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Yellowknife Division

December 29, 1987

Lands Division,
Municipal & Community Affairs,
Government of the N.W.T.,
P.O. Box 1320,
Yellowknife, NWT X1A 2L9

Attention: Richard Ashton
Director of Lands

Dear Mr. Ashton:

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 Giant Yellowknife Mines may be able to lease the property from the G.N.W.T. for the purpose stated above.

If this is so, please advise us of your terms for such a lease. We would expect to enter into a separate agreement with CN for the existing siding.


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Mr. Richard Ashton
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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 lease agreement with the G.N.W.T.

Yours truly,

GIANT YELLOWKNIFE MINES LIMITED



K. Morton,
Technical Project
Supervisor.

KM:kid

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