

**METALCLAD**

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**TELECOMMUNICATION  
INFORMATION PAGE**

PLEASE DELIVER THE FOLLOWING TO: JORGE HERMOSILLO

TELECOPIER NUMBER: AREA CODE ( ) \_\_\_\_\_ EXT. \_\_\_\_\_

FROM: GRANT KESLER

TOTAL PAGES INCLUDING THIS PAGE: 4

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ASK FOR THE TELECOPIER OPERATOR.

COMMENTS: Don Jorge - He tomado la libertad de tratar de traducir la carta de Grant. Disculpe todos los errores.

gracias  
Becky

ASUNTO:

Aclaraciones sobre el contrato con NMT y BCO

TRANSMITTED BY: Becky DATE: 12.6.91 TIME: 11:10 AM



December 6, 1991

BY FACSIMILE TRANSMISSION

Ing. Jorge Hermosillo Silva  
Eco Administracion S.A. de C.V.  
San Luis Potosi, S.L.P., Mexico

Dear Jorge:

I have agonized over what has gone wrong the last few days and concluded that I have failed to properly communicate certain things to you and will, therefore, try to make those things known at this time.

1. There is no possibility of a relationship with MMT unless we use their technology in the San Luis Potosi Project.
2. By going forward with MMT, we will be able to discover whether or not the technology will work and obtain guarantees from Davy Dravo before we begin construction. We risk about \$300,000 - \$500,000, but I am willing to take the risk.
3. It is extremely important that our agreement with MMT be split into two parts: one for San Luis Potosi and one for everywhere else. The reason is we did not agree to give Metalclad anything except San Luis Potosi and we want to keep the potential of MMT to ourselves, as I believe it will have enormous value in the future.
4. I want you to be involved outside of Eco in the rights to MMT technology, to PEMEX and everywhere else - and that's why we need to take the time necessary to finalize that contract, but go forward immediately with the contract with San Luis Potosi.

5. You have always pushed hard to move quickly and when you said you wanted a meeting with PEMEX by December 15th, I asked everyone involved to stop what they were doing and arrange their schedules to meet that deadline. When you refused to approve the MMT contract and you cancelled the PEMEX meeting and I could not reach you, I was left both frustrated and embarrassed with the people I had asked to help me.
  
6. I have asked Manuel Garcia Barragan about the need for a formal meeting and he says it is unnecessary. He also says Reed and Terry should be removed as directors; I would like to see that happen so that I do not have to have a further involvement with them.

I look forward to hearing from you,

Very truly yours,

*Grant Kesler/ce*

Grant S. Kesler  
President

GSK.or  
Ecol26