Johns-Manville

Internal Correspondence

To: Barbara Diemer - 2-18

Date: January 11, 1980

From: Jim Spangenberg - 3-22

Copies: Jeff Brown - 2-18



Subject: RHODESIAN ASBESTOS LTD.
YOUR LETTER DATED JANUARY 8, 1980

According to our tax records, Rhodesian Asbestos Ltd. was owned by Canadian Johns-Manville Company Limited (CJM).

Information from our CJM tax return schedules first shows Rhodesian Asbestos Ltd. in 1952 as follows:

	CDN DOLLARS
1952	
Advances to Rhodesian Asbestos Ltd. (Company in formative stage)	$ 480,118
1953	
1,927,647 Shares Rhodesian Asbestos Ltd - at cost	3,021,062
1954	
2,221,447 Shares Rhodesian Asbestos Ltd - at cost	3,473,514
1955	
2,221,447 Shares Rhodesian Asbestos Ltd - at cost	3,473,514
1956	
2,221,447 Shares Rhodesian Asbestos Ltd - at cost	3,473,514
Less Provision for Losses	1,651,000
	1,822,514
1957	
2,221,447 Shares Rhodesian Asbestos Ltd - at cost	3,473,514
Less Provision for Losses	1,651,000
	1,822,514

The investment does not appear on the 1958 tax return schedules as the shares were sold sometime in 1958 as evidenced by the following note on the CJM 1958 financial statements:

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> "During 1958 a loss of approximately $2,052,000 was realized on the sale of the investment in the partially owned unconsolidated subsidiary (Rhodesian Asbestos Limited). Of this loss, $1,651,000 was provided for in 1956, and approximately $374,000 has been charged to income in 1958."

The exact amount charged to income in 1958 was $373,157. The total loss of $2,024,157 ($1,651,000 + $373,159) was not permitted as a deduction for Canadian income tax purposes, in any year, since deductions were fully disallowed for capital losses on investment.

JJS/ds

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Johns-Manville

Internal Correspondence

To: D. H. Markusson

Date: Jan. 30, 1980

From: Barbara Dieme[illegible]

Copies: ~~J. L. Brown~~
Route: Litigation Assistants

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Subject: RHODESIAN ASBESTOS MINE

Further investigation into the Rhodesian Asbestos situation indicates the following:

CJM became interested in the deposits in 1951. At that time, Temeraire and Shamala deposits were being developed on a small scale by local operators, but because they showed promise, investigations were begun on these and two other properties at Shashi and Darwendale. All four properties were eventually acquired, and it was decided that full-scale operations should start on the Temeraire and Shamala deposits with a single mill at Temeraire to treat the ore from both properties.

RHODESIAN ASBESTOS LIMITED, registered in Toronto, was formed in December 1951 with authorized capital of 5 million shares, without nominal or par value. The respective interests in the company were as follows:

Canadian Johns-Manville Company Ltd.	51%
The British Metal Corp., Ltd.	15%
Simon I. Patino Interests	11 1/3%
Southern Minerals & Marketing Corp.	11 1/3%
Anglo-Huronian Ltd.	11 1/3%

CJM had controlling interest and provided the technical know-how.

Chairman of the Board	Leslie M. Cassidy
President	Adrian R. Fisher
Managing Director	Karl V. Lindell
General Manager	James R. Ewing

According to Jim Spangenberg, CJM was indeed the owner of Rhodesian Asbestos,and our tax records indicate that these shares were sold sometime in 1958.

I have accumulated several press releases, pictures, etc. which I will keep in our files should you want to inspect them.

bd