



CSI

P.O. Box 640 • Harrisburg, North Carolina 28075 • (704) 455-5181

February 6, 1989

Giant Yellowknife Mines Ltd.,
Suite 1601,
95, Wellington Street West,
Toronto, Ontario,
M5J 2N7
Canada.

Dear Sirs:

CSI hereby indicates its interest in the Refined Arsenic Trioxide which Giant Yellowknife is considering producing, commencing in 1990.

The sample, examined by CSI, was found to be of good quality.

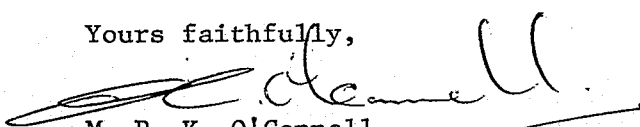
The 5,000 ton p.a. production, which Giant projects, could all be taken by CSI, if a significant economic advantage was available.

The deciding factor, for CSI, would be the economics, offered by Giant Yellowknife. Giant needs to bear in mind that the CCA industry by no means exclusively uses high grade 99% + As_2O_3 . Acceptable grades varying from 95% to 98% are utilised and this would have to be recognised.

A North American source would be of interest, as would offering the facility to take back Arsenic bearing sludges and re-process them.

CSI would certainly like to discuss, in more detail, this potential production, as matters develop.

Yours faithfully,


M. P. K. O'Connell
Commercial Director

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