



FALCONBRIDGE

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R6-1354

Memorandum

Date: July 2, 1985

To: D. J. Emery

Copies to: L. G. Bonar, K. Blower, K. Morton, B. G. Cross,
P. J. Raleigh, File

From: T. J. Desanti

Subject: WILLIAM BLYTHE & CO. LTD.

A meeting was held with B. Drinkard and representatives of William Blythe & Co. Ltd. to discuss Giant's arsenic trioxide. Present were:

William Blythe & Co. Ltd.Falconbridge

T. Robson - Managing Director

PJR

J. Wilkinson - Research & Development Director

TJD

Applied Research

B. Drinkard - President

1. Blythe is a U.K. company located in Lancashire. It is wholly owned by Hickson's Timber Products Ltd., a major producer of arsenical wood preservatives (CCA) in the U.K. and abroad (i.e. New Zealand, India). The only other major U.K. wood preservative company is Rentokil, which is associated with Boliden. Blythe produce the arsenic trioxide and pentoxide used by Hickson's in manufacturing CCA. They also produce other arsenic based chemicals and have been in the arsenic business for 50 years.
2. Blythe are seriously interested in Drinkard's process to produce copper arsenate (CA) at a lower cost from lower grade arsenic trioxide and copper bearing raw materials. Their main interest in meeting with Falconbridge was to confirm that (i) Giant had a long term accessible source of crude As_2O_3 , and (ii) Drinkard's process would provide for the economic disposal of residue produced from CA production. Blythe already have experience in producing CA using refined As_2O_3 , plus $CuSO_4$ and CuO and they understand the cost benefits to be derived from using lower cost less refined arsenic and copper. Another major factor concerns their foreign operations to whom they ship arsenic trioxide and pentoxide. Arsenic trioxide is water soluble and consequently from a materials handling viewpoint it would be safer to ship insoluble CA.

3. Blythe consume 4,000 - 6,000 MTPY of As_2O_3 in their U.K. operation but considerably more is consumed by Hickson's in their foreign operations. Consumption of CCA in the U.S.A. is estimated at 100 million ppy, utilizing approximately 34 million ppy of refined As_2O_3 . Blythe estimate the U.S. consumes somewhat more than 50% of Western World CCA. This provides a total Western World As_2O_3 consumption figure of less than 60 million lbs (30,000 STPY) of As_2O_3 which compares closely with a published 1983 production figure of 33,000 ST.
4. Blythe indicated it was premature at this point to discuss how they could become involved with Applied Research but they did not rule out equity participation. They say they will await the results of Applied's test work and cost analysis before proceeding further.

Summary

Blythe is highly experienced in the production of As_2O_3 , pentoxide and arsenic chemicals. They see Applied's process, if successful, as providing a cost advantage through the use of lower cost raw materials to produce CA and an advantage in handling/shipment because CA is insoluble, an important environmental consideration. Hickson's, their parent company, is one of the largest Western World CCA producers and consequently would follow closely any new developments which could influence their competitive position.



T. J. Desanti

TJD:dmf