

REFERENCE MEMORANDUM

DATE

Feb 28

1979

THE ATTACHED PAPERS ARE REFERRED

WAM

TO

D. Emery

BY

A. J. Lakey Jr

PLEASE REPLY DIRECT

☐

PLEASE HANDLE

☐

PLEASE SEE ME RE THIS

☐

YOUR COMMENTS

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FOR YOUR INFORMATION

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FOR APPROVAL

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PLEASE RETAIN

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PLEASE RETURN

☐

for your use, this includes our current thinking on the subject.

A. J. Lakey Jr

P.S. We might squeeze 5 years instead of 3 per

copy within

Proposed letter to: GIANT YELLOWKNIFE MINES LIMITED

From: CON MINES DIVISION OF COMINCO LTD.

This is to acknowledge the interest of the Con Mines Division of Cominco Ltd., in supplying raw material (Scrubber Residue) to Giant Yellowknife Mines Limited.

It is understood that the raw material will be processed in a facility at Giant that will eliminate the environmental hazards resulting from the current storage methods.

Con is prepared to deliver the raw material into the Giant facility at which point it becomes Giant's material, for a period of three years at zero net cost to Giant.

Negotiations for the sharing of precious metal values contained in the raw material after the first three year period shall be finalized six months prior to the end of the initial three year term. The intent is to pay for precious metals recovery costs and share profits on a 60-40 basis - 60% to Giant.

Giant will use its best efforts to deplete the Con stock pile of raw material in the shortest practical time, subject to an acceptable conclusion of the agreement in Paragraph (4) above.

Giant will use its best efforts to provide assistance to Con in on-going discussions with the regulatory agencies.

February 28, 1979