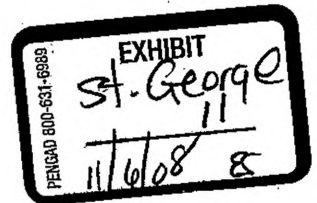


November 2, 1981

F. F. Roesch



Canada Talc Company

Dear Fred:

Yesterday, October 29, Duncan Ogden was in to see us regarding his connection with Canada Talc Company. He wanted me to explain to him why we discontinued the sale of Canada Talc.

I told Duncan the only reason we gave up the sale of Canada Talc is because Canada Talc was unable to give us a guarantee that there was not any asbestos contamination in their product. I told him that we could not sell talc in this country unless we had that type of a guarantee. Duncan told me that his tests, and he gave me some papers to back it up, show that while there is tremolite present, it is not asbestos-type tremolite. He has pretty much the same sort of a pitch that Vanderbilt is using on their talc.

The question really was: Would we be interested in it if he could give us these guarantees? I told him that we definitely would be interested in working out a relationship with Canada Talc if we could get such guarantees.

Duncan also told us that he had his own deposit of Vermont talc, would be interested in selling crude ore to us but not a finished product. He said that he would need 20,000 tons per year to keep this operation going. He further stated that all of the talcs in Vermont and in Canada, with the exception of the Canada Talc ores, would need to be cleaned up in some way or form in order to be saleable.

He then brought up the subject of the Canada Talc's stock and said Peter Barnes wanted to know why we wouldn't sell them our stock in Canada Talc. I told Duncan that we originally decided to keep the talc because we wanted to know what Canada Talc was doing and secondly, we didn't like the tone of their attorney's letter to us demanding that we sell this stock, and that was the only reason.

The next day, October 30, Peter Barnes called me and said that he would like to discuss the possibility of our selling our stock in Canada Talc to them and would I reconsider. I told him that it was not my decision, that we were having a Directors' Meeting on December 8, and I would bring that up at the Directors' Meeting; that I didn't foresee any problems, but I did not have authority to commit us without the approval of our Directors. He asked me if I would call him after our meeting. I agreed to.

He said that was not his real reason for calling me. He was quite excited about working with us and hoped that we could work out the problems and that we would be doing business together. He reviewed my discussion with Duncan Ogden and wanted information on quantities we would need, what kind of a guarantee we would need, and what kind of a price we would need from him. He was talking about selling us crude talc and having us do the grinding because he has limited grinding facilities at Madoc.

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I told him that Duncan Ogden should talk with George Dippold about what kind of a statement we would need from Canada Talc Company and that Duncan could talk with Bill Cooper about possible volume of ore we would need. I also told him we would need a little time to figure out exactly what price we could afford to pay him for Canadian crude. He then asked me if we could stand a 75% talc, 30% dolomite product. I told him that I would rather leave this up to George Dippold and he should get Duncan to discuss this with George.

That is about the substance of the conversation. I think we should have a discussion on this when we are all together.

C. U. Driscoll

CUD/sms
Attachment
cc: R.G. Light
G.J. Dippold