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March 26, 1981

Mr. Dan N. Zeraldo
Supervisor, Minerals Marketing
Falconbridge Canada
Box 40 Commerce Court West
Toronto, Ont. M5L 1B4

Dear Dan:

Please accept this as our firm offer to purchase the equivalent of 4,000 short tons per year 99+% arsenic trioxide. Material to be Giant Yellowknife crude containing a minimum 85% As_2O_3 . Total purchase to be 20,000 tons 99+% equivalent over a five year period with an option to renew for a second five year period.

We understand that tests to determine feasibility and methods to be used for removal of the crude arsenic trioxide from underground deposits must be conducted and that it is estimated that these tests might take up to three months. We further understand that your ability to supply material suitable for our use cannot be determined until after the conclusion of these tests and, therefore, agree that your acceptance of this offer shall be conditioned upon completion of successful testing by July 15, 1981.

We do ask, however, that you notify us of your acceptance or rejection of this offer in principal by April 15, 1981.

Pricing of the crude arsenic trioxide is to be the Metals Week published price for ASARCO'S crude As_2O_3 at Tacoma, freight equalized with Tacoma, carload basis.

We hope this meets with your approval, Dan, and that we can enter a more formal agreement at an appropriate time.

Sincerely,

William P. O'Brien
Vice President
Manufacturing

WPO:c