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February 16, 1979

Mr. Dan Zeraldo
Market Analyst
Falconbridge Nickel Mines, Ltd.
P. O. Box 40
Commerce Court Postal Station
Toronto, Ontario M5L 1B4

Dear Dan:

It was nice talking with you today. I was glad to learn that a pilot plant is being built at the Giant Yellowknife Gold Mine site to refine arsenic trioxide. I understand this is a necessary preliminary step to a production facility. It was also encouraging to learn that you have produced 99.5% assay material in your lab.

As I told you earlier, our estimated requirement for refined arsenic trioxide for 1979 is 2500 tons. Please be assured that we are agreeable, in fact anxious, to reach an agreement with you to supply us 1250 to 1500 tons of refined arsenic trioxide in 1980. It is my understanding that it is your intention to price your product on a competitive basis delivered to Memphis, TN. We would also be very happy to negotiate a three year contract for our partial requirements at the indicated volume.

I also told you that we would be installing a bulk handling system as part of our plant expansion in Memphis. I understand that it is now your intention to ship the material in bulk form only. In line with this, could you send us a sample of pilot plant run as soon as available for our evaluation for bulk handling characteristics.

Sincerely,

William P. O'Brien
Plant Manager

WPO/cc