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**INDUSTRIAL
MINERALS**



TGS → Greenwood

place. In addition, the open pit operation of the Palabora mine in South Africa has depleted its source of large grade vermiculite, having to primarily supply the finer grades. Palabora has also suffered recently from political pressures of a new Mining Charter implemented in 2002. In contrast, Namekara currently has a 5.5 million-tonne resource and, at current production output of 40,000 tonnes/year, a mine life of over 100 years. However, as the current deposit extends some 7-8 km, it could exceed some 50 million tonnes.

RESPONSIBLE DEVELOPMENT

In Uganda, vermiculite may alter the economic landscape dramatically. Not only does the Namekara mine employ 100 people, but as the second and third production facilities come on line that number will increase. The economic spin off will assist in developing infrastructure for the country.

Vermiculite will be used within the county's agricultural areas in order to stimulate the latent farming industry. Its use as a soil enhancer is expected to increase crop production by 40%. In addition, IBI will use 10% of the

mine's profits to create a community development fund to benefit the local Ugandans. Already a well and water tower have been installed in the village and the erection of a primary school is being considered as the next key project.

Interestingly, African vermiculite has so far not only benefited Uganda, but also the once cash strapped IBI Corporation. When current CEO Gary Fitchett took over the helm at IBI in 1999 he was faced with several daunting challenges, the company was insolvent, and had been de-listed from the CDNX. Drawing on his wealth of expertise, Mr. Fitchett made radical changes in IBI's operations, and in several months the company achieved financial stability. Once the Ugandan government granted IBI the mining lease in December 2000 there was no looking back and commercial mining of the deposit commenced in 2002. In 2002 IBI/Canmin won the Ugandan governments "Investor of the Year Award." The deposit remains open in all directions and currently extends over some eight km. In addition to its large reserves, Namekara vermiculite is extremely high grade, and entirely asbestos free. Most mined vermiculite has grades ranging between 20 - 30% vermiculite, at Namekara the



Bags of vermiculite are ready to be trucked to customers from the Namekara Mine. Photo courtesy of IBI Corp.

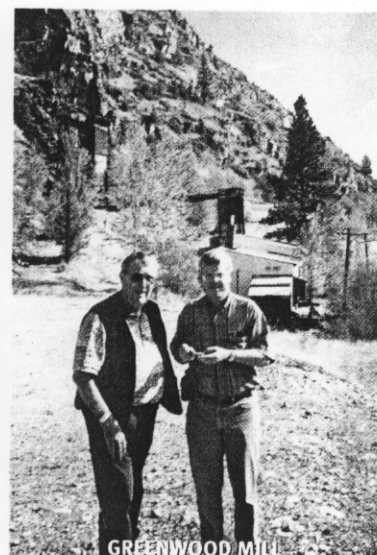
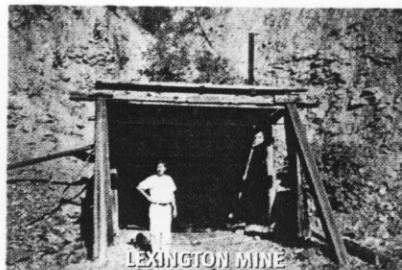
grade is approximately 60%; however, perhaps most important for this fledgling producer is that orders are already exceeding the yearly output.

The future outlook for IBI Corporation is bright as there remains a limited amount of "large grade" material available from existing mines and IBI has come on line with a mine that consists of a high proportion of large grade vermiculite. The company is working to develop new applications for its large grade vermiculite to significantly expand the current global vermiculite market, as well as to fill a void in the market that has been apparent for several years.

**GOLD CITY
INDUSTRIES LTD.**

AN EMERGING GOLD PRODUCER

- Management experienced in mine exploration/development/operations
- Five projects/21,000 hectares in British Columbia
- Greenwood Gold Project
 - ✓ Production scheduled for fall 2003
 - ✓ Located 7 km west of Grand Forks, BC
 - ✓ Comprised of Lexington, Golden Crown & JD claims
 - ✓ Gravity/flotation mill
 - ✓ Plan to expand mill capacity to 200 tpd
 - ✓ \$6 million production financing arranged
 - ✓ Low capital & operating costs projected
- Growth potential through acquisitions & mergers



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