

February 1, 1935

Mr. R. W. Nuzum, President
Coeur d'Alene Mines Corporation
605 Columbia Building
Spokane, Washington

Re: Coeur d'Alene Mines Corporation.

Dear Mr. Nuzum:

Your letter of January 30th awaited my return to the City and I was glad to receive the information therein contained - all of which you gave me while at your office yesterday and which we discussed fully.

As I told you yesterday, I am gratified that you pursued Frank Eichelberger persistently and relentlessly to admit that he had not sufficient knowledge of the surface showings and underground development that has taken place at Mineral Point Mine to justify an opinion or a report. The fact that Eichelberger knew nothing about the many assays which have been taken of ore from Mineral Point Mine is amazing, to say the least.

The two important matters on which we must now concentrate are:

- (1) Coeur d'Alene Mines Corporation securing title to the Mineral Point group of claims; and
- (2) Listing of Coeur d'Alene Mines Corporation stock on the Spokane or Seattle Stock Exchange – preferably Spokane Stock Exchange – but whichever offers the best advantage for trading purposes. Gibson and Company are satisfied so long as the stock is listed on any Stock Exchange.

I have not yet found time to examine and study the requirements of listing under the rules of the Spokane Stock Exchange and the Federal Securities Act, but I have given much thought and consideration to the acquiring of the Mineral Point group of claims.

Tact, diplomacy and strategy will accomplish it – always remember what cannot be obtained directly can oftentimes easily be obtained indirectly – it is the zigzag road that leads to the mountain top.

As you and Richardson know the people and the circumstances surrounding their various interests and necessities, I must leave this to your judgment and discretion. If I can be of

any assistance I will gladly come to Spokane and go with you to Wallace; or, if it is necessary, I will gladly make a trip to Oakland to negotiate with the principal owners there. I am very busy – working ten and twelve hours a day – but I consider the acquiring of the title so important that I will gladly take the time necessary to secure or assist in securing the objective.

If the Cashier or Assistant Cashier of the Bank at Wallace is the right man to approach I suggest that you approach him on the theory that it is necessary to raise about \$200,000 to carry on the development work and the construction of a 300-ton mill at Mineral Point Mine; that to accomplish that it is absolutely necessary that the Company has title to Mineral Point Mine; that Coeur d'Alene Mines Corporation has arranged for the funds for the development of the property and the construction of a mill provided the Company has acquired title to Mineral Point Mine, and that it is to the interest of the owners of the property that they cooperate in accomplishing this; that to carry on intensive development requires far greater funds than the Company has heretofore been able to raise and that it is manifestly to the interest of the owners of Mineral Point Mine to make that development possible.

I suggest that you first propose the payment of \$75,000 in three payments of \$25,000 each – one payable July 1, 1935, one payable December 1, 1935, and \$25,000 payable April 1, 1936 – secured by 300,000 shares of Coeur d'Alene Mines Corporation stock – 100,000 shares pledged with each \$25,000 note and to be released upon payment of that note.

I deem it wise that in the initial negotiations we do not offer the stock outright at 50¢ a share as we discussed, or any other price. What they will probably want is cash, and, as I said, in order to accomplish this it may be necessary that we shall have to raise \$10,000 as initial payment, and if so, the payment due July 1st should be \$15,000 instead of \$25,000 and 60,000 shares of stock pledged instead of 100,000 shares.

It may be more tactful and advantageous to first approach the people in Oakland who you say own or control most of the stock of Mineral Point Mine by asking them what the least amount is that they would accept for their interest, not mentioning either cash or stock. You could write them in behalf of Coeur d'Alene Mines Corporation or I could write them as an individual by stating that I obtained the information of their holdings through you or Mr. Richardson, and that if they are willing to make an attractive offer we might consider the purchase of their interest.

I favor the latter course, but will leave it to your discretion and judgment.

If the latter course were adopted (I writing the Oakland people) and they made a reasonable offer I would write them that as I had business in San Francisco that I would confer with them in person on my arrival there, stating the time when I intended going, and ask them to wire me if it was satisfactory.

Mr. R. W. Nuzum, President

- 3 -

February 1, 1935

I trust you secured copies of the requirements for the listing of stock on the Spokane Stock Exchange and that you will find time to carefully read them over and advise me briefly if there are any conditions or requirements which the Company cannot readily meet.

With best wishes,

Very truly yours,

A. C. FROST

ACF:L