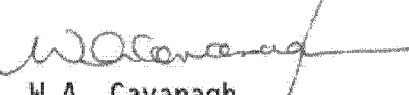


November 8, 1990

E.F. McCarthy
Lab

Talc Deposit/British Columbia

I received a call from Dan Cardinal of Highland Industrial Minerals (604-869-9825) regarding the talc deposit in British Columbia. Apparently Courtney Parmentier has contracted, or is working with this company to develop this holding. Parmentier has indicated that he has a "secret" formula that allows talc to be wet with water and consequently made useful in coatings. He is promoting talc as a replacement for clay. I explained to Dan that a considerable amount of work has been done by the Finns (he was familiar with this) and by CIM to promote/develop the use of talc for coatings and that only limited success had been achieved. I also told him that talc was not a one for one replacement for clay. He said that the yield from this ultra talc/magnesite deposit was 50-55%. I also advised him that the talc market suffers from an oversupply.


W.A. Cavanagh

WAC/kmp

F.F. Beyl
R.J. Buettner
G.R. Williams

PLAINTIFF'S
EXHIBIT
CAM-334