



Yellowknife Division

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December 29, 1987

Your File CNSA 20949

Canadian National,
Industrial Development,
Floor 24, 10004 - 104 Avenue,
Edmonton, Alberta T5J 0K2

Attention: R. H. Plante
Industrial Development Officer

Dear Mr. Plante:

Re: Product Transfer Site, Enterprise, N.W.T.

In 1986, Giant Yellowknife Mines examined the possibility of acquiring property near Enterprise for the purpose of erecting and operating an arsenic trioxide transfer facility. At that time, Keen Industries held leases to a 31 acre site and a rail siding about a mile south of Enterprise. It was this property that Giant was interested in at the time.

It is our understanding that Keen Industries (now Delta North Transportation Ltd.) no longer has an interest in the property and that CN would be willing to lease the siding to Giant Yellowknife Mines for the purpose stated above.

If this is so, please advise us of your terms for a Siding Agreement. Depending upon market conditions, we expect to ship 2 to 4 carloads of product each week for a period exceeding 10 years.


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We are just now pilot testing our production process and if the test is successful, we expect to be ready to ship product by February 1989. The decision as to whether or not to proceed to full scale production will probably be made by April 1988. At that time Giant Yellowknife Mines will be prepared to enter into detailed discussions regarding a Siding Agreement with CN.

Yours truly,

GIANT YELLOWKNIFE MINES LIMITED



K. Morton,
Technical Project
Supervisor.

KM:kid

cc: K. Blower
J. S. McAlpine
S. E. El-Alfy