

GIANT

Yellowknife Mines Limited

MEMO TO: Michael P. Gross

CC: Gary Halverson

FROM: Michael A. Werner

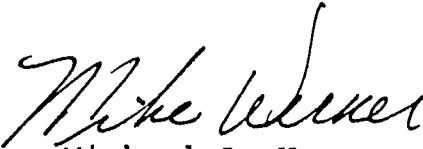
DATE: July 25, 1991

SUBJECT: SULPHUR DIOXIDE EMISSIONS

Please be advised that on July 19th, I received a call from George Patterson, an assistant to Pierre Alvarez in the Department of Energy, Mines and Petroleum Resources. During that conversation, Mr. Patterson identified that although it was not mentioned during our luncheon of July 10th, it is a concern of Environment Canada, i.e. Jim Bourque's group that we indeed have an air quality problem at Giant. Although at the present time it has not be substantiated, they believe that we have an emission problem at Giant in regard to sulphur dioxide which exceeds Canadian standards, and they base this preliminary determination upon the dead area around the Giant minesite, Forestry Canada's evaluation on the dying trees around Giant, and the smell of sulphur in the air in the Yellowknife area. Mr. Patterson also went on to say that it is their natural instinct that we have a problem in regards to airborne emissions. During this conversation, Mr. Patterson also requested information on Giant economics, i.e. the longevity of the mine, in his words, to determine what leverage could be used in supplying power from the Pine Point area. He also identified that there were some concerns in regard to arsenic storage and was unwilling to elaborate any more on that subject. As you are aware, Gary Halverson is presently on vacation, however, as soon as he returns, we will begin to defend ourselves in regard to Canadian standards in light of our sulphur dioxide emissions and will review the Forestry Canada report which has previously been published. In addition, on July 18th, I had the opportunity to view several of the arsenic stopes with Noel O'Sullivan and Terry Byberg and during that tour we found one of the arsenic storage stopes which is very near the surface to be absolutely dry and the access drift to that area to be covered with ice. It is my present intent to have pictures taken of both the stope and the access way leading to that area for some kind of indication that the permafrost in the Giant area is in reality an existing condition.

Michael P. Gross
July 26, 1991
Page 2

I will do my best to keep you informed of this situation and our peractive plan of attack in preparing ourselves to combat the allegations that may arise from the feeling of the EPA in regards to our emissions.


Michael A. Werner
General Manager