



Postal Bag 1000, Faro, Yukon Y0B 1K0
Phone (403) 668-4866 or (604) 521-2461
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003560

May 3, 1996

Fritz Prugger
c/Juliana 19, apt. 302
28 280, El Escorial
SPAIN
Fax: 011-34-1-890-6519

Dear Fritz:

RE: REPLY TO YOUR FAX OF MAY 1, 1996.

Hope your trip home went well. As per usual, things here are hectic, what with Don on vacation since yesterday and month end reporting.

GRUM/DY ORE:

Grum ore mining from the pit will cease in December, 2000.

The initial Dy ore will be processed in the first quarter of 2001 - and we will process ~530,000 tonnes of Dy ore during the rest of 2001 and >1,000,000 tonnes of Dy ore 2002.

The last Grum ore from stockpiles will be mined in February, 2002.

I have been thinking about the Dy and will send you the plans that Joe is having done in Whitehorse, as soon as we receive them.

Interestingly, I have our open pit Geotechnical consultant, Al Stewart, from Piteau and Associates up here today and he says that Nick Rose works for him and that Nick (of Fox Consultants Report on Dy mine plan fame) would be available to come up here in June when you come back - I feel that this may be beneficial to us, as Nick has been underground at Faro and is familiar with the rocks and their behaviour underground. Let me know your views.



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Also, I have talked to Kurt about the exploration position he talked about in Whitehorse to Terry, Don and Gregg when you were with them. Official later this month.

We had more snow up here and the roads are bad, at present. so no road is open to Dy yet, but soon.

I'll fax or call you when any news is available on the project.

Take care, and look forward to seeing you in June. Sandra says hi.

Yours truly,

Richard E. Arndt, P. Eng.
Chief Engineer

RA:wy

P.S. Adam says thanks for the candy and looks forward to your next trip.

*** TRANSMISSION REPORT ***

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