

TRANSLATION

Dipl. Volksw. Winfried Maastert  
Member of the Board  
Thyssen Industrie Aktiengesellschaft

4300 Essen, October 30  
am Thyssenhaus 1  
Tel. (0201) 1 06 30 70

Mr. Karlheinz Schreiber  
Lechstraße 22

8912 Kaufering

Thyssen-Project Bear Head, Canada  
Your letter dated October 21, 1985

Dear Mr. Schreiber,

I have received your kind letter with reference to the above-mentioned matter, and would like to comment as follows:

1. Establishing a company in Canada

There is no unanimous opinion yet regarding the possible setting up of a company through us, especially regarding the company name. This does not only concern acquisition, but above all, legal considerations.

Our contact in Canada is:

Rainer Wollmann  
Thyssen Marine  
10th Floor, Suite 1003  
GILLIN-Building  
141, Laurier Avenue West  
Ottawa, Ontario  
K1P 5J3

2. We welcome the activities on the part of Canada (on the Canadian side) to attain tender documents from the US Ministry of Defence. In the meantime, we have intensified our contacts to the US, and will have to determine without delay, how we would like to handle the representation of the process and development of projects outside the Bear Head project, if necessary.

3. Acquisition of Contracts from Saudi-Arabia

According to my information, a decision from Bonn with respect to the Gulf Region can either be expected imminently, or it will be postponed at least until after the election of the Bundestag. In other respects, as can be seen from the attached newspaper clipping, Saudi Arabia is also working intensively to find other sources.

It must be added, that according to an official declaration, Argentina is now entering the export market aggressively and has asked us to intensify our cooperation so far (see press clipping).

#### Bitucan Contract

As I already told you when I presented you with the copy of the text of the contract in Canada, this is a preliminary draft and has not yet been authorized in our company. In the meantime, however, I hope that you can accept the clarifications existing on our part in the text of the contract, and I will discuss this with you at our next meeting.

#### 5. Bitucan Consulting Fee

The payment on account of the fee in the amount of Can. \$ 30,000 will be transferred to you in the next few days. This fee corresponds to the monthly fee rate of Can. \$6,000, which was given to me for another similar consultation. Therefore, the fee originates from a previous 5 month consultation and will possibly be creditable to commissions to be paid at a later date.

#### 6. Agreement with I.A.L. Liechtenstein

In the event that a contract is signed between Thyssen Industrie AG and the Province of Nova Scotia regarding the building of a plant in Bear Head Island, a one-time fee of Can. \$4 million has been promised, provided that the provincial government meets the agreed upon prerequisites which you have mentioned again in your above-mentioned letter. An official body has not yet declared to me, that they will meet these prerequisites. I have not yet received a corresponding authorized letter.

In other respects, a new request was submitted last week by Mr. Zankl, Government of Canada, Regional Industrial Expansion, to send him documents about our vehicle program and the planned lay-out. Mr. Zankl told me, that he is working on behalf of the Ministry of Foreign Affairs on an appropriate presentation. This left me with less of an impression, that we can count on the corresponding commitment of the Canadian Government any time soon. The possibility of concluding a smaller contract with Hawker Siddley in Nova Scotia, if necessary, is of interest to us as an interim solution. However, the vehicles I mentioned at that time for Bahrain can hardly be taken into consideration any longer, as the Federal Government has in the meantime, issued a partial approval and has indicated a positive decision for the rest.

We can discuss further details with respect to the above-mentioned points at our next meeting.

With best regards,

(signature)

Attachments