

MEMORANDUM

008750

TO Hart Horn.....

FROM THE

MINERAL REVENUE DIVISION.....

DEPARTMENT OF MINES
AND PETROLEUM RESOURCES

VICTORIA, B.C., April 28, 1975

WHEN REPLYING PLEASE REFER
TO FILE NO.....

Re: Talc

Talc is a hydrous magnesium silicate ($H_2 Mg_3 (SiO_3)_4$) which is used in ceramics, paints, roofing, paper products, rubber and sundry products. Fairly abundant world production, but only currently produced from Ontario and Quebec in Canada although British Columbia has several deposits. About 33,000 tons of talc was imported into Canada during 1973, and perhaps some of this could be displaced by British Columbia production. Talc is protected by tariff under item No. 71100-3 which ranges from 10% to 25%. Ground bagged carlots of talc in Canada (December 73) ranged from \$20 - 35 per ton, and indeed the price could range up to \$100 per ton for some grades, but this would undoubtedly require expensive refining equipment.

Pacific Talc Ltd. owns ten claims at latitude $50^{\circ}00.1'$ and longitude $121^{\circ}34.6'$ on south bank of Nahatlatch River. Evaluation of the property indicates the presence of reserves, and some estimates indicate a grade of from 30 - 50% and as much as 20 million tons. Mr. McCammon, however, is somewhat skeptical about the reserve situation.

We do not have sufficient information to yield any reliable results, but it could be presumed that the company may be able to market 25,000 tons of medium grade talc per annum. On the basis of this presumption, and assuming mining and milling costs of \$11.00 per ton with a basic 5% royalty, the results might be as follows:

Gross Revenue	25,000 tons @ \$25.00 =	\$ 625,000.00
Mining & Milling	25,000 tons @ \$11.00 =	<u>275,000.00</u>
Gross Margin		\$ 350,000.00
Transportation	25,000 tons @ \$ 3.00 =	75,000.00
Administration	25,000 tons @ \$ 3.00 =	<u>75,000.00</u>
Net Profit Before Taxes		\$ 200,000.00

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PROPERTY FILE

92 #NW0047 (13E)

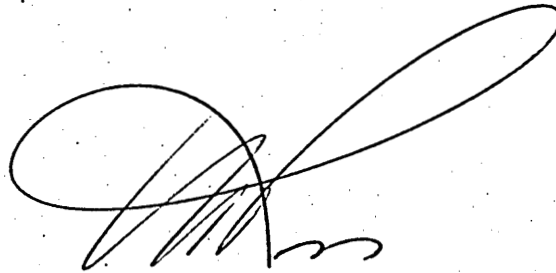
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Royalty - 5% of \$550,000.00	=	\$ 27,500.00	}	
Federal Tax @ 25% of \$200,000.00	=	50,000.00		
Mining Tax @ 12 3/4% of \$172,500.00	=	22,000.00		<u>\$ 122,000.00</u>
Provincial Income Tax @ 13% of \$172,500.00	=	<u>22,500.00</u>		<u>\$ 78,000.00 (Net Profit)</u>

You will appreciate that the figures presented are highly speculative, but it would appear that there is a reasonable chance of a modest profit.

Attached hereto are copies of information supplied in connection with talc operations.



W. W. Ross, Assistant Director
MINERAL REVENUE DIVISION

WWR/ad
Encl: Information on
Talc