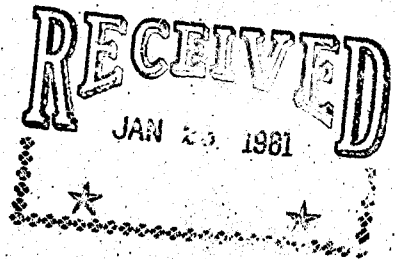




Mr. W.A. Moore  
General Manager  
Giant Yellowknife Mines Ltd.

January 20, 1981



Dear Bill:

Re: Con Arsenic Residue

As the deadline as stipulated in our water licence draws nearer we are concerned with the lack of progress in formulating a firm plan for the elimination of the Con Arsenic residue. To this end Cominco is looking into the feasibility of constructing a hot water leach plant at Con. No firm commitment has been made to date to go ahead with this project but some pilot work has been done in Trail and an engineering cost estimate for the plant has been prepared.

Because Giant and Con have a mutual interest in the Con Arsenic residue and have co-operated over the past two years in trying to come up with an economically viable solution for treating both Con Arsenic and Giant Arsenic I want to keep you informed of our plans. I would also appreciate hearing of any progress in the construction of a treatment facility at Giant. As you can appreciate the deadline of June 1, 1981, is just around the corner and Con must move quickly to come up with an environmentally acceptable solution to our Arsenic pond problem.

Yours truly,

J.R. Greenhalgh  
Manager  
Con Operations

JRG/jd

cc: H.M.G.  
L.P.S.  
File

JAN 2 1981