



FERRO-TECH®

467 eureka road, wyandotte, michigan 48192
telephone: (313) 282-7300
telex no. 705670
fax no. 313-282-7305

*Only 1 day req'd to
produce product.
Timing no problem -*

June 7, 1988

Giant Yellow Knife Mines, Ltd.
Bag 3000
Yellow Knife, N.W. Territory
Canada X1A 2M2

Attention: Ken Morton
403-873-6301

SUBJECT: Arsenic Trioxide

Dear Mr. Morton:

It was very good to talk to you regarding your program of purifying and agglomerating your arsenic trioxide waste for sale as a wood preservative. Our first thought would be to produce a hard granule utilizing a lignin binder. Our approach would be to utilize a Ferro-Tech-Turbulator™ and a disc pelletizer with the granules being dried in a vibrating fluidized bed dryer.

Ferro-Tech's charges for development and to produce test market quantities of material would be \$1,500.00 U.S. per day. We realize how toxic this material is and therefore would suggest that you have a representative present during the testing. We would suggest that you send us up to five (5) gallons of material for the first trials. With this, we should be able to produce enough granules for your initial "show and tell".

Ferro-Tech has the capability of developing the agglomeration portion of your process flow diagram. Our agent in Vancouver is:

Beckland Equipment, Ltd.
3250 Beta Avenue
Burnaby, B.C. V5G 4K4

Contact: Harold Bringland
Telephone: 604-299-8808
Fax: 604-299-6162

They are very capable of providing all of the equipment along with the engineering. They would be good for cooperating with your Vancouver engineers in designing the plant.

Giant Yellow Knife Mines, Ltd.

Mr. Ken Morton

June 7, 1988

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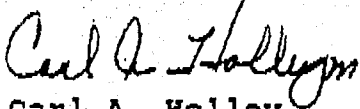
We are sending under separate cover a copy of the complimentary text manual, the complete Ferro-Tech General Catalog which is intended to provide background information for all types of agglomeration. The catalog contains bulletins and papers that will provide you with an indication of the broad scope of Ferro-Tech's area of expertise in agglomeration.

We are very interested in cooperating with you on your program and are sure that we will be required to reveal proprietary information during our discussions. We are faxing a copy and will mail with the catalog two (2) copies of our "Confidentiality Agreement", Form 174. Please sign both copies and return one (1) for our files.

We can see no reason why the agitative agglomeration will not be the best method of producing non-dusting granules, but if this is not successful, we will produce granules on our roll compactor system.

If you have any questions or require more information, please fee free to call our Sales Manager, Bill Moskalik or myself.

Very truly yours,



Carl A. Holley
President

CAH/bk

cc: Beckland Equipment, Ltd.
Harold Bringland
Fax: 604-299-6162



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CONFIDENTIALITY AGREEMENT

In connection with prospective business relations between you and Ferro-Tech particularly directed to manufacturing processes and procedures, it will be necessary for Ferro-Tech to disclose to you details of agglomeration processes which we consider to be confidential and proprietary. The technical information furnished by Ferro-Tech in conjunction with this work may be PROPRIETARY. All technical information must be regarded as CONFIDENTIAL. No technical information may be disclosed to a third party without prior written consent from Ferro-Tech. Therefore, we ask you to agree for a period of five (5) years from the date of disclosure to you not to use or disclose (except for our benefit):

- a) any information disclosed to you by Ferro-Tech which relates to Ferro-Tech agglomeration processes and the equipment necessary to fulfill the requirements of those processes;
- b) any other information not generally available to the public which is disclosed to you or acquired by you in connection with our business relations with you.

However, this agreement shall not be binding on you with respect to any information disclosed or obtained from us which:

- a) at the time disclosed or obtained is in the public domain; or
- b) after being disclosed or obtained becomes part of the public domain through no act, omission or fault of yours (but only after such information is published or otherwise becomes part of the public domain); or

- c) you demonstrate to Ferro-Tech, promptly after the time such information is disclosed or obtained, that the information was in your possession at that time and was not acquired, directly or indirectly, under obligation of confidence; or
- d) you demonstrate that the information was received by you from a third party after the time it was disclosed or obtained hereunder, and that the third party did not acquire it, directly or indirectly, from us, or an affiliate, employee, agent or other representative of us, under an obligation of confidence.

If you agree to these terms, please sign and date two copies of the agreement and return one copy to Ferro-Tech.

ACCEPTED & AGREED TO:

COMPANY _____ FERRO-TECH - -

BY: _____ BY: _____
Nancy N. Holley

TITLE: _____ TITLE: Secretary/Treasurer

DATE: _____