, B. C.

P. O. Box 490
Telephone 1740

Refer to File No.

July 30, 1962

**Messrs. Wragge, Hamilton & Arnesen,
Barristers and Solicitors,
459 Baker Street,
Nelson, B. C.**

**Re: Mrs. Alma L. Harris
and Re: Reco Mining & Milling Company, Limited
Liability**

Attention: Mr. Hamilton

Sirs:

We have been attended by Mrs. Alma L. Harris and have discussed with her the matter of four one twentieths interests in certain mineral claims in the vicinity of those of the Reco Mining & Milling Company Limited, such interests being held as to a one twentieth each by Mr. George W. Davis, Mr. Henry F. Davis, Mrs. Tharley Kappler and Mrs. Mary Oliver, all of whom are the holders of substantial blocks of shares in the Reco Company. It has little in the way of cash assets with which to do prospecting work on its properties, and the value of these shares would be materially enhanced if successful negotiations could be concluded with mining interests to develop the Company's properties into a producing mine.

Mrs. Harris is from time to time in discussion with such interests in the hope of concluding satisfactory negotiations but in each instance the interests require that the mineral claims in which the above named each hold a 1/20th interest be included with those of the Company which necessitates that any agreement to be entered into be executed by them. Bearing in mind that the depth of snow on the Company's properties prohibits surface examination and operations during the months from October to the following May quick action in the event of successful negotiations is imperative and the failure to be able to close a deal by reason of the necessity and delay in obtaining the signatures of the above named to

Mr. Hamilton

- 2 -

July 30, 1962

an agreement, and the possible doubt that they may be unwilling to sign, has been and will be a deterrent to such negotiations.

You will be aware that Mrs. Harris has made an offer to all the persons each originally holding a one twentieth interest in the mineral claims and all have accepted her offer except the above named and she now has a 16/20th interest in the mineral claims.

She has now instructed us to write you request-
int you to be good enough to communicate to each of the above named an offer by the Reco Company to purchase the 1/20th interest of each in the mineral claims at and for the price of \$200.00 for each interest.

If each will sell his or her interest to the Company for this amount Mrs. Harris will also sell her 16/20th interest to the Company for \$200.00 for each 1/20th interest held by her. She will arrange for the Company to make payment for such interests.

As a result of this the Company, in which the above named, as stated above, hold substantial blocks of shares, will own the mineral claims and the shares will be enhanced in value by the increased value of its assets as owner of these claims.

There does not appear to be anything unfair in this proposal. Mrs. Harris will transfer her interests in the mineral claims to the Company receiving therefor the same price for each of her interests as do the above named and the Company, in which they are all shareholders, will be in a position to enter into and complete negotiations, if satisfactory, when discussed and settled with interested parties anxious to get to immediate work.

We would point out that Mrs. Harris has been endeavouring to settle this situation by correspondence and interviews over a long period of time and all interested parties, save the above named, have realized the wisdom of the proposal and considered it fair and proper and have co-operated with her by

Mr. Hamilton

- 3 -

July 30, 1962

transferring their interests.

There are as you will know, provisions in the law of the Province of British Columbia, declaring that tenants in common, as the above named are, of lands may be compelled by Order of Court, to make or suffer a sale of the lands. In such proceedings application is made to the Court and the circumstances and situation disclosed to it and an order for sale of the lands is made and the proceeds of the sale is distributed.

If the above named are unwilling to voluntarily co-operate with and accept the offer of the Reco Company it would appear that Mrs. Harris will have no alternative but to make an application to the Court for an order to sell the claims in which event they will be offered for sale to the public, doubtless by the Sheriff, and whoever should buy them would get title free and clear of any interest of anyone.

The cost and expense of such legal proceedings, which are not inconsiderable, will be paid out of the amount realized from the sale, and 1/20th of whatever might remain would be paid to each of the above named.

Mrs. Harris is naturally undesirous of money being wasted on Court proceedings to compel a result which could be readily achieved by the voluntary co-operation of the owners of the four twentieths and consequently has instructed us to write you requesting you to place these circumstances before them in a last effort by her to obtain their concurrence in enabling the Reco Company to speedily close any advantageous proposal to bring its properties into development or production and give added value to its shares.

May we hope to be in receipt of advice from you not later than August 25th next.

Yours truly,

CARLAND, GANSNER & ARLIDGE
per *CS*

CBG/mh