

→ Aggregate
→ Eagle
Rock

From: Jacobs, Jake PAB:EX
Sent: Wednesday, February 15, 2006 1:05 PM
Subject: Add to MEMPR Media Watch - Feb.15 - Quarries

California chasing true grit in B.C. - Business in Vancouver - February 14-20, 2006; issue 851

Golden State sand and gravel shortage proving to be a construction supplies bonanza for local companies

By Krisendra Bisetty

A looming sand and gravel shortage in California has spawned a potentially lucrative new market opportunity for B.C. companies.

The state's dearth of construction aggregates coupled with its plans to embark on highway, government building and other multibillion-dollar public works projects has drawn Vancouver-based Polaris Minerals Corp. (TSX:PLS) into the U.S. market.

Buoyed by proceeds of almost \$80 million from a recent initial public offering, Polaris expects to begin work on its Vancouver Island quarry next week. Construction on a \$23 million discharge terminal in San Francisco is scheduled to begin in the spring and is expected to receive its first sand and gravel shipment in early 2007.

Polaris has signed a 10-year contract with CSL International, a division of CSL (Canada Steamship Lines) Group Inc. - owned until 2003 by former Prime Minister Paul Martin - to transport the aggregates in self-discharging vessels.

Richmond's Seabulk Systems Inc. has won the contract to build a ship-loading facility at Polaris's quarry site.

Another B.C. company, Sechelt's Construction Aggregates Ltd., has ramped up production to meet the increased demand in California. Construction Aggregates is part of Lehigh Northwest Materials Ltd., a division of German cement giant Heidelberg Cement.

Some sand and gravel producers in California have shut down because they either can't get new permits or the materials have been exhausted, said Polaris senior vice-president and CEO Herbert Wilson.

"There's just nothing more left in the ground where there are."

Another potential new player for the U.S. market is Pan Pacific Aggregates Ltd., a subsidiary of U.K.-registered Pan Pacific Aggregates plc., said Paul Allard, executive director of the 45-member Aggregate Producers Association of B.C.

Allard described California's aggregates need as "tremendous."

"The regulatory burdens placed upon aggregate producers in that state have forced them further and

further away from the economic centres of the major cities and consequently they're having to come to Canada to acquire their aggregate reserves," he said.

Imports from Canada have increased over the past few years and California will increasingly look north for its sand, said Charles Rae, interim executive director of the Construction Materials Association of California.

Wilson said six million tonnes of local sand and gravel production in the San Francisco Bay area alone was shut down between 2001 and 2005.

Polaris has secured one major sales contract in San Francisco.

U.K.-born Wilson, former president of Texas-based aggregates producer, Lime and Minerals Inc., declined to name the customer, citing a confidentiality agreement.

He said the contract was the basis for Polaris's foray into California and represents about half of Polaris's expected first-year production and about 25 per cent of its full capacity production.

Its proposed Eagle Rock open pit, which is 15 kilometres south of Port Alberni, has a permitted volume of up to six million tonnes per year, the same as the Orca Sand and Gravel project it's developing near Port McNeill. The area is part of an existing tree farm licence and Polaris has leased 350 hectares of the land from Western Forest Products.

Wilson said the aggregates will be used in ready-mix concrete for everything from houses to highways in the U.S.

He added that while the company will initially focus on the California market, it could become a supplier to B.C.'s hot construction market.

The province consumes around 50 million tonnes of aggregates a year; the U.S. uses approximately one billion tonnes annually.

Commenting on the IPO, Wilson said Polaris needed \$65 million to close it but received \$79.8 million, allowing the company to reduce its debt commitment by US\$16 million. That debt now sits at US\$31 million.

Wilson pointed out that the five years Polaris spent navigating permitting processes and building relationships with First Nations and other stakeholders would have been extremely difficult for any company to do without investors.

"We consistently say in our industry that there will not be any more Mom and Pop companies ... because the funding you need upfront - and it's all pure risk capital - is very substantial. Our shareholders contributed \$20 million prior to the IPO just to get through the permitting and studies and planning stages of the game."

Polaris's chairman is Roman Shklanka, who held the same position with Canico Resources Corp.; its president is Marco Romero, a former senior vice-president of Ivanhoe Mines Ltd.

Schroeter, Tom EM:EX

VOS → Reg. 1.
- Nanaimo

From: Hall, Ted EM:EX
Sent: Monday, November 04, 2002 9:49 AM
To: Anderson, Duane; Bergen, Wally; Beswick, Ed; Booth, Richard; Carr, Chris; Carriere, Greg; Cheetham, Pat; Conte, Rick; Curtis, Ross; Errington, John; Forster, Patti; German, Gerald; Guthrie, Shelley; Hermann, Fred; Hoffman, Al; Houle, Jacques; Jakobsen, Dorthe SRM:EX; Jansen, Penny; Jorgensen, Sharon; Koncohrada, Karen; Lefebure, Dave; Lewis, Jim; Logan, Claudia; McArthur, Gib; McKillop, Greg; McLaren, Graeme SRM:EX; Munzer, Rosa; O'Rourke, Patrick; Phelan, Bill; Randall, Alf; Reid, Bruce; Rennie, Loma; Schmitt, Rolf SRM:EX; Schroeter, Tom; Sedun, Thom; Smyth, Ron; Stewart, Linda; Taje, Eddy; Thomas, Hayley EM:EX; Whale, Andrew; White, Don; Wishlow, Wayne
Subject: Southwest Region Update - November 4, 2002

ISSUES:

- No new issues to report

FYI:

- Eagle Rock Materials Ltd. (formerly Polaris Minerals Corp.) have advised that their Project Application for the proposed Alberni Aggregates Project is ready for submission to the Environmental Assessment Office. The actual submission date is being delayed, however, pending legislative changes to the Environmental Assessment Act, expected during the current legislative session.
- The Vancouver Island Exploration Group (VIX) held a successful inaugural meeting in Nanaimo on October 30th, attracting over 30 keen participants with diverse backgrounds, ranging from presidents of junior companies to prospectors and consultants. Congratulations to Jacques Houle for his tireless efforts to make the VIX a reality. Already four more meetings have been scheduled between now and April 2003, with a wide variety of presentations planned.

Alberni Aggregates

UPCOMING EVENTS:

- Lower Mainland RMDRC meeting scheduled with Barrick Gold Corp. on November 14th at MDO regarding closure issues at Giant Nickel Mine.
- The Aggregate Producers' Association of BC is hosting their annual Awards Luncheon at the Sheraton Guildford Hotel in Surrey on November 20th, to recognize outstanding achievements in safety, reclamation and community relations by member companies.
- An open house and public meeting is scheduled at Metchosin Community Hall from 5:30 to 9:30 p.m. on November 26th, regarding the proposed Totangi Forestry Ltd./Sooke Road Quarry.
- Vancouver Island RMDRC meeting scheduled for December 3rd with BHP Billiton at MDO regarding ongoing reclamation research studies and environmental monitoring at Island Copper Mine.

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From: Hall, Ted EM:EX
Sent: Friday, March 15, 2002 1:49 PM
To: Anderson, Duane; Beckett, Carla EM:EX; Bergen, Wally; Beswick, Ed; Booth, Richard; Carr, Chris; Carriere, Greg; Carter, Tom; Cheetham, Pat; Conte, Rick; Curtis, Ross; Errington, John; Finvers, Maija; Forster, Patti; German, Gerald; Guthrie, Shelley; Hermann, Fred; Hoffman, Al; Houle, Jacques; Jakobsen, Dorthe; Jansen, Penny; Jorgensen, Sharon; Koncohrada, Karen; Lefebure, Dave; Lewis, Jim; Lieutard, Denis; Logan, Claudia; McArthur, Gib; McKillop, Greg; McLaren, Graeme; Munzer, Rosa; Murphy, Maureen EM:EX; O'Rourke, Patrick; Phelan, Bill; Pinsent, Robert; Randall, Alf; Reid, Bruce; Rennie, Lorna; Schmitt, Rolf; Schroeter, Tom; Sedun, Thom; Smyth, Ron; Stewart, Linda; Taje, Eddy; Thomas, Hayley EM:EX; Whale, Andrew; White, Don; Wishlow, Wayne
Subject: Southwest Region Update - March 15, 2002

ISSUES:

- Drilling operations at the Jameson Road Quarry in Nanaimo this week led to numerous complaints from local residents regarding excessive noise. Initially, it was determined that the dust collection cyclone on the hydraulic drill was emanating an intrusive high-pitched whine, but the complaints continued even after adjustments were made to reduce the pitch of the cyclone noise. Noise monitoring data collected by the operator indicate that the quarry is operating within the permitted 55 dBA limit, however Art Parker has undertaken an independent monitoring program to confirm the results of the company's monitoring, and to make possible recommendations for future noise monitoring. It is anticipated that drilling will be completed by Tuesday, to be followed by a large blast which will be monitored by MEM inspectors.
- *Cogburn* Uncertainty regarding First Nations consultation requirements in the aftermath of the Haida decision is creating havoc with regional Notice of Work referral processes and creating costly delays in rendering timely permitting decisions. It appears that many small bands under the umbrella Sto:lo Nation are now coming out of the woodwork and claiming an interest in projects which appear to be outside their traditional territories. Policy direction is needed soon on how far projects like the Cogburn Magnesium exploration program and Bristol Island placer operation can be risk-managed with this new level of uncertainty.
- A Powell River resident is seeking an appeal of the Cranberry gravel pit permit decision under either s.33 or s.11 of the *Mines Act*, and has threatened to make the decision a *Charter of Rights and Freedoms* issue if unsuccessful in getting a hearing from the Chief Inspector or Minister.

FYI:

Myra Falls Boliden Limited has announced that production will resume at the Myra Falls Operations on or about March 23rd. This decision follows agreements reached with employees, unions, suppliers and customers on an extensive operations plan which will see the workforce reduced by 17%, and other concessions made on wages and contracts with suppliers and contractors. This will end the 4-month suspension of operations, and is expected to result in an operating profit for the mine by the 3rd quarter of 2002.

Alberni Aggregate (new) The VIMDRC and Polaris Minerals Corp. hosted a productive orientation field tour and pre-application meeting for the proposed Alberni Aggregate Project on Alberni Inlet near Port Alberni. The project contains a resource of 500 million tonnes of high quality rock, expected to supply California markets with up to 6 million tonnes per year of construction aggregate for about 100 years. This project has the potential to become a world class, low cost producer of aggregate thanks to its excellent location, adjacent deep water and available local infrastructure, and all participants in the tour indicated guarded support for the project.

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