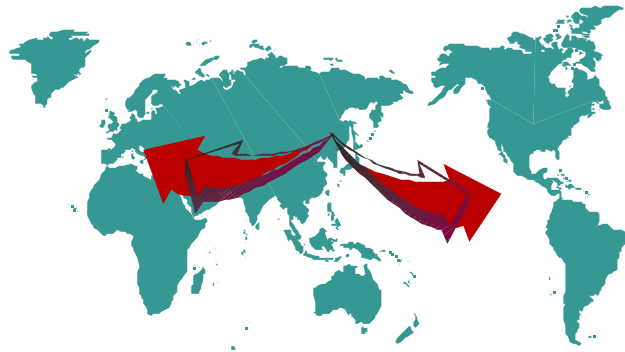
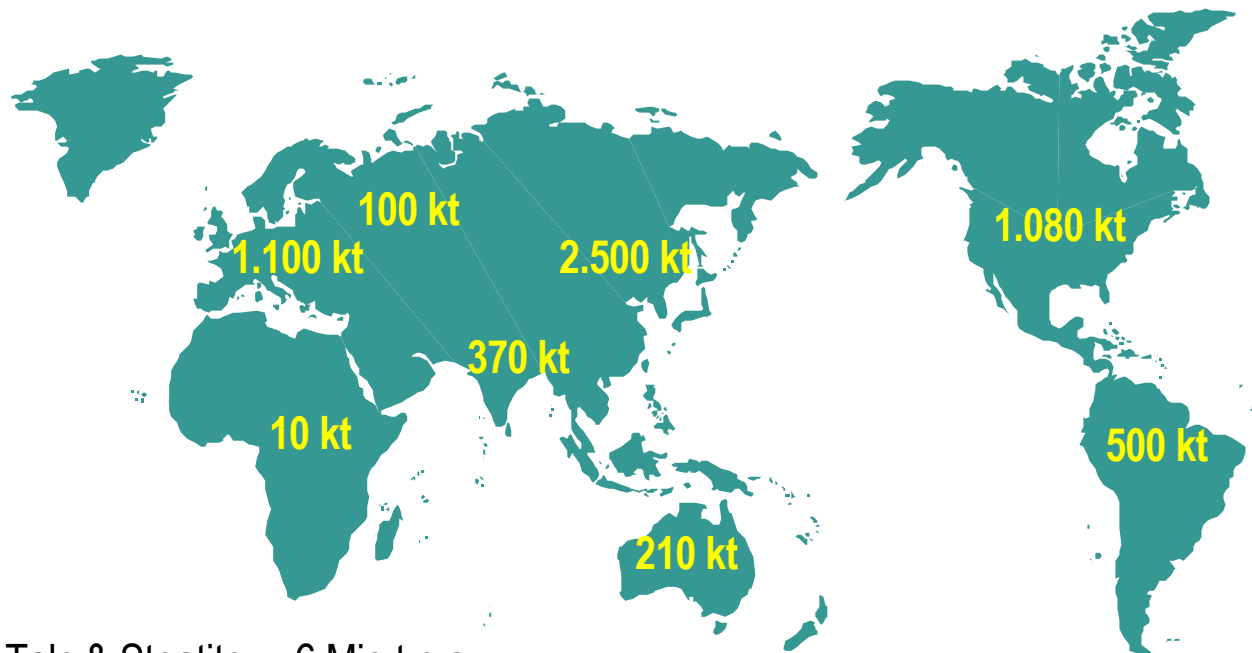


The Revolution in Talc Markets Originating in the Far East ?

by Dr. Wilhelm Schober
Schoconsult GmbH - Austria

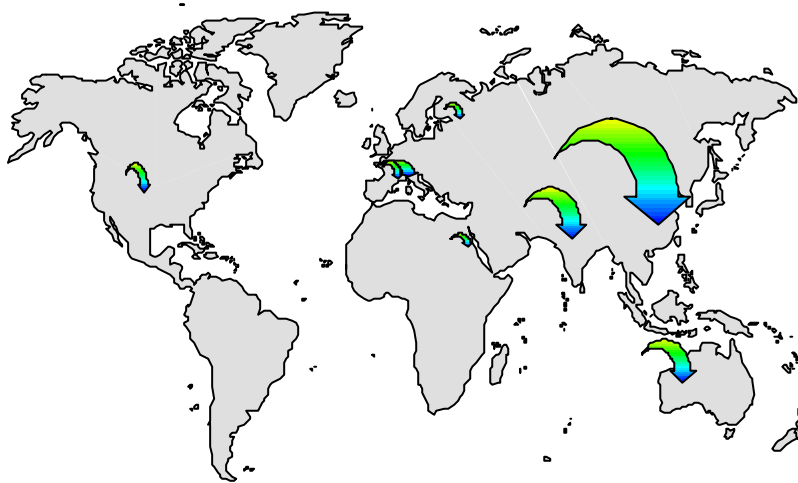


Talc Production in the World



Talc & Steatite : 6 Mio.t p.a.

White Talc Resources Suitable for PP



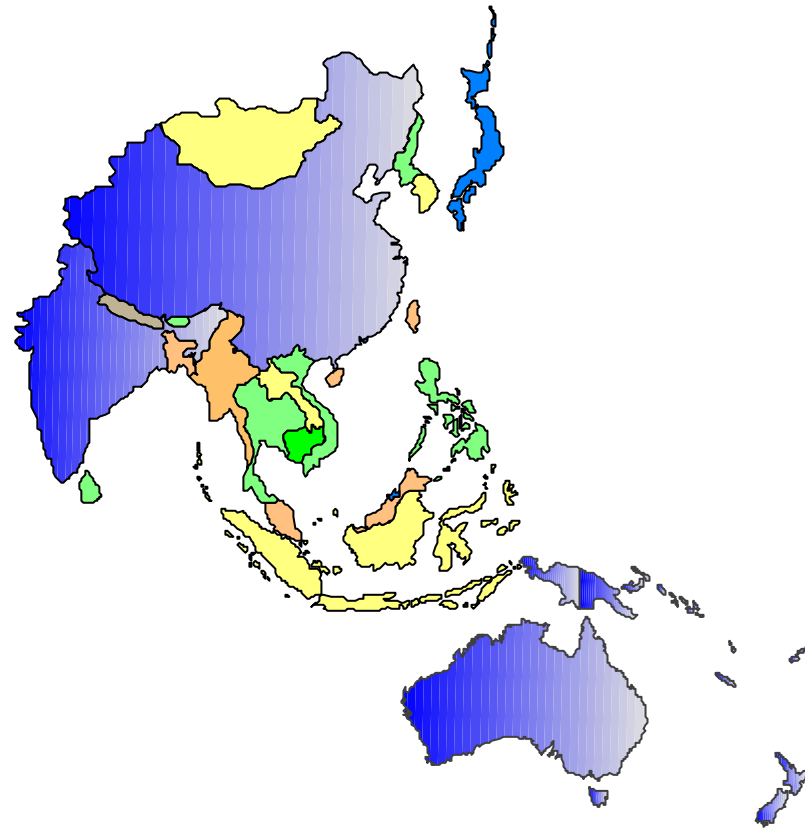
- China dominates by far - costs are low & volumes are high
- India has good reserves, but high costs
- Australia's Mt. Seabroek has a great potential
- US and European reserves are short & expensive

Availability by Region

- brightness > 90 is not available in the USA
- North America tries to improve brightness by means of flotation
- all white talcs for PP are imported from China
- Europe has limited material available at Val Chisone, Luzenac
- most white talc is imported from China

Australia & Asia are the only autarchic regions for white talcs

- China has the largest reserves of medium and white talcs
- China has an output of more than 500 kt p.a of real white talcs
- India is estimated to be at a level of 150 kt p.a.
- Mt.Seabroek mine of Australia has white, lamellar talc; large reserves

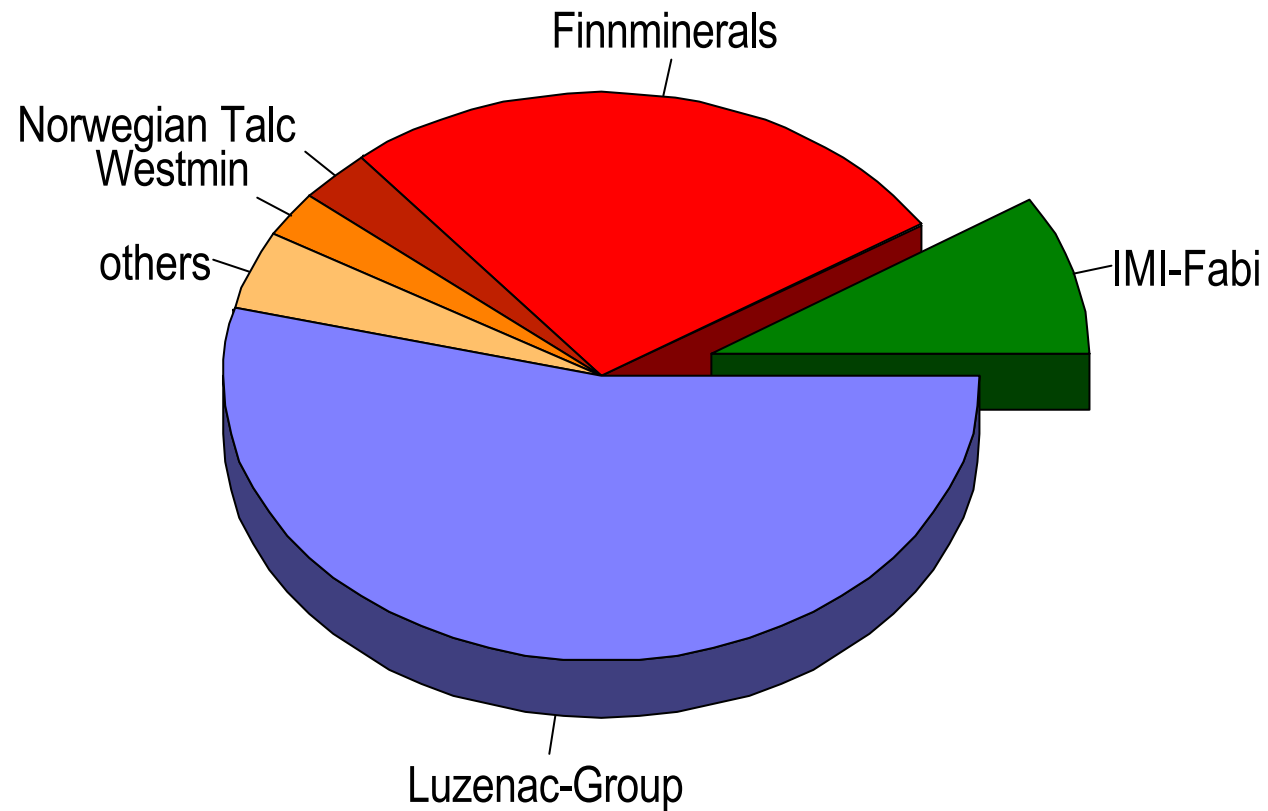


Europe hauls up with new white Talc Engagements

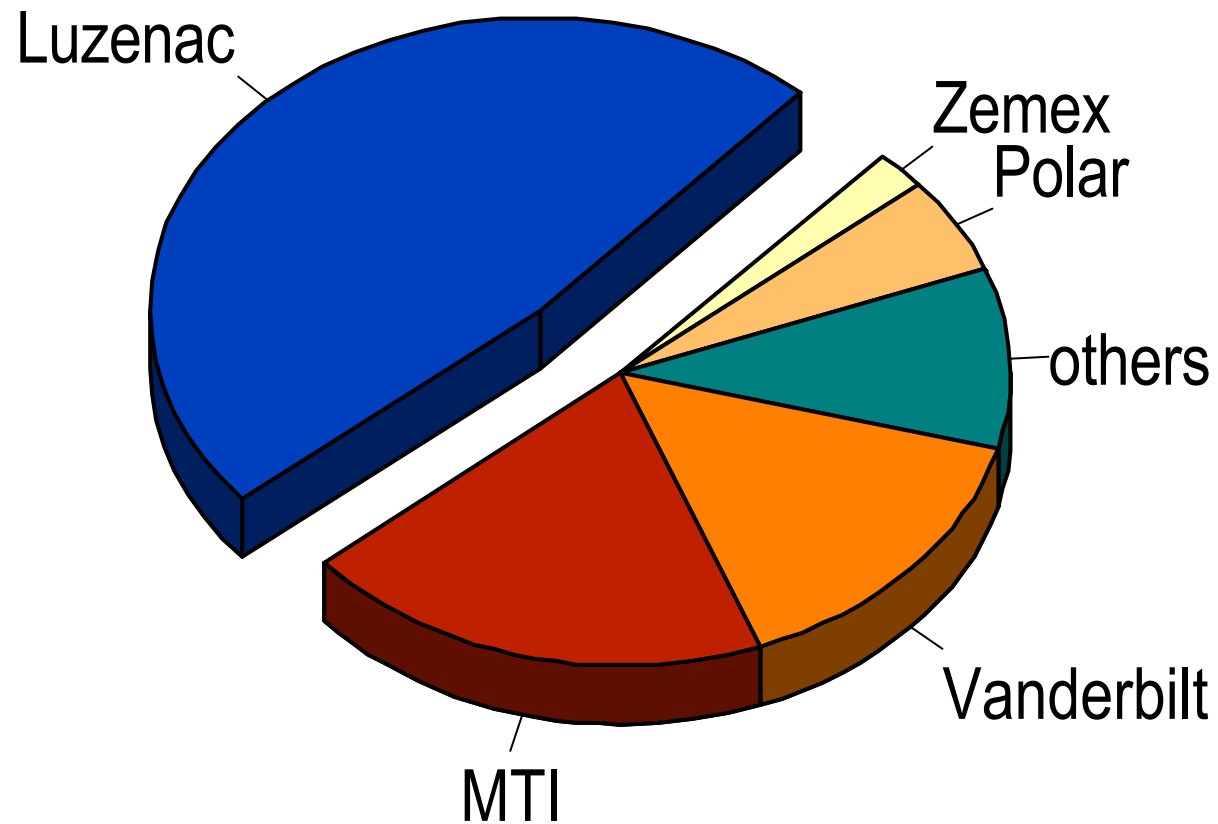
- IMI-Fabi became JV partner at the white talc mine of Mt. Seabrook (Australia); nearly unlimited quantities of high brightness talcs are available
- a German investor group develops a white talc mine in Slovakia; huge reserves are investigated and will be made available within the coming years

Market Shares of Major Talc Players

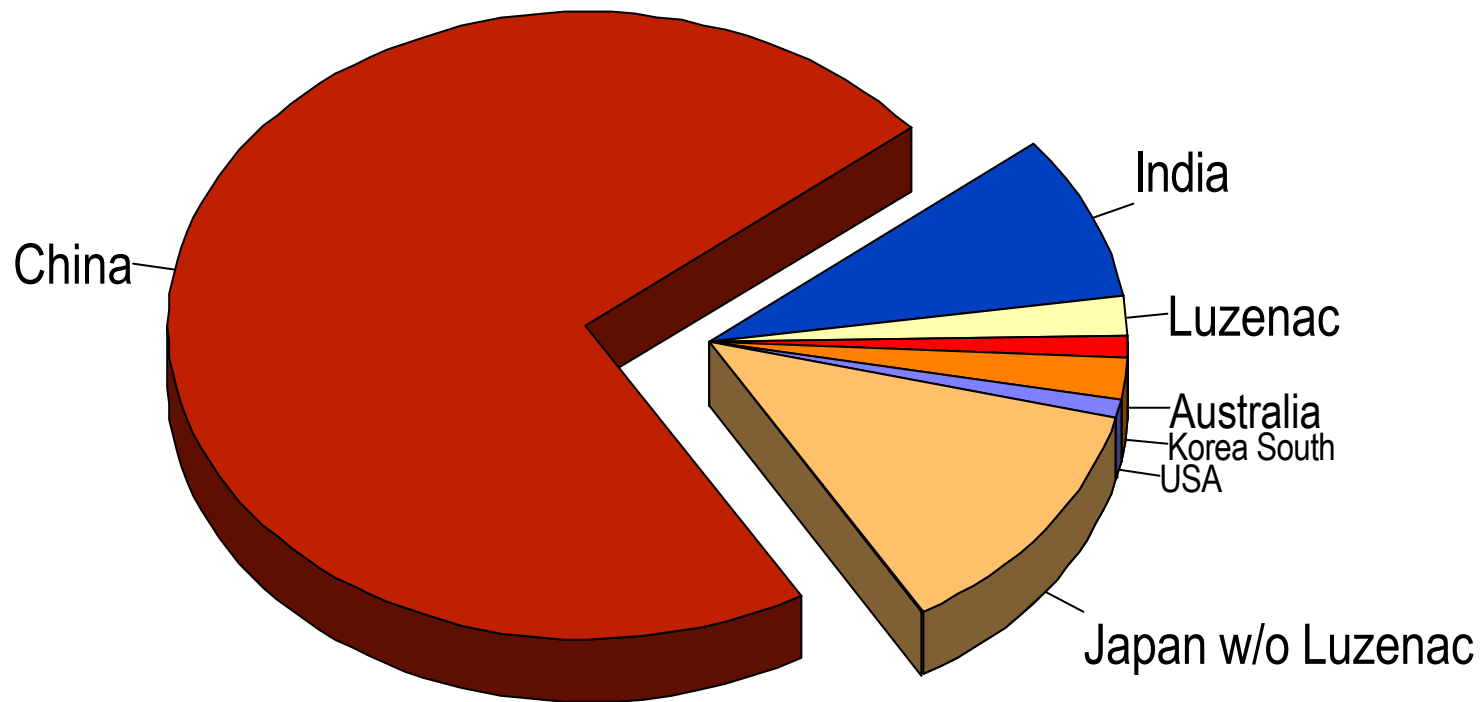
1995 – all market segments



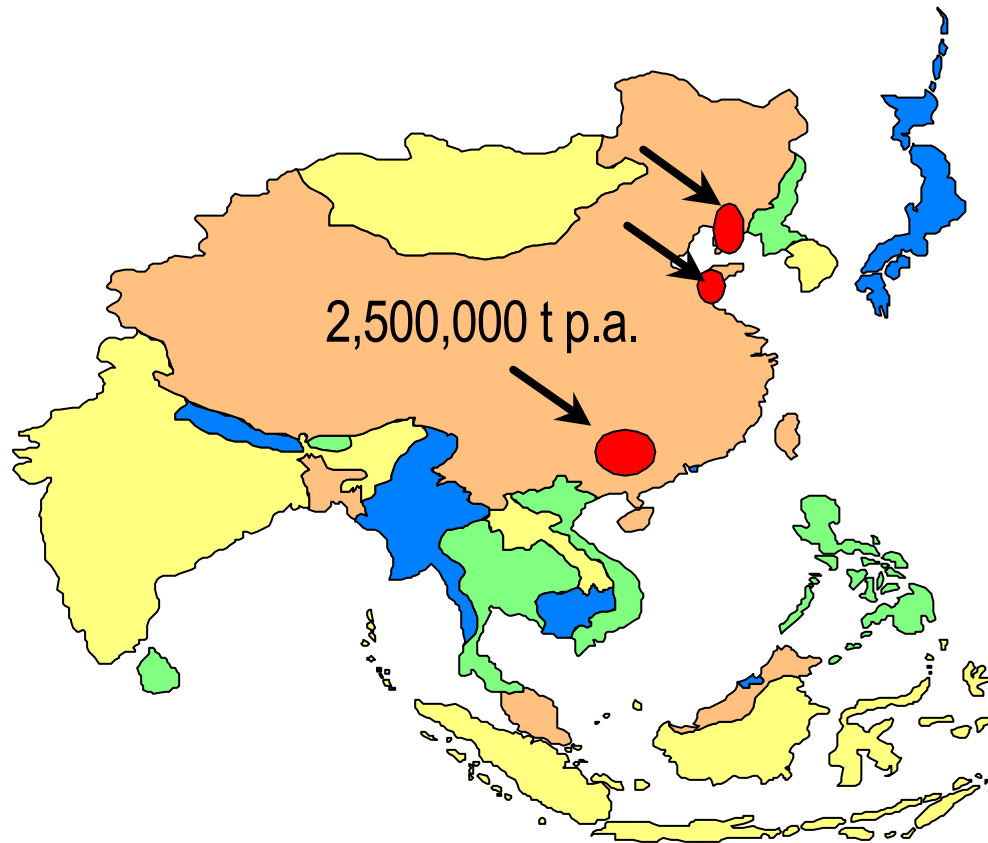
Market Shares in North America



Market Shares in Asia and Australia (ground talc)



China's Talc Industry is dominant in volume & quality



the major talc mining regions are

- Liaoning
- Shandong
- Guangxi

China's existing approach was not always favourable for talc consuming industry

- Chinese talc industry has only few partnerships with Western parties
- USA : talc processing companies have not always provided a high quality level when using Chinese talcs, as blends of different talcs are common
- Europe : the major talc producers normally secure high levels of quality and marketing (Luzenac, IMI-Fabi, Norwegian Talc etc.)
- imported ground talc could provide high confidence neither in the USA nor in Europe so far and causes problems regularly

China offers a good chance to investors

- I can identify a new climate for private investments
- majority ownership of Western parties is possible
- this is valid for all types of minerals
- skilled manpower is available at lower costs
- work force impresses by steep learning curve
- China expects added value
- highest technological standard must be provided

Compounders will demand more flexibility in the future

- we need high purity talc grades at reasonable prices
- we expect further trend towards finer talcs ... ultrafine talcs
- we foresee a demand for "global" products, as internationally acting automotive and domestic appliances industries run the same products all over the world at their different locations
- prices must also become more uniform for the different regions of the world

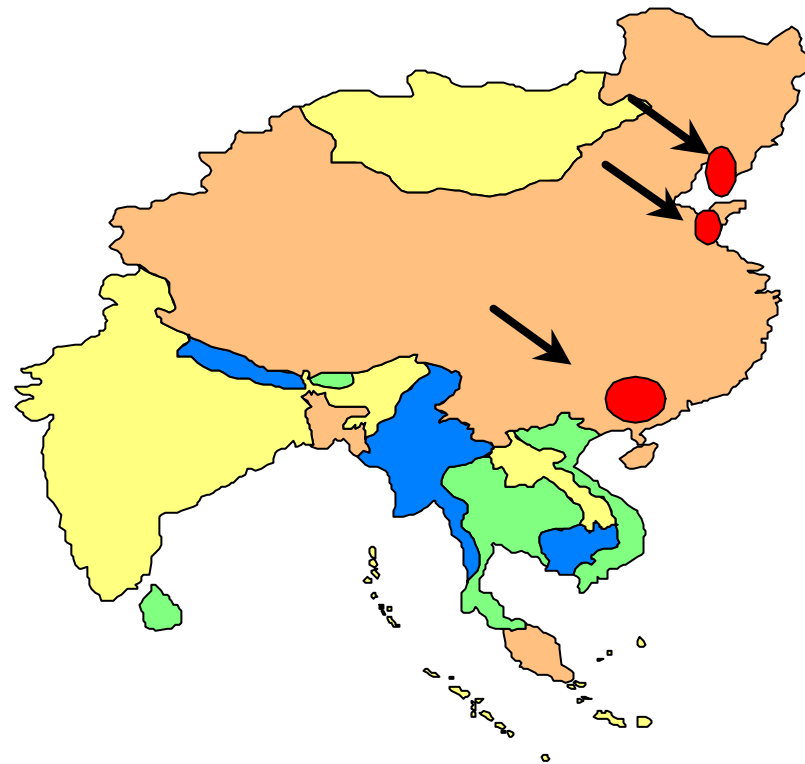
Talc Fineness - the diverse development of regions

in microns top-size

region	standard	exceeding	growing
Europe	40+20	40+60	10+8
NorthAmerica	40+20	40	10+8
Japan	20+10	30+20	5+7

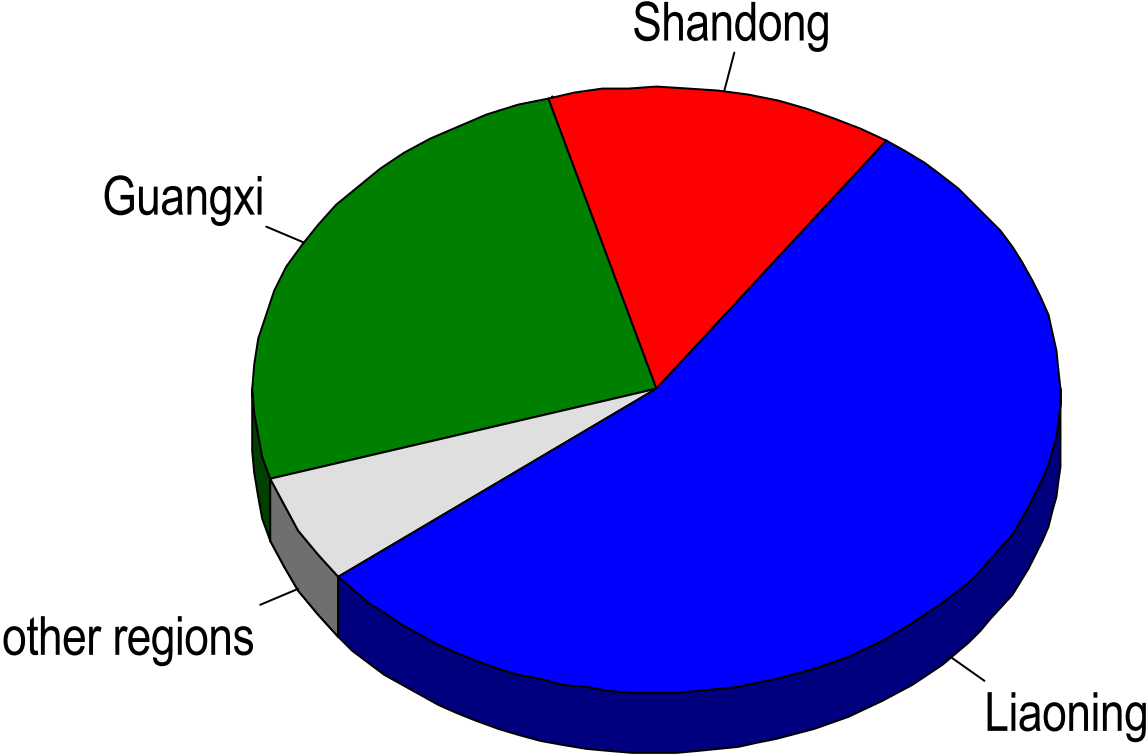
The Chinese Revolution : CIMCO ?

- CIMCO is a Western Company in China (Canadian investor)
- CIMCO is grouping the major talc mines in all 3 major regions, with the intention to create the world's largest talc producing company with more than 1,2 million tons of premium talc



The Chinese Talc World

1995 : 2.5 Million tons



The diversity of the Chinese Talc mines wants to become # 1 in the world

