

*D. J. Emery*

October 31, 1978

Giant Yellowknife Mines Limited  
YELLOWKNIFE, N.W.T.  
XOE 1H0

Attention: Mr. W.A. Moore

Re: ARSENIC UPGRADING

Dear Bill,

At the request of Mr. L. Bernard of Boliden Canada Ltd., Mr. Tony Desanti and the writer met with Mr. Norman Nelsen, Vice President of Leonard J. Buck & Co., Inc. (the Boliden Sales agency in North America) and Mr. Bernard, General Manager for Boliden Canada Limited on October 27, 1978.

Mr. Nelsen, an accomplished salesman, indicated that Boliden was interested in searching out alternate sources of Arsenic Trioxide, as there appears to be a short term and a longer term gap in the supply demand picture. Boliden is concerned that when and if the Tacoma Smelter of ASARCO closes in perhaps 18 months a significant shortage of a product with 95% plus purity will exist and are now interested in lining up suppliers who can supply + 6,000 Tons per year of  $As_2O_3$ .

They are interested in marketing the product, as is, where is, but when told of our grade (+ 90%  $As_2O_3$ ) indicated that this was not a saleable product. They are interested in making technology available to upgrade low grade products so as they can be sold.

As Giant has a significant volume of  $As_2O_3$  in storage with attractive values in contained gold, and are interested in determining whether the reserves can be commercially exploited, it was suggested that a 10# sample of the stored material be made available to Boliden. Boliden would check the sample to determine if their upgrading process could be used to produce a marketable product, thus leaving a high grade residue available for gold recovery. Boliden would report on the test and provide some basic data on a possible treatment scheme. Further discussions would allow us to get information on plant costs both capital and operating.

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Boliden is the most knowledgeable group known on the purification of  $\text{As}_2\text{O}_3$  from mixed gas streams and has several patents on  $\text{As}_2\text{O}_3$  purification. They work under very strict environmental constraints, which currently are reducing their capacity in Sweden, and are prepared to live with any system so far legislated.

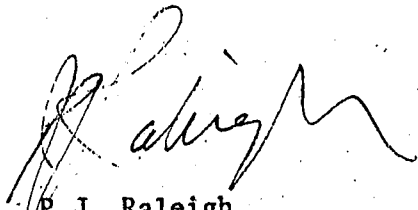
It is recommended that we make a sample available to them for test at their expense. Any further association with them will be determined by results of their tests, our tests at Thornhill and our arrangements with Koppers on arsenic sales.

Can you make a sample of say 25<sup>#</sup> of dust from an old storage area available to Ron Hatch at the FNM laboratory for use by Boliden in the first test with a reserve for additional tests by them or other interested parties.

Boliden indicates that 99% +  $\text{As}_2\text{O}_3$  will average 30¢/# in drums on the U.S. east coast, duty free in 1979 and that the price will follow inflation rather than fluctuate significantly. The price should allow Giant to make some money on the flue dust now in storage if the gold values are in the range of 1/2 ounce.

Yours very truly,

FALCONBRIDGE NICKEL MINES LIMITED



P.J. Raleigh  
Chief Engineer

PJR/ft

cc: T.J. Desanti, D.J. Emery