

YGS → Ashcroft

880437

Machine & Fibers Ltd.

September 18, 1998

Minister of Energy and Mines
P.O. Box 9046
Stn. Gov't Rm 151
Parliament Buildings
Victoria, BC
V8W 9E2

MINERAL TITLES BRANCH
Rec'd.
SEP 23 1998
L.I.# 980736
File
VANCOUVER, B.C.

Via Fax. (250) 356-2965

Attention: Hon Dan Miller, Minister of Energy & Mines

Re Quarry Development – Ashcroft
Asphalt roofing product granules

Dear Minister

IG Machine & Fibers Ltd. has a contract to supply roofing granules to IKO Industries Ltd. plants in Sumas WA, and Calgary. IKO Industries Ltd. has approximately 60 % of the Canadian market for asphalt roofing products and accounts for 70 % of the exports out of Canada.

We are in a position to start development of a quarry east of the town of Ashcroft, but have a problem with the threshold values of 25,000 mt for our product. It is our understanding that the Environmental Assessment Act renewable project regulation is about to be changed regarding the threshold levels - however until that happens I have been advised by our owners not to proceed with development of the site.

Until the threshold regulation is changed the work we have put on hold is

- quarry development and drilling \$ 100,000
- purchase of equipment and building of plant \$ 20,000,000
- job creation in the area of 60 – 70 full time positions
- the above jobs do not include the positions that will be created during construction

We recognize that it is more convenient address the threshold values with other changes to the EAA but this could take some time. We are in a position to move

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now on the quarry development and would welcome a chance to meet with you to explain our problem.

During the past 3 years we have worked with your departments who have a detailed knowledge of our site and development plans.

Further information can be obtained from

Rick Conte, Assistant Director of Operations
(604) 660-2672

Eric Beresford, District Manager, Kamloops
(250) 828-4566

Should you have any further questions please do not hesitate to contact me.

Yours truly,



Lorne Warner

Cc: Rick Conte, Mineral Titles -Vancouver	Fax # (604) 660-2653
Cc: Eric Beresford, - Kamloops	Fax # (250) 828-4726
Cc: Albert Amyotte, IKO Industries Ltd.	Fax # (403) 266-2644
Cc: Andrew Kormendy, Mayor Village of Ashcroft	Fax # (250) 453-9664