



# VERMICULITE EXECUTIVE REPORT

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## **Strong potential for vermiculite in booming organic farming sector**

The global organic farming sector is growing substantially, with North America, for example, having 1.5 million hectares (3.7 million acres) currently under cultivation, according to the Organic Trade Association (OTA).

The U.S. organic market is projected to reach a value of \$30.7 billion by 2007, with a projected five-year compound annual growth rate of 21.4% between 2002 and 2007, OTA says.

This spells opportunity for vermiculite sales. Because vermiculite is a naturally occurring product that has beneficial agricultural growing properties, certain vermiculite products are a logical choice for use in organic farming operations.

IBI's Premium Namekara Golden Vermiculite has been reviewed and approved by the Organic Materials Review Institute (OMRI) and can therefore display the OMRI seal on its packaging and marketing materials.

The seal assures the buyer of the suitability of IBI's vermiculite for use in certified organic production. To IBI's knowledge, we are the only vermiculite supplier so approved.

## **Vermiculite buyers now investigating new ore sources and grade sizes**

Vermiculite buyers appear to be entering an experimentation phase. This includes trying vermiculite from different geographic locations as well as grade-size substitutions.

IBI Corporation is receiving numerous requests for ore concentrate samples in various size grades. The requests are coming from companies in Europe, the UK, South America, and the United States, and are from expanders and manufacturers, as well as the horticultural and agricultural sectors.

Industrial users and manufacturers are investigating the use of different sized grades for particular applications. An example is testing medium and large grades for applications previously utilizing fine size grades.

Developments under consideration by industry include adapting molding technology to use different grades, should those grades be shown to be better or equal to the grades currently being used for particular applications.

## **Growing opportunity in fireboard and fireproof panel manufacturing**

IBI's market research shows that manufactured fireboard and fireproof/fire-resistant panels as well as fireproofing formulations may present a good market for vermiculite suppliers.

Two key factors are driving this scenario:

- (1) Asbestos is no longer an acceptable fireproofing ingredient
- (2) Vermiculite has excellent fire-retardant/fireproofing properties, with some qualities and grades being superior to others.

Vermiculite is a logical material for new installation fireproof panels and boards and also for replacement of older panels, boards and applied fireproofing formulations that incorporated asbestos.

This opportunity was emphasized by Gary A. Fitchett, president of IBI, in his recent presentation on Current Developments in World Vermiculite Markets given at the Blendon Canadian Conference on Industrial Minerals.

IBI has been advised that its Premium Namekara Golden Vermiculite from Uganda exhibits a superior fire rating.

## **Report available soon on new vermiculite fertilizer**

Some vermiculite, in combination with specific minerals, can be a potent and low-cost agricultural fertilizer product, particularly suitable for areas suffering from soil nutrient depletion.

A synopsis of a research report on this topic, particularly IBI's V.Gro Fertilizer vermiculite product, will be available soon from IBI Corporation. The full report is being prepared exclusively for IBI by Dr. Peter van Straaten, Associate Professor, Department of Land Resource Science, at the University of Guelph, with whom IBI has a strategic alliance.

Dr. van Straaten's research includes extensive field trials conducted with Ugandan soils.

## **\$1 billion in upside sales potential for vermiculite in consumer gardening**

Consumer gardening is a rapidly growing market that includes:

- Vegetable gardens
- Flower gardens
- Container gardens
- Balcony gardens
- Houseplants
- Rooftop gardens

The potential for substantially increased consumer sales of vermiculite to this market results from several factors:

- Everyone wants better gardening results.
- Today's consumer gardener is looking for "green", organic, environmentally friendly gardening solutions
- Consumers are largely unaware of the tremendous benefits and uses of vermiculite in gardening
- Asbestos issue has receded

At the supply-chain level, expanders are looking for solutions to offer garden centers; and garden centers want something new to offer customers and to increase sales per square foot. Effectively marketed, vermiculite can be both a demand and a supply side solution.

To help kick-start this high-potential market, IBI presented a proposal for an extensive, but cost-effective, education-focused consumer marketing campaign at the recent 57<sup>th</sup> Annual Meeting of The Vermiculite Association (TVA) held in Toronto recently.

The proposal, which was well received by TVA delegates, is now under active consideration by the TVA Publications Committee.

To receive a sample of IBI's Namekara Premium Golden Vermiculite ore concentrate please e-mail your request to Dennis Mellersh at [D.Mellersh@IBInvest.com](mailto:D.Mellersh@IBInvest.com)

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