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BS → Industrial Minerals 1996 Texada Is.

LOWER MAINLAND SOCIO-ECONOMIC BASE CASE

Jim Lewis - 1/11/96

Introduction:

- The following profiles highlight some important socio-economic impacts from current mineral sector operations and activities in the Lower Mainland region.

- **Sand and Gravel and Mineral Aggregate in General:**
 - Mineral aggregate is a strategic resource in the Lower Mainland.
 - Urban growth and maintenance cannot take place without aggregate. Usage varies from 10 to 15 tonnes per person per year.
 - Waterborne aggregate largely supplies the demand in the western side of the Lower Mainland. However, inland pits and quarries, within reasonable proximity of city and town centres, are critical to maintain reasonable costs, for infra-structure and urban growth and maintenance further inland. Without these local sources, costs escalate rapidly (and prohibitively) in proportion to increased transport distance to demand delivery points.
 - Land use decisions which plan for the optimum use of mineral aggregates, are critical for reducing the long term costs in supplying aggregate, particularly since urban growth in the Lower Mainland without land-use/resource planning leads to sterilization of these resources. In the longer term, land use where aggregate resources once occurred can be redefined since aggregate operations are not an end-use for land.

- **Canada Lafarge Cement Company:**
 - Currently Lafarge's quarried limestone for its Richmond cement plant comes from Holnam West Materials on Texada Island.
 - Their recent decision to increase capacity by 1 million tonnes per year will lead to expanded quarrying operations on Texada and may result in the development of a third major quarry on the island.

HOLNAM WEST MATERIALS

PETER STYLES

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1/9/96

- **Texada limestone operation.**
- **Produce for Lafarge.**

SOCIAL ECONOMIC CONSIDERATIONS

- **3.5 million tonnes of limestone shipped in 1995.**
- **0.55 million tonnes of coal handled for Qunisam.**
 - **Will increase to 1.2 million tonnes of coal by 1997-98 with planned expansion.**
- **78 hourly employees**
- **12 staff**
 - **90 employees total. Employees increasing along with production.**
- **\$2 million per year of on-going capital expenditure.**
- **This quarry and coal handling operation on Texada alone is a significant and expanding employer and economic enterprise. It is also key to providing source materials to the cement plant in Vancouver which comprises an even larger economic enterprise and employer in the Lower Mainland.**
- **The Island operation has brought in more young people with families in recent years which is visibly rejuvenating a sense of island community and quality of life on Texada.**

ASHGROVE CEMENT

TED THOMPSON

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1/10/96

- **Texada limestone operation.**

SOCIAL ECONOMIC CONSIDERATIONS

- **Approximately 2 million tonnes of limestone shipped (1.99 million tonnes actual and 3.5 million mined) in 1995. This is up 38% from last year. Increase production trend expected to continue.**
- **Sales increased 23% last year. The general trend is up.**
- **Ashgrove product is an important export and provides feedstock to a number of strategic industries:**
 - **850 thousand tonnes (kt) shipped to Seattle cement plant.**
 - **250 kt to Portland chemical plant.**
 - **150 kt to Portland as agricultural lime.**
 - **200 kt to (competition's) chemical lime plant in Tacoma.**
 - **40 kt to the pulp industry in BC.**
 - **500 kt mainly to Lower Mainland as high spec. aggregate (Vancouver Airport and Port development, etc.).**
- **57 total employees (up from 43 people 5 years ago). Employment is increasing and they feel they will maximise out at 65 employees before needing substantial capital additions to current plant.**
- **\$1 to \$3 million per year of on-going capital expenditure.**