

CENTURY PARAMOUNT HOTEL
NEW YORK

19 November 1983

The President
Mr Warren Whitley
Capco Co Inc
P O Box 3435
1400 - 20th Street South
BIRMINGHAM
ALABAMA
U S A 35255

Dear Mr Whitley

With reference to our telephone discussion on 18 November 1983, from the abovementioned Hotel in New York, I wish to comment as follows :

I have been in the asbestos world for more than 20 years and has discovered the largest blue asbestos deposit in our Country. We intend starting development early 1984 as soon as I can establish a potential market of approximately 15 000 ton per annum.

As you know, Gencor has 99% of all asbestos handled in the Republic of South Africa, That is amosite, chrysotile and crocidolite.

You are aware of the fact that such a monopoly creates an unbearable position and prices have trebled in the past five years. With your and other companies support, I could come into the market with more competitive prices.(and as you said "not putting your eggs in one basket")

As promised I am enclosing a cutting from the Sunday Times published 13 November 1983, the same day I left Johannesburg. I hope you will find it usefull and will also see it as a good breakthrough!

Yours faithfully

B J SMIT

NB Hoping to back in New York between 4 to 5 December 1983 from San Francisco en route to the Republic of Southn Africa.
My home address is as noted on my enclosed card : P O Box 19139, Pretoria West 0117, Republic of South Africa

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ASBESTOS BREAKTHROUGH

By Barry Sergeant

AFTER two years of research, Cemenco, the listed mining-supplies company, claims to have come up with a unique product that will prevent asbestos disease among miners.

A delighted chairman, Ronnie Shaw, told Business Times that two break-through products seal dust and fibres that cause the dreaded asbestosis and killer lung cancer, mesothelioma. They were developed by Cemenco subsidiary Cementation Chemicals.

Says Mr Shaw: "The new products present a solution to a worrying problem."

South African asbestos mines have been criticised internationally for failing to protect workers from the killer diseases, a charge they reject.

The products are designed to prevent fibres and dust from entering the air that miners and asbestos workers breathe. They can be used in any kind of mining environment but are particularly applicable to asbestos.

The brainchild of scientist Desmond Louw of Cementation Chemicals, the two products — Dust-Con and Dust-Mem — have proved conclusively successful.

Dust-Con is a stabilising agent for horizontal application, and Dust-Mem is a copolymer solution that is used on vertical surfaces.

Both form a transparent elastic shell over roads, dumps, mine faces and other surfaces. Both are non-toxic, non-flammable and non-corrosive.

The products were tested by Cemenco, the Chamber of Mines and Gefco at Pomfret mine in the north-western Cape.

Here drought, extreme temperatures and high winds tested them to the limit. The products demonstrably reduced the amount of asbestos in the air in and around the mine and its dumps.

In addition, over six weeks, they saved 500 000 litres of precious water. The products also obviated the need to tar certain roads at great expense.

Tests were also conducted

Disease preventative claimed by Cemenco



RONNIE SHAW
"Worrying problem"

underground in coal mines and on mine surfaces. The experiments were kept secret because of the controversy surrounding asbestos and, says Mr Louw, "to keep the formulation of the products away from our competitors". He says it will take competitors years to catch up.

Only Ron Hart, MD of Gencor subsidiary Gefco, Theo Grace, chief environmental officer of Gefco, and Mr Louw knew of the confidential experiments.

World demand for asbestos has been severely hit by accusations that it is dangerous not only to miners but to handlers and users of asbestos products.

America's biggest asbestos mine, Johns Manville, has filed for bankruptcy under a mountain of medico-legal suits, and the UK's Turner

and Newall is facing serious attack.

Now that protection for miners and people living near mines has been improved, the biggest objection to asbestos appears to have been removed.

Chairman of both Gefco and Msauli Luther Jooste says the health hazard posed by asbestos has been exaggerated.

"Asbestos poses minimal risk when handled correctly," he says. Consumers, he reckons, are not threatened, as asbestos is nearly always insulated by other products such as cement and special polymers.

Gencor has a South African asbestos monopoly — through Gefco and Msauli — and a world monopoly (93%) of crocidolite (blue asbestos).

Because of depressed world demand, Gencor is said to have several months' supply on hand and Msauli retrenched 1 000 workers this year. Informed sources say that it has closed two of its mines because of slack demand.

Until now Gencor mines have used wet mining methods and air filtration to control dust levels.

Asbestos is specially packed before leaving the mines among specially covered dumps on tarred or paved roads. Gencor has spent about R3-million on medical research concerning asbestos.