



AMERICAN VERMICULITE CORPORATION

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December 4, 1979

To All Vermiculite Association Members

The U. S. Government, in the Federal Register this year, has twice linked the Zonolite and Micafil trademarks together as sources of vermiculite contaminated with asbestos!

We have been, and continue to, contacting pertinent authorities to substantiate our case for the total absence of that noxious substance, or any other, in our ore.

Furthermore, we urge our loyal PMC ore users to forthwith use the following label on all their bags:

"Micafil is a registered trade name of American Vermiculite Corporation and is synonymous with non-asbestos bearing vermiculite ore."

If you use ore from Montana, we ask you to reconsider for your own future survival. It is our opinion that we are within three years of regulations which will eliminate the use of ore containing such gross amounts of asbestos as is contained in the ore mined in Montana. This could, if we don't work now, drag down the entire vermiculite expanding industry.

There are other sources other than ore mined in Montana available to you. These might not be 100% asbestos free, but at least the contamination is not anywhere as plentiful and capable of poisoning as readily.

The Government has asked us how the consumer can be sure he is buying safe vermiculite. The answer is obvious; Zonolite attic insulation is of Montana origin, and thus is known to contain asbestos. All other trade names, Micafil, etc., are from independent exfoliators who can't get large ore from Grace, and hence, use African ore exclusively.

Our label suggestion is not so tight as to cause any legal or technical

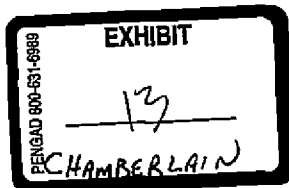


VERMICULITE, METALLIC ORES, ZIRCONIA SALES
A MEMBER OF THE RIO TINTO-ZINC GROUP OF COMPANIES

PLAINTIFF EXHIBIT

SCO 5178

DOJ WRG 00417



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problems for those who use other ores than PMC. However, we can only hope Montana ore users will clean up their act and join us in fighting what is a real threat to our existence as an industry.

John F. Cody
Technical Director
THE VERMICULITE ASSOCIATION, INC.