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HEAD OFFICE: **TEXADA LIME LTD.** 309-198 WEST HASTINGS ST., VANCOUVER 3, B.C., PHONE 681-7493
PLANT LOCATION: 20303-102ND AVENUE • R.R. 4 • LANGLEY, B.C. • PHONE 534-8122

April 2, 1973

Hon. David Barrett, Premier
The Province of British Columbia
c/o Parliament Buildings
Victoria, B. C.

Dear Sir:

Texada Lime Ltd. is a B. C. corporation that operates the only metallurgical grade quicklime plant in British Columbia. It was started by a group of Vancouver-based Engineers and has now been in production slightly over one year.

The Company has the following assets:

1. A plant located in Langley, B. C.-- Value \$2.6 million.
2. A 350 ton distribution silo at Ashcroft, B. C. -- Value \$70,000
3. A 350 ton distribution silo at Prince George, B. C. -- Value \$70,000.
4. Large undeveloped reserves of metallurgical grade limestone on Texada Island, B. C.

The Company is operating at a profit and will, in this year, manufacture and sell approximately 48,000 tons of quicklime and deliver it to the following major customers, as well as other minor ones.

- a. Mining Companies - Island Copper, Similkameen, Anvil Mines, Lornex, Bethlehem, Bell Copper and Granisle.
- b. Pulp and Paper Companies - Canadian Forest Products, B. C. Forest Products, Crown Zellerbach, Colcel (Watson Island only), Eurocan, Northwood, McKenzie and Tahsis.

April 2, 1973

When the Company was in its formative stages we found it impossible, in spite of exhaustive efforts, to finance it completely in Canada. It was finally financed through the participation of MCQ Industries, Inc., of Columbus, Ohio and the Royal Bank of Canada; the equity distribution was 51% to MCQ Industries with the balance held in British Columbia.

Since getting into production and capturing the described market, we have received unsolicited requests for discussions that may lead to further major company participation through equity purchase. The companies that have approached us to date are Canadian Industries Limited, Canada Cement - Lafarge, Cemp Investments, Neil B. Cook Corporation, and a Calgary group representing European money.

Further development of Texada Lime Ltd. should include:

- i) Development of its own limestone reserves on Texada Island. (We are presently purchasing our raw material - limestone - from Domtar at Blubber Bay, B. C.)
- ii) Establishment of a quarrying and kilning operation in the interior, probably around Clinton.

As a result of the foregoing, the Board of Directors decided that we should pursue discussions that may lead to further development of the Company. The sales competition is mainly from Steel Brothers (Canada) Ltd. in Alberta (Head Office - England), and Domtar Chemicals based in Tacoma, Washington.

We believe that this situation is one that the British Columbia Government should participate in, for the following reasons:

1. This is a resource-based (limestone) industry and we are in general agreement with your policy that control of resources should reside in B. C. insofar as possible.
2. We now have an opportunity to repatriate the control of this Company.
3. Government participation should ensure that control of this secondary industry (lime manufacturing) will remain in B. C. indefinitely.

April 2, 1973

4. There are extensive reserves of limestone being quarried on Texada Island, all of which are under non-Canadian control, as follows:

Domtar Chemicals	-	U. S. control
Ideal Cement	-	U. S. control
Imperial Limestone	-	U. S. control
Canada Cement - Lafarge	=	French control

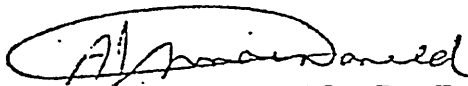
This would be the first Canadian controlled operation.

5. The growth of lime use is very strong. It is an essential commodity in almost all metallurgical processing of copper ores, in the sulphate process for making pulp and has a strong future in pollution control in neutralization of acid wastes and in secondary and tertiary treatment of sewage.
6. This would be the only resource-based industry in British Columbia that the writer has knowledge of that would operate on a province-wide base and would be in permanent local control.

We would be pleased to discuss this in full detail with you or your representatives at your convenience. May we please have your initial reaction as early as possible.

Yours very truly,

TEXADA LIME LTD.


A. J. MacDonald, P. Eng.

AJM/ws

cc: Hon. Leo T. Nimsick, Minister ✓
Dept. of Mines & Petroleum Resources
c/o Parliament Buildings
Victoria, B. C.