

901.10

[REDACTED]

February 7, 1995

VIA FAX - (202) 326-2624

this material may be subject to the

Mr. Patrick Sharpe

7A(h) of the Clayton Act and the Freedom of Information Act

Washington, D.C. 20580

Re: Hart-Scott-Rodino Antitrust Improvements Act

*if no previous production, not reportable per BS*

conversation, I summarized a transaction wherein a seller transfers certain mining operations to

years. If certain conditions with respect to the property are not satisfied by January 1, 2000 (several of the conditions are not entirely within buyer's control), the seller has the ability to cause the property to be reconveyed to seller, and buyer's minimum royalty payment obligations will cease as of that date. At that time, buyer will have made payments of approximately \$900,000 in minimum royalty payments, in addition to the \$1.1 million in cash installment payments.

In our conversation, I asked whether the minimum production royalty payments subsequent to January 1, 2000 were contingent payments for purposes of the HSR Act. You indicated that they were contingent payments, and that for

*doesn't necessarily have to be reported*

added to the fixed payments of approximately \$2.0 million in order to determine the total acquisition price.

*If such cannot "reasonably be determined," then a FMV determination by the board is required. (per BS)*

[REDACTED]

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If this is not an accurate description of our conversation, or of the appropriate treatment for the minimum production royalty payments subsequent to January 1, 2000, please call me at [REDACTED] Thank you very much.

Very Truly Yours  
[REDACTED]

[REDACTED]

Called [REDACTED] 2-8-95

He noted that the Board of Directors has done a FMV valuation and determined the value including [REDACTED]

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[REDACTED] that we are [REDACTED]  
contingent payments in (FMV) see PMP manual #116  
(JS), (RS) CONCLUS