

copy to letter

Notes of a Phone Call
From P. J. Raleigh
Re Arsenic Plant
December 18, 1979

He had called John Hite earlier today about a coal gassification plant and during the conversation they got into discussions about sales of crude arsenic. Raleigh asked what Hite would be willing to pay and Hite asked for a price that he might consider. Raleigh suggested as a rock-bottom, 7¢ a pound for the arsenic contained.

Raleigh feels this is a realistic price as with the hot water leach process the most we could expect on a net payback would be about 11¢. This way Hite is prepared to put up the ammonia leach plant at Georgia to handle crude arsenic and therefore he is taking the gamble. There would be an escalation clause in the agreement which would provide us with 50% of any price increase that Koppers made during the term of the agreement.

Koppers is prepared to start shipping in about four months time. They would supply us with double-walled rubber tote containers that we would fill with a screw conveyor and load onto their trucks for delivery to rail cars at Hay River.

There has been no term for the agreement specified, but Raleigh feels Hite would want 18 months to two years as a minimum. They are also looking for a secondary deal to cover recovery of arsenic from stopes. Ultimately they would like to obtain 10,000 tons of arsenic from us per year.

The Con material would not be acceptable but it may be about 18 months from now depending on the results of their own leach work.

Hite is also interested in obtaining arsenic for the European market. We have not told him about the Salsigne operation and as of now he thinks we have a line on a source in Yugoslavia.

The only restriction on the crude would be that it contain at least 90% arsenic. The sludge from the treatment would be available for us in Georgia but it would be at our cost to get it back to Yellowknife if we wanted to treat it here for gold content.

Raleigh recommends that we enter into an agreement with Koppers. It will provide us with revenue and get us away from the problem of having to store arsenic underground. We can continue with our research work on fuming or leaching and make a decision whether to put up a plant for treatment of Con material and baghouse product.

He stated that Hite would be contacting Bill Moore direct about the transportation end of things and I indicated I would let WAM know right away as to this possibility.

The above information was telephoned to WAM the same day and he brought up our necessity to come up with a scheme to treat cottrell dust otherwise the Water Board comes down, and also the moral commitment to handle the Con material. It was decided that WAM and DJE would phone Raleigh later in the week to discuss the proposal further.

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