

**FALCONBRIDGE NICKEL MINES LIMITED**

INTER-OFFICE MEMORANDUM

DATE: December 9, 1980

**DEC 9 1980**

TO: D.J. Emery

COPIES TO: P. Zaharuk, D. Zeraldo, S.O. Fekete

FROM: P.J. Raleigh

SUBJECT: RE: ARSENIC TRIOXIDE UPGRADING AND ADDITIONAL SALES

The basis for several alternative proposals for developing additional volumes of  $\text{As}_2\text{O}_3$  for sale to an undersupplied market were presented to our financial group on November 28. Due to the pressure of other work the financial analysis are not available for presentation at this time.

Without the financial analysis it is not possible to accurately determine the optimum route to follow in the development of your approach. It was observed in preparing the alternatives that each and every case provided net increases in cash profits that more than covered capital estimates each year while allowing for generous operating costs.

The need to develop a method of recovering material now stored in underground stopes is a point in all cases except where the Con Pond is combined with current production.

In order to explore this area, a small sum of money was authorized at a previous board meeting. Now that it is evident that markets are available and shipping facilities will be in place early in 1981, it is proposed to enlist the assistance of both the mine staff and outside technical specialists in attacking the problem.

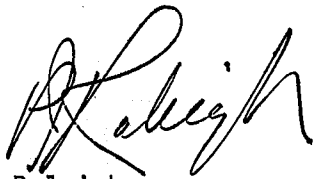
The initial approach will require the assistance of those knowledgeable in materials handling particularly with regards to fine powders or dusts. John Hite of Koppers has indicated his willingness to assist. On Giants part, help in the use of existing equipment and in gaining access to storage areas would speed up the investigation and allow an early evaluation of the practicality of increasing  $\text{As}_2\text{O}_3$  sales and with it, the desirable increase in cash available for other projects.

Upgrading using the fuming method appears to be a technically practical approach (See Report by S.O. Fekete, October 23, 1980). In order to be in a position to maximize the returns to Giant for arsenic sales upgrading of stored material of low arsenic content but higher gold content is recommended.

To enable this to be done as quickly as possible, a fuming test programme as spelled out by Mr. Fekete is recommended at the cost of \$200,000.

The programme should be planned for mid-1981 after an initial evaluation of the results of the recovery programme of underground material is made. A formal request will be made for these funds at a later meeting.

We trust the proposed investigation will meet with your approval, and will receive the cooperation needed to arrive at an early conclusion.

A handwritten signature in dark ink, appearing to read 'P.J. Raleigh', with a stylized, cursive script.

P.J. Raleigh

PJR:sh