



• TELEPHONE (403) 291-5144 • 1715 - 27th AVENUE N.E. • BAY 11 • CALGARY, ALBERTA T2E 7E1 •

HYPower SYSTEMS INC.

January 24, 1989

Giant Yellowknife Mines Ltd.
P.O. Bag 3000
Yellowknife, N.W.T.
X1A 2M2

Attention: Mr. Kent Morten

Dear Sir:

On behalf of HyPower Systems, Pall Corporation and Pall (Canada) Limited, we take this opportunity to thank your Mr. Ken Blower, Mr. Nicholas Figges of Fenco Engineers and yourself for visiting Pall Corporation's Scientific & Laboratory Services in Glencove, New York on January 20, 1989. Based on discussions during the meeting, we envision this project unfolding as follows:

- 1) Pall (Canada) Limited will arrange an immediate visit to a site using a full scale blowback system for a number of years.
- 2) Ross Guilders of the New Brunswick Productivity Research Council, at your request, will contact Torr Lindstrom of Pall Corporation SLS to provide details on your current blowback system (design drawings, etc) to allow Pall's Engineering and Scientific & Laboratory Services to evaluate system changes required to adequately test venturi blowback with Pall grade S200 sintered metal. (Torr Lindstrom will visit your pilot plant if necessary.) Giant Yellowknife would then purchase filter elements and the necessary equipment to modify the system and run the tests. This equipment would be manufactured ASAP by Pall Corporation.
- 3) Giant Yellowknife will provide carrier gas viscosity at operating temperature ASAP to assist Pall Corporation with design and scale up.

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AGREE TO THIS

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• LOCATIONS ACROSS WESTERN CANADA •

• COMPLETE FLUID POWER HOUSE • COMPLETE SYSTEMS ENGINEERING •

- 2 -



- 4) Torr Lindstrom will visit the New Brunswick Productivity Research Council to assist with the start-up of the testing. The testing will include a test for the presence of downstream particulate phase antimony oxide with a Pall Corporation electronics grade Ultrametal Gaskleen element sampling in the isokinetic mode.
- 5) Upon successful completion of the tests, representatives of Giant Yellowknife and your selected consulting firm would be invited to a final design meeting with Pall Corporation in Courtland, New York. A tour of the in-house manufacturing facility would be part of this visit.
- 6) A final proposal will be issued by Pall (Canada) Limited for your evaluation, and we trust placement of an order for the equipment.

Since your time line as indicated by Mr. Blower, is very tight (ie: ordering in April with start-up a year from now), we ask you to appreciate that things must move forward as expeditiously as possible. We at HyPower, Pall Canada and Pall Corporation will endeavor to meet these time line requirements.

Once again, we thank you for the opportunity provided and look forward to working with you.

Yours truly,

HYPOWER SYSTEMS

A handwritten signature in cursive script that reads 'Barry M. Leod'.

Barry McLeod
Manager,
Process/Ultrafine
Filtration

BM/jt

c.c. Ken Blower - Giant Yellowknife Mines
Paul Johnson - Pall Corp (SLS)
Torr Lindstrom - Pall Corp (SLS)
Ben Willenstye - Pall Process Filtration Corp.
Brian Donovan - Pall Process Filtration Corp.
Norm Cathcart - Pall (Canada) Ltd.
Butch Fernyhough - Pall (Canada) Ltd.
Jeff Seibert - Pall Process Filtration Corp.
Kurt Shuttengberg - Pall Process Filtration Corp
Rene Shanks - Pall (Canada) Ltd.
Archie Balon - Dynavest Corp.