

Giant
YELLOWKNIFE MINES LIMITED

MEMO TO: S. E. El-Alfy
CC: J. S. McAlpine; K. Blower
FROM: K. Morton
DATE: February 9, 1988
SUBJECT: ARSENIC RECLAIM PROJECT MONTHLY REPORT - JANUARY 1988

Pilot Plant

Fabrication of specialized equipment for the pilot plant continued and suppliers believe that the target start up date of February 15th can be achieved. Major items are the hot baghouse, the propane burner for the fuming reactor and the crystallizing condenser. Information re safe handling of arsenic trioxide, personal protective equipment, dust control, etc., was sent to R.P.C. to help ensure that pilot testing proceeds safely.

A 10 ton shipment of current production baghouse dust was sent out January 26th and should arrive at R.P.C.'s plant in good time for plant startup.

Process Plant

In anticipation of a successful pilot test, some preliminary work on a full scale plant continued. The work focused on bulk handling systems, slurry dewatering and high temperature gas filtration.

Bulk handling is a major consideration in all three components of the plant; underground recovery, surface plant and transfer facility. A variety of alternatives are available in each case and a careful assessment is justified.

Slurry dewatering can be achieved in a number of ways depending on the material and the tonnage handled. It is probable that centrifuging will work quite well on baghouse dust slurry and testwork has been arranged with a major manufacturer, Bird Machine.

Efficient high temperature gas filtration is essential to the production of high grade As_2O_3 and a clean gold bearing residue. To date alternatives available seem to be a sintered metal non woven fabric that has been used in Europe since 1980, a woven organic fabric recently introduced by 3M and an expanded bed gravel filter made by Ducon since 1969.

Arsenic Shipping

Discussions with CN and with TriMac regarding costs of bulk shipping to Atlanta indicate that about \$1,500,000 can be saved for each 7,000 tons of As_2O_3 shipped by truck/rail combination as opposed to truck shipments.

Accordingly negotiations with CN, with G.N.W.T., with Enterprise Settlement Council, and with Delta North representative Greenway Realty of Hay River, have begun. The object of the discussions is a 31 acre lot 1.6 miles south of Enterprise presently under lease to Delta North. The lot has a spur line and a 40 x 100' building on it. CN intends to remove the spur this spring unless a lease can be arranged. G.N.W.T. requires that the Enterprise Settlement Council approve of Giant's use of the lot.

Application was made to Department of Renewable Resources, G.N.W.T., to have some unreasonable items deleted from the list of special arsenic shipping requirements for arsenic shipments within N.W.T. - no reply has yet been received.

Application was made to CANUTEC to have As_2O_3 shipments included in their emergency response service. The application was approved.

Engineering

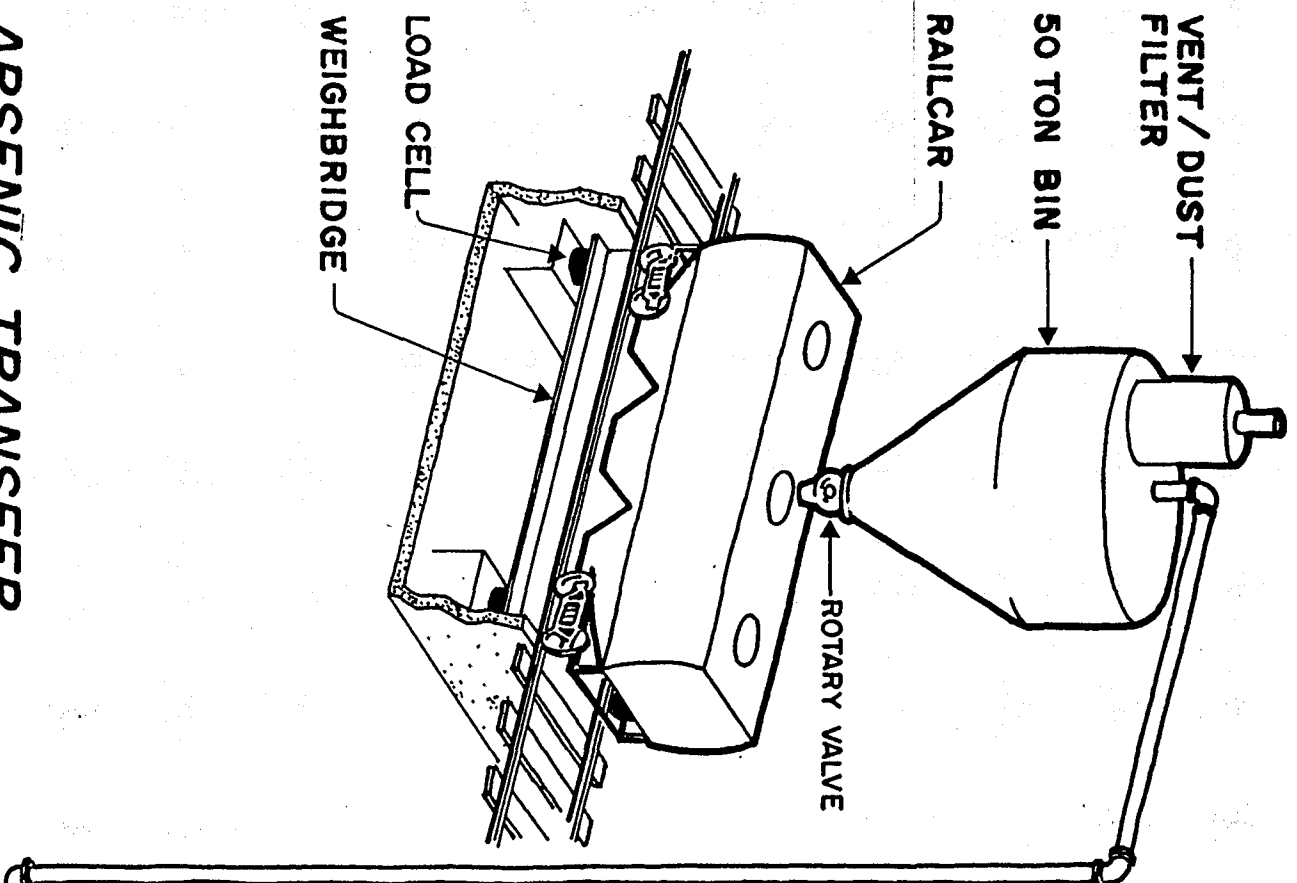
Three engineering firms were contacted by letter to determine if they would like to be considered for detailed engineering and construction management of the reclaim plant. Two firms, Proton Systems of Vancouver and Fenco of Toronto responded in the affirmative. Kilborn of Vancouver did not respond. John Loretto was consulted as to the wording of the letter to the engineering firms.

In addition, a number of other consulting engineering firms were contacted in an effort to locate an expert in the fuming of arsenic trioxide to assist in plant design and construction. So far the search has been unsuccessful.

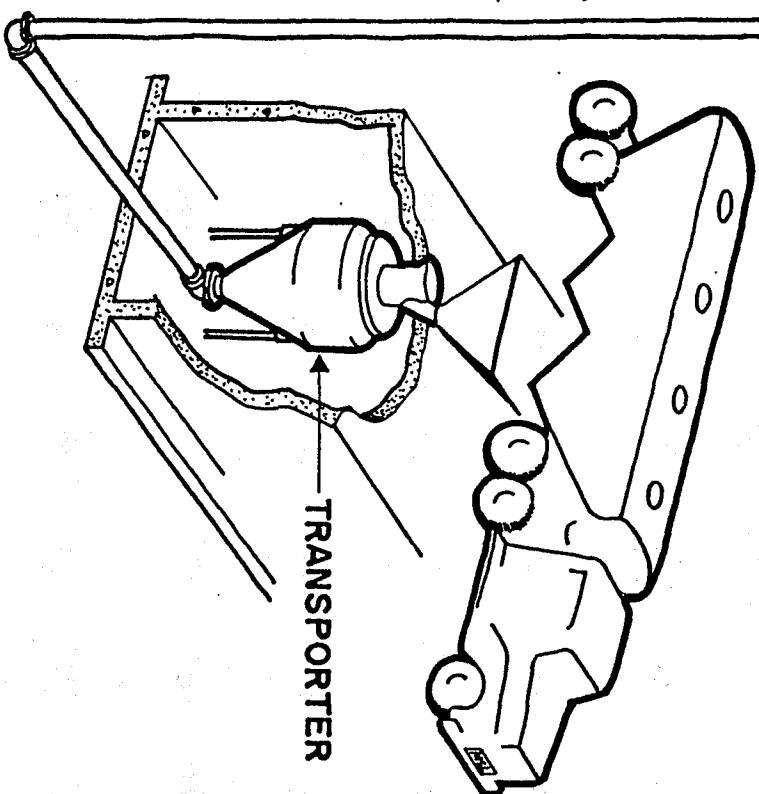


Kent Morton

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NOTE: UNITS OFFSET FOR CLARITY.
 TRUCK and RAILCAR WILL
 NORMALLY BE SIDE BY SIDE.



ARSENIC TRANSFER
 FACILITY - ENTERPRISE, N.W.T.