

**CSS Management Corporation**

June 28, 1989

Mr. G. Halverson  
Giant Yellowknife Mines Ltd.  
Yellowknife, Northwest Territories

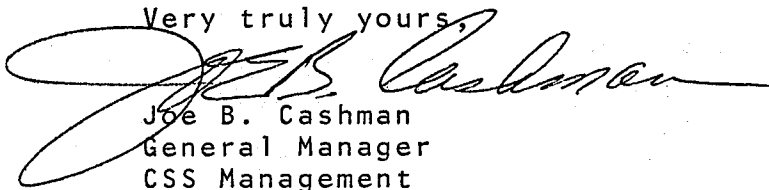
Dear Sir:

Our firm, CSS Management Corp. will be pilot testing 125 tons of arsenic sulfide concentrate from July 24 through September 15, 1989. This concentrate is very similar to yours with about 20% arsenic and 3.0 ounces per ton of gold. The pilot plant is about 50 miles east of Seattle, Washington.

Our process is the "Cashman" process, a calcium leaching process, putting the gold into solution without using any cyanide. The residue contains the arsenic that passes the EPA tox test for disposal. This process can also be used on most flue dusts. Your letter of March 2, 1987 stated that you had 200,000 tons of flue dust. If this material is still available, we would be happy to run a scoping test at no cost to you.

If you are interested in a scoping test and would like to come visit our pilot plant when we are running the arsenic sulfide concentrates, please let me know ahead of time, so we can schedule it. We will require you to sign a non-disclosure agreement before we could allow you to visit the pilot plant, however, we will send you a copy for your review if you should decide to come.

Very truly yours,



Joe B. Cashman  
General Manager  
CSS Management

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