



Arctic Development
Library

***The Mermaid Leather Company Ltd Wildlife
Products, Tanneries
Date of Report: 0
Author: Mermaid Leather
Catalogue Number: 5-10-8***

5-10-8
Wild Life

(Fish Leather)

THE MERMAID LEATHER COMPANY LTD.

Plan for
Single Production Facility



13 US INESS SUMMARY FOR JOINT VENTURE

Capital Requirements

Technology fee \$250,000
Equipment 625,000
Working capital for 3 months 250,000
15, 000-20, 000 sq. ft. building, as required

Equipment

Promot an, an I t alian equipment manufacturer, will setup plant and provide equipment at 20% down and attractive terms.

Production

This facility will provide production of up to 2,000,000 sq. ft. of leather per year with capability to increase to 4,000,000 sq.ft./year by doubling shifts and minimal additional capital.

Employment

The plant will provide 32 jobs at the 2,000,000 sq.ft./year production.

Responsibilities

Mermaid Leather will provide technology, training of technicians and marketing.

Net Profit

Year 1	Year 2	Year 3	Year 4	Year 5
2,299,716	3,235,462	4,203,545	4,404,965	4,582,288

Peter Holicza, Director

the mermaid Leather company Limited

SUITE 708-1112 WEST PENDER ST., VANCOUVER, B.C CANADA V6E 2S1

TELEPHONE: (604) 687-3474 TELEX: 0451259

THE MERMAID LEATHER COMPANY L I MITED

Directors and Officers:

Bruce J. Bott - Chairman of the Board
Gordon D. Harvey - Vice-president, General Manager
Peter Holicza - Vice-President, Finance

Legal:

Ray, Connell, Lightbody, Reynolds and Heller
c/o George R. Pellatt
18th Floor, Burrard Building
1030 West Georgia Street
Vancouver, B.C.
V6E 3C1

Accountants:

Delloite, Haskins & Sells
c/o George Cnen
c/o Box 49279 Four Bentall Centre
.2000-1055 Dunsmuir Street
Vancouver, B.C.
V7X 1P4

Bank Reference:

Main Branch - Royal Centre
1025 West Georgia Street
Vancouver, B.C.
V6E 3N9

IN PRODUCTION

Prehistoric man wore hides and skins which were preserved with juices extracted from tree bark. Leather provided the first personal effects for humanity; affording us protection, comfort, durability, and aesthetic properties in a combination not attainable from other materials. Despite efforts, particularly during the last 30 years, to produce leatherlike materials from other fibers, sheet materials, and petrochemicals and to substitute them in the marketplace for leather products, leather is still the product of choice by the consumer.

The labour shortage during World War II caused the substitution of neoprene for leather in shoe soles and insoles. The profit squeeze in the U.S. and Canada shoe industry during the 1950s led to the adoption of vinyl-coated fabrics for women's shoes and handbags. Periodic shortages were caused by the cyclical nature of leather markets. Each of these products are designed to simulate certain properties of leather, but never yet matching it. "New source leather" made from fish hides is real leather.

In apparel and accessory applications, synthetics are given a name that is suggestive of the currently popular styling, the wet look in the early 1970s supersede in the mid 1970s and disco styles of the late 1970s and now the new wave of the early 1980s is ready for the slick, sleek, space age aesthetics of Mermaid Leather finished in hushed, mystical or deep tones, 'destined to break the surface at the crest of fashion, to surge into the forefront at the emerging exotic trends of the coming fitness generation.

The demand for leather far exceeds the supply, and the principal function of the substitutes has been to fill those needs for which the supply of leather is inadequate. The hides and skins that are used for leather manufacture are by-products of the meat industry. As more meat has been consumed by a growing world population, more hides and skins have become available so that more leather is being manufactured than ever before. Yet the growth has been far below the growth of the consumer-goods industries and demands for foot wear, gloves, luggage, handbags, small personal leather goods, and garments.

Synthetics have not displaced leather, but have allowed it to be used where it is best suited and most needed. Synthetic materials have been only moderately successful in displacing leather in shoe uppers, belts, handbags and other articles of quality. Where comfort and durability are important, leather will continue to be the dominant material used. Only in upholstery has leather been replaced to any extent by synthetics. Vinyl-coated fabrics provide alternative coverings for cushions, chairs, sofas, and automobile seats, etc.; but this field has stabilized, and the use of leather again is growing as it meets needs for durability, long term flexibility, low heat conductivity, and resistance to tearing at stitches, none of which properties can be met by the synthetic no synthetic material has ever duplicated all of the useful properties of leather.

The cost of the raw materials for leather substitutes will continue to rise, although leather will always fetch a higher price from the consumer because of its higher quality. Fish hides, presently a throw-away commodity, costs less to tan than other animal hides and considerably less to process, when compared to the cost of manufacturing synthetics. The industrialization of leather produced from fish skin holds out the hope of creating the greatest boom to the leather industry in this century. Mermaid Leather Company Ltd. has the technology to produce leather products which could well create a fashion sensation of tremendous scope; as also providing job opportunity for citizens. The supply of fish hides is virtually unlimited and completely untapped. Leather created from a by-product of the fishing industry will relieve some of the pressure on endangered species killed solely for their skins, i.e., the seal and reptile hide industries. This ecological consideration also provides a positive marketing point.

I first became interested in the ecological aspects of a fish tanning business with a leather company. Over the course of time, all ideas and discussions were examined. However, the lack of progress convinced me that past attempts to produce a viable, commercial product from fish hides lacked the necessary expertise and scientific ability. Accordingly, with the help of a master Lithuanian tanner and other expertise knowledge, we have been able to develop a fish leather superior to any other yet seen (see samples). The fish leather produced exhibits the necessary properties to make it suitable for use in the manufacture of a variety of products. It is now expected that rapid development shall occur over the next year. Given different types of soaking, descaling, pickling, tanning, lubrication and finishing, fish leather of the highest quality can now be manufactured to careful market specifications with various unique properties.

Because fish leather generally has not appeared in any known marketplace, it is possible to set a price based on the aesthetic value as perceived by users of leather goods. Price comparisons of exotic leathers during January 1983 indicate that exotic fish leathers may be sold to manufacturers at a minimum of five to seven dollars per square foot. Shark presently wholesales between nine and fourteen dollars per square foot, depending on quality and quantity purchased. It is conceivable that high quality fish leather could command a price equal to shark.

Bruce J. Bott
Chairman

The Mermaid Leather Co. Ltd.

The Company:

The Company has developed the process and chemical formulation for the conversion of fish skin into quality and utilitarian exotic leather. As indicated by attached samples, results have been incredible. The breakthrough has been made.

Management intends within the future business of the Company to further research and develop leather to individual market specifications and volumes and to adapt the base technology to every commercially viable species of fish, worldwide.

The Mermaid Leather company, intends to establish a number of production facilities over a period of several years. These plants shall be located near the major fishing centres.

At present, the Company has adequate production capabilities within B.C. Fur Dressers and Dryers Ltd., a Canadian tannery established in 1951. In association with this plant is a North American leather wholesale and retail infrastructure with some overseas clientele. Our research tanner and chemical engineer, Meyer Kron of B.C. Fur, has a wide commercial tanning experience accumulated during 50 years' working in all aspects of the trade; 20 years of which were in top supervisory and research positions within one of the largest tanneries in Europe.

POSTITIVE ASPECTS

The leather is made from a waste product .
Has definite ecological benefits.
It appeals to the high fashion, high profit industry.
Many areas of the world do not meet their demand for leather.
The basic technology is in place to enter into production.
It is not speculative.
Independent laboratory test have found fish leather to be stronger than cowhide.
Numerous inquiries have been received from companies in Japan, Hong Kong, North America, and Europe for marketing rights or supply of leather.

A direct reduction of costs occuring in all phases of development shall result to the wide variety of government grants, subsidies and assistance programs available to t'ne Mermaid Leather Company.

The development of the leather tanning sector should have a positive impact on the national/local economies, and should therefore also be of direct interest to public planners. Governments have an important role to play in the formulation of leather production strategy and in the promotion of appropriate leather production units. The main potential socio-economic effects of an expansion of the leather sector include the following:

Employment generation.

Improvement of the balance of payments.

- Expansion of rural industries, incomes and employment.

Multiplier effects on the economy through backward linkages (collection, treatment, storage and transport. of skins) and forward linkages (e.g., expansion of the leather goods industry).

These potential effects will be realized through the implementation of tanning projects which make an optimal use of local resources, labour and expertise, while producing quality leather products at competitive prices.

The Company has researched and examined all known fish tanning technologies, patents and scientific papers, some dating from the turn of the century, and found them to produce a paperlike leather exhibiting little strength or workability. Through the use of chemicals and procedures unknown in the past, we have created a process of stabilizing the collagens at the molecular level. The Mermaid Leather Company Ltd. now owns the exclusive world rights to this technology. The value of these rights is estimated to be \$2,000,000 per licenced production facility.

PROJECTED PROFIT AND LOSS STATEMENT PER YEAR FOR 5 YEARS

Production	1st yr.	2nd yr.	3rd yr.	4th yr.	5th yr.
1. Square Footage Fish Skin	500,000	550,000	600,000	650,000	700,000
2. Square Footage Shark	150,000	150,000	150,000	150,000	150,000
3. Suede Finish	550,000	800,000	1,250,000	1,200,000	1,150,000

Income	\$5.00	\$5.50	\$6.00	\$6.50	\$7.00
Fish skin price per square foot					
Value Fish Glazed Finish	2,500,000	3,025,000	3,600,000	4,225,000	4,900,000
Value Shark @ 9.00	1,350,000	1,350,000	1,350,000	1,350,000	1,350,000
Value Suede Finish @ 4.00	2,220,000	3,600,000	5,000,000	4,800,000	4,600,000
Sub-total	\$6,050,000	7,975,000	9,950,000	10,375,000	10,850,000

Direct Cost

1. Raw Material 5 yr contracted price-

a. Fish Skins sq. ft. 0.25	262,000	337,500	462,500	462,500	462,500
b. Shark Skins sq. ft. 1.00	150,000	150,000	150,000	150,000	150,000
2. Transport	116,000	141,000	148,000	152,000	157,000
3. Chemicals	250,000	262,500	275,625	289,406	303,876
4. Maintenance & Replacement*	56,000	60,000	62,000	25,000	25,000
5. Payroll - Plant	496,000	545,600	600,160	660,176	726,194
Sub-Total	1,350,000	1,496,600	1,698,285	1,739,082	1,824,570

* No es: 4 Additional drums added in each of years 1, 2 and 3.

Indirect Expenses

1. Mortgage Payments*	38,604	38,604	38,604	38,604	38,604
2. Water	2,000	2,300	2,645	2,800	3,000
3. Electricity	24,000	26,400	29,040	31,944	35,138
4. Employee benefits and administration	71,520	188,672	207,539	228,293	251,122
5. Telephone & Telex	6,000	6,600	7,260	7,986	8,785
6. Office Expenses	3,000	3,300	3,630	3,993	4,392
7. Legal Fees	5,000	5,000	5,000	5,000	5,000
8. Audit Fees	2,000	2,000	2,000	2,000	2,000
9. Insurance	8,000	8,300	8,600	8,900	9,200
10. Travel & Promotion	150,000	150,000	150,000	150,000	150,000
Sub-Total	410,124	431,176	454,318	479,520	548,845

Sub-Tota .76 24 ,927,776 2,152,603 2,218,602 2,373,415

* Mortgage amortized over 20 years @ 13% open in 5 years based on \$400,000 building with \$ 000 000 P.

Other Expenses

1. Supply, Plant, Office, etc.	22,000	26,000	30,000	35,000	40,000
2. Lab Expenses	14,000	18,000	22,000	24,000	28,000
4. Taxes (Property, Business)	15,000	15,900	16,845	17,865	18,933
Sub-Total	<u>51,000</u>	<u>59,900</u>	<u>68,845</u>	<u>76,865</u>	<u>86,933</u>
Depreciation: *Building	6,975	13,406	12,735	12,099	11,494
**Equipment	50,700	91,260	73,008	58,406	46,725
Sub-Total	<u>57,675</u>	<u>104,666</u>	<u>85,743</u>	<u>70,505</u>	<u>58,219</u>
Total Expenses	1,868,699	2,092,342	2,307,181	2,353,372	2,518,567
Gross Profit Before Taxes	4,181,301	5,882,658	7,647,803	8,003,078	8,331,433
Less: MFG Income Tax of 45%	<u>1,881,585</u>	<u>2,647,196</u>	<u>3,439,264</u>	<u>3,604,063</u>	<u>3,749,145</u>
Net Profit	<u>2,299,716</u>	<u>3,235,462</u>	<u>4,208,539</u>	<u>4,404,965</u>	<u>4,582,288</u>

* Based on 2.5% first year followed by 5% on declining balance

** Based on 10% first year followed by 20% on declining balance

Note: Production may be increased by additional shifts.

APPENDIX II -
SUPPLY FAW FISH HIDES

U.S. COMMERCIAL LANDINGS
OF FISH WITH A SKIN SIZE OF OVER 18"
FIVE YEAR AVERAGES

	Landings in pounds
Blue Fish	11,464,000
Atlantic Cod	74,674,000
Groupers	7,572,000
Halibut	19,790,000
Lingcod	8,006,000
King Mackerel	6,921,000
Pollock	29,587,000
Sablefish	21,424,000
Pacific Salmon	357,416,000
Dogfish	17,759,000
Shark	3,131,000
Snapper	6,923,000
Wolffish	1,163,000
Freshwater	128,860,000

U.S. AQUACULTURE PRODUCTION 1980

Catfish	76,700,000
Salmon	7,600,000

Source: The American Fisheries Directory and Reference Book.

LANDINGS OF SELECTED Commercial SEA FISH IN
NEWFOUNDLAND AND FOR 1982

<u>Species</u>	<u>Landings in Metric Tonnes</u>
Cod	301,080
Haddock	1,722
Redfish	25,566
Greenland Turbot	19,335
Pollock	1,031
Catfish	3,067
Dogfish	362

Source: H. Neil Windsor
Minister of Economic Development
Province of Newfoundland

B.C. LANDINGS

Salmon	1972-1981 average	65,077
	1981 Landings	
Pacific Halibut		3,461
Pacific Cod		5,375
Ling Cod		1,832

Source: Fisheries and Oceans Commercial Fishing Guide,
Pacific Region.

CVRD SEWAGE REQUIREMENTS

RESTRICTED WASTES

BURNABY

1. No flammables or explosives.
2. No substances that could obstruct flow.
- 3. No noxious gas.
4. No radioactive - except where allowed by licence from Atomic Energy Control Board.
5. No discharge of storm or cooling water into sanitary.
6. No garbage larger than 1/2".
7. Max temperature is 150°F.
8. Non-petroleum greases, oils, waxes, fats = 150 ppm
9. Oil or grease from petroleum sources = 15 ppm
10. Max suspended solids = 600 ppm
11. pH maximum = 9.5
pH minimum = 5.5
12. Toxic wastes maximums:

Arsenic	1.0 ppm
Cadmium	1.0 ppm
Chromium (total)	5.0 ppm
Copper	2.0 ppm
Cyanide	1.0 ppm
Iron	10.0 ppm
Lead	2.0 ppm
Nickel	3.0 ppm
Phenols & Cresols	1.0 ppm
Zinc	4.0 ppm
13. Unusual concentration of inert suspended solids i.c. lime.
14. Unusual concentration of dissolved solids i.e. NaCl, Cal
15. Excessive discoloration i.e. dye wastes, veg, tanning salon.
16. Unusual biochemical oxidation demand
17. Any waste which will - release obnoxious gas
develop color
form suspended solids
not be treated at the sewage treatment plant.

NO PROBLEM

MEETING THESE STANDARDS

INDIRIZZO POST
POST ADDRESS
(ITALIA) - 41100 MODENA
Via M. FANTI N. 65
TEL. (059) 310213 (3 linee)
TELEX. 510153 RIZZI I

Engendering - Know-how - Consulting

Sede legale
36016 Thiene (Vicenza)
Phone (0445) 365555 (3 l. r.a.)
Cables Tlx. 480244 incoma - Thiene
Telex 480244 incoma I
Via Gombze 21

To The MARMAID LEATHER Co. Ltd.
708-1112 W. ??ender Street
VANCOUVER - Canada V6E 2S1

PROMOTAN IS FROM NOW TO THE SERVICE

OF TANNERS IN ALL THE WORLD.

A deep modification in the Tanning world Panorama is already in course and it will grow surely also in the future. Slowly but constantly the presence of Countries producing raw hides becomes more and more relevant in the transforming sector, either from the quantity or from the quality point of view.

Italy plays a central role in that transforming process as it is traditionally one of the greatest producer of finished skins and leather in the world, and one of the best manufacturer of machinery placing it in the position to supply a technic and technology updated to the highest levels of the modern evolution in the tanning production process.

Four between the most known and appreciated Italian companies manufacturing tanning machines Billeri - Incoma - Mostardini and Rizzi, felt the need to found a new technical commercial organization, unifying the technical knowledge of their companies since many years specialized in all the sectors of the skins process transformation, so to satisfy every need of know-how.

The new Company the PROMOTAN s.r. L will be in the position to satisfy following needs:

Turn-key Tanneries

Engendering

Feasible possibilities studies

Assistance at purchase of tanning machines and plants

Assistance at the installation

Know-how

Training to the staff and technical assistance at the starting of the plant

Revolving of existing tanneries for extension or production changes

Researches and improvements in the field with particular attention to the convey-feed-in and stock of skins; convey, collection and stock of by-products like fleshing, shaving, dusts etc., gas)

Contracts for service maintenance and overhaul machines and plants.

Dr. Ing. SILVIO REPETTO

POST ADDRESS
ITALIA) - 41100 MODENA
Via M. FANTI N. 88
TEL. (059) 310913 (3 linee)
TELEX 810153 RIZZI I

Engendering - Know-how - Consulting

35016 Thiene (Vicenza)
Phone (0445) 365555 (3 l. r.a.)
Cables Tlx. 480244 incomar - Thiene
Telex 480244 incomar I
Via Gombe 21

Sr /gd

26th June 1984

To The MARMAID LEATHER
Co.Ltd.
708-1112 W. Pender Street
VANCOUVER -Canada VGE 2S1

ATTENTION MR. BRUCE J. BOTT

Dear Sirs,

In conformity with the agreements taken with your President Mr. Bruce J. Bott we send, here with enclosed our preliminar quotation to establish one tannery for fish skins, particularly salmon.

The cycle we have shown foresees a finishing of skins from a process of chrome tanning.

We have foreseen in addition two initial operations to be discussed before with your appointee Mr. Kron and to be considered and examined again after the inspection of the samples of all types of skins and some tests made on them.

On the base of what we have indicated Mr. Kron will be also in the position to establish at what stage of the process he will think to stop the transformation process, if you wish to produce a semi-finished product and with what kind of tanning (chrome or vegetable), to establish with the necessary accuracy the exact number of drums.

We underline that Promotan is also in the position to issue an offer for a tannery "Turn Key basis" but in this case it is necessary that you send us some hundredth of skins to effect preliminary tests on the base of a detailed letter from you specifying your pretensions.

The delivery terms for machines and plants can be considered between 90 and 120 days while installation and start-up times cannot be forecasted exactly as depending mainly from local conditions that we dont know at this stage.

About a possible financing we think possible to utilize the Italian Law n. 227 dd. 24.5.1977, supporting Italian exports (Ossola Law), foreseeing a deferred payment from 2 to 5 years at the following conditions:

20% (minimum) , asdown payment
80% with sixmonthly quotes.

INDISPENSABLE CONDITION IS A STAND BY OR SIMILAR GUARANTEE.

./...

POST ADDRESS
ITALIA) - 41100 MODENA
Via M. FANTI N. 65
TEL (059) 310913 (3 linee)
TELEX 510153 RIZZI I

Engineering - Know-how - Consulting

35016 Thiene (Vicenza)
Phone (0445) 365555 (3 l. r.a.)
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Via Gombe 21

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SALMON SKINS

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TANNERY LAYOUT

Dott . Ing. SILVIO REPETTO

INDEX

0. - LAYOUT DATA

1. - PROCESS DATA

2. - BUILDINGS

3. - MAIN PICTURE OF MACHINERY

0. - LAYOUT DATA

0. 0. The present layout has been worked out for a tannery with a processing capacity of 5000 salmon skins per day having a middle weight of 0,250 Kg. approx..
0. 1. Foreseeing 300 working days per year, the middle total production will be of 1.500.000 sq.f/year

1. - PROCESS DATA

1. 0. The process organization chart has been worked out in order to obtain a product with the max. yield surface and, at the same time, for carrying out a flexible production line thus enabling a min. handling and moving of the skins.

Obviously this is only an indicative organization chart since both kind of raw material are not known exactly.

1. 1.0. WORKING PROCESS FOR SALMON SKINS

- 1 - Fleshing fresh hides (only if necessary)
- 2 - Scaling of the fresh hides (to try fitting a scudding machine)
- 3 - Liming - Tanning
- 4 - Sammying
- 5 - Shaving
- 6 - Dyeing
- 7 - Vacuum pre-drying
- 8 - Widening and stretching out with DYNAVAC
- 9 - Vacuum final-drying (with the same machine of item 7)
- 10 - Staking
- 11 - Buffing
- 12 - Dusting
- 13 - Trimming
- 14 - Spraying
- 15 - Ironing
- 16 - Glazing and polishing
- 17 - Surface measuring

N. B.: The items 1) and 2) must be verified after have seen the skins, their different type and condition in conformity with the seasons, and after trying in accordance with your technicals.

The number of drums pointed at the item 3) is referred at the chrome tanning, wanting to do vegetable tanning, the number of drums increases substantially. Is considered, besides, to dress fresh hides. If it is considered, instead, to dress dry hides, the number of drums increases in consideration of necessary times of soaking.

2. - BUILDINGS

2. 0. The needed covered surface for the production as per ITEMS 0. 0. and 0. 1. relating only to the production departments will be 1120 square meters approx. for crust production and 1120 square meters approx. for finishing department.

In order to grant a rational materials line flux, the utilization of two sheds, side by side, each one having an available width of 20 lm. and an available length of 56 lm. in a pre-fabricated structure in pre-stressed concrete have been foreseen.

2. 1. Offices, heating station, electrical station, maintenance shop and all building works of finishing and completion have not been foreseen, being the shape and nature of the available area at this stage still unknown. It seems advisable to foresee the realisation of these works to be performed by local enterprises.

We list here below, unitary price for offered machines:

	<u>US. DOLLARS</u>
3. 0. FLESHING MACHINE E 1200	27.200.==
3. 1. SCUDDING MACHINE P 1200	26.850 ==
3. 2. STAINLESS STEEL DRUMS ASA/RC 1 P 6000	54.500.==
3. 3 CONTINUOUS SAMMYING MACHINE 1600	23.0 00. =7=
3. 4. SHAVING MACHINE 450 mm.	12. 000.==
3. 5. STAINLESS STEEL DRUMS ASA 1 P 2000	35. 500.==
3. 6. VACUUM DRYER TM 2 - two planes	42.000. ==
3. 7. DYNAVAC 2 Ø 1700 mm.	61. 000.==
3. 8. VIBRATOR STAKING MACHINE	23. 000.==
3. 9. BUFFING MACHINE S 250	10. 3 50.==
3.1 C. CONTINUOUS DUSTING MACHINE	12. 500.== *
3.11. PNEUMATIC TRIMMING KNIFE	600.== *
3.12. FINISHING LINE WITH 1 SPRAYING CAB	38. 500.== *
3.13. IRONING AND EMBOSsing PLATEN PRESS MP2MS	38. 700.== *
3. 14. ROLL POLISHING MACHINE L 600	13. 200.== *
3.15. ARM GLAZING MACHINE	8. 500.== *
3.16. SURFACE MEASURING MACHINE MAS-MP1 1600	23. 800.==

PRICES ARE FOR DELIVERY FOB ITALIAN PORT, INCLUDING SEA PACKING

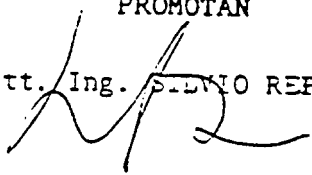
We enclose to our offer the leaflets of machines excluding the one of the shaving machine, revised, as those types of machines are no more manufactured presently.

We send also, herewith enclosed, a plant showing a possible rational location of all machines.

It is clear that we remain at your complete disposal to study and discuss in detail the project with your technician Mr. Kron also considering that you are interested in a through study of the technology that we will bring to a Spanish Tannery.

With kindest regards,

PROMOTAN

Dott. Ing.  SILVIO REPETTO

3. - MAIN PICTURE OF MACHINERY

- 3. 0. No. 1 FLESHING MACHINE with 1200 mm. working width
- 3. 1. No. 1 HYDRAULIC SCUDDING MACHINE with 1200 mm. working width
- 3. 2. No. 3 STAINLESS STEEL DRUMS UNIK-PEL 6000 ASA/RC 1 P
- 3. 3. No. 1 CONTINUOUS SAMMYING MACHINE with 1600 mm. working width
- 3. 4. No. 2 SHAVING MACHINES with 450 mm. working width
- 3. 5. No. 2 STAINLESS STEEL DRUMS UNIK-PEL 2000 ASA 1 P
- 3. 6. No. 1 AUTOMATIC VACUUM DRYER with 4000x2500 mm. working table
- 3. 7. No. 1 DYNAVAC Ø 1700 with 2 working tables
- 3. 8. No. 1 STAKING MACHINE with return of the leathers to the operator with 1800 mm. working width
- 3. 9. No. 1 BUFFING MACHINE with 250 mm. working width
- 3.10. No. 1 CONTINUOUS DUSTING MACHINE with 1800 mm. working width
- 3.11. No. 3 PNEUMATIC TRIMMING KNIFES
- 3.12. No. 1 FINISHING LINE with 1 spraying cab, 5 drying tunnels and 1 final cooling unit, with 1600 mm. working width
- 3.13. No. 1 HYDRAULIC IRONING AND EMBOSsing platen press with 330 tons of total power and with size of table 1370x660 mm.
- 3.14. No. 1 ROLL POLISHING MACHINE with 600 m... working width
- 3.15. No. 2 GLAZING MACHINE with slating surface with 700 mm. beating length
- 3.16. No. 1 ELECTRONIC SURFACE M: ASURING MACHINE with useful width of 1600 mm.

* Total cost of above machinery out line is \$626,400 U.S. dollars .

DAME

BELT & BAG CO., Inc.

636 ELEVENTH AVENUE, NEW YORK, N. Y. 10036. Phone 581-2030

April 12, 1984

Mermaid Leather Company
1112 West Tender
Vancouver, B.C. V6E2S1

Attention: Mr. Bruce Pott

Dear Bruce:

My brother David, and I, founded DAME BELT & BAG CO. over 40 years ago.

During this period, we have developed, or worked with, most of the new advances in the leather and fashion industries.

We have discussed sea leather with our staff, and feel that this has more long range potential than anything we have ever seen.

Among the products for which immediate uses for sea leather can be found are: handbags, belts, shoes, luggage, billfolds, furniture, clothing, etc.

We are personally familiar with most of the best and largest stores that carry these products, as well as the most important manufacturers who produce them.

Our Company was instrumental in the tremendous success of the VELCRO CORP.

Before they went public, our office was their headquarters for the first two years.

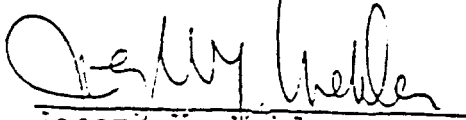
For the past few years, reptile leather and grains have been very successful. The market is ripe for a new genuine item as soon as possible.

Bruce, our factory is constantly available to test any new improvement that you come up with in your tanning process.

Our people are highly enthusiastic, and anxious to discuss our plans with you at your earliest convenience.

Sincerely yours ,

DAKE BELT & BAG CO., INC.



Joseph Y. Mehler,
President

JYM:am

DAME

EEL-r & BAG m., Inc.

636 ELEVENTH AVENUE .NEW YORK, N. Y. 10036 .Phone 581-8030

May 15, 1984

The Mermaid Leather Co., Ltd.
#708-1112 West Pender St.
Vancouver, B.C., Canada V6E251

Attn: Bruce Fott

Dear Mr. Fott:

In response to your phone request for cost of exotic leathers such as: snake, lizard, alligator, ostrich, the following information is approximate for finished skins.

1. Snakeskin: (Whip-cobra) 3" to 4" wide x 36"-42" long. Prices range from \$10.00 - \$12.00 per skin.
2. Lizards: Various varieties - approx. \$10.00 - \$12.50 per skin.
3. Alligator: According to width. \$15.00 per inch -measured across the belly.
4. Ostrich: \$24.00 to \$27.00 per square foot.
5. Embossed grains on cowhide: In area of \$1.75 per sq. ft.

Relative to marketing information for fish skins, we feel that we must have realistic, or close to actual, figures for the different types of skins before we can make a firm commitment.

However, based upon your estimate given over the phone for salmon of approx. \$3.00 per skin tanned, approx 8 x 23, plus, we believe we could use your entire production.

Since salmon species vary in size, we would prefer larger skins, where possible.

We can sell the smaller skins in the shoe industry as well as trims for handtags, belts, garments, wallets, watchstraps, etc.

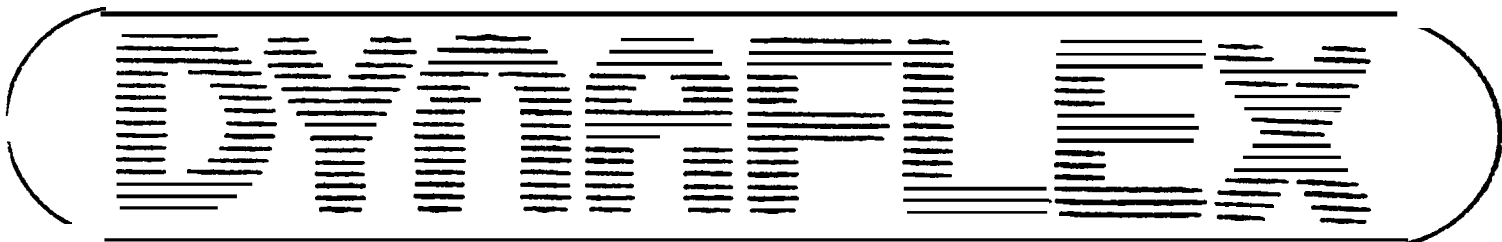
We are interested in the different varieties which you mentioned and feel certain that we could market the different types of exotic fish skins.

We wish to remind you that in order for us to reach the different industries, we need more skins to make stylish samples in each category. It is necessary for us to do some testing in our production departments as well as the customers.

We look forward to meeting you in New York and trust that we can get together to discuss, in detail, all the problems relating to costs and the marketing of Sea Skins and to arrive at a mutually profitable agreement.

Sincerely yours,
DAME BELT & BAG CO., INC.

Ken Egan,
V. Pres.



May 8 , 1984

Mr. P. J. Holicza
THE MERMAID LEATHER CO. LTD.
708-1112 West Pender Street
Vancouver, B.C.
V6E 2S1

Dear Mr. Holicza:

As per our previous conversations, we have thoroughly investigated the marketing potential of Mermaid leather in Korea.

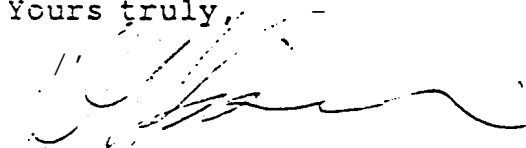
Our General Manager of our Korean branch office has had a tremendous response to the product. He has contacted manufacturers who have a requirement for in excess of 100 million square feet per year.

If the price is within the range you had previously indicated, they are willing to take your full production.

We have received many requests to purchase the technology or enter into a joint venture situation with yourselves. There would appear to be no difficulty in supplying the amount of capital as outlined.

Your earliest reply would be appreciated as our general manager is anxious to finalize arrangements with his contacts.

Yours truly,



David H. Spicer
President

/dml

DYNAFLEX

July 4, 1984

The Mermaid Leather Co. Ltd.
//708, 1112 West Pender Street
Vancouver, B.C.
V6E 2s1

Dear Sirs:

Further to our recent discussion, we wish to clarify our position.

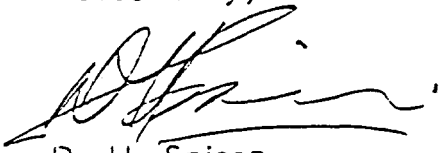
The branch manager of our Korean Branch office has done significant research into the marketability of Mermaid Leather in Korea. As Korea is fast becoming a "force majeure" in the world market for leather goods, the market is substantial.

We would like to enter into an arrangement with you whereby we become your exclusive distributor for all Mermaid Leather products in Korea and Taiwan. We are prepared to commit to purchases of 6 million square feet (representing less than 1% market penetration) of fish leather in the first year. This will be adjusted upwards as new species become available. This, of course, is based on the price being attractive, i.e. minimum \$4 per foot.

As you approach production, we will supply purchase orders and letters of credit.

We hope you find this arrangement satisfactory and expect to draw up proper legal arrangements in the near future.

Yours truly,



D. H. Spicer
President

Dynaflex Industries Inc.

708 - 1112 West Pender Street, Vancouver, B.C. V6E 2S1 Telephone (604) 682-3900

STYLECRAFT
WATCH-STRAP
INDUSTRIES INC.

LES INDUSTRIES
DU BRACELET-MONTRE
STYLECRAFT INC.

8330 av Esplanade Ave., Montréal, Qué., Canada H2P 2R3
Tél.: (514) 382-2130 Cables: Stylecraft. Téléx: 05-825670

October 17th, 1984

MERMAID LEATHER COMPANY
708 - 1112 West Pender Street,
VANCOUVER B.C.
V6E 2s1

Attention: Mr. Gord Harvey, Manager

Dear Sir,

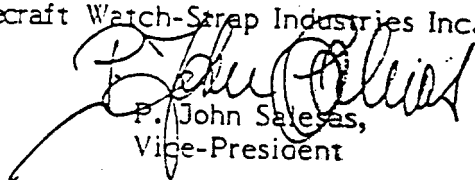
Reference the Article we read in "Canada Export" Bulletin regarding your new technic to obtain real leather from fish skins, we would like to inform you that as Canadian leading Manufacturers of quality leather watch-straps we currently investigate the supply of fine exotic leathers suitable to our watch strap production.

We hope you will be able to send us your offer with cutting Samples or your swatch book of your production, quoting your best prices and deliveries.

Thanking you in advance for your prompt attention to our above request, we remain,

Very truly yours,

stylecraft Watch-Strap Industries Inc.
per:



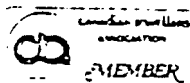
P. John Salesas,
Vice-President

PJS/al/7375



La Corporation
des Horlogers
du Québec

The Quebec
Jewelry
Corporation



COPAX

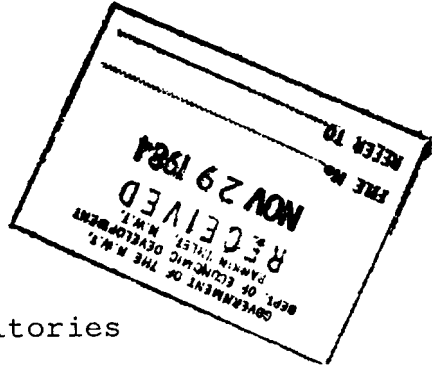
Trade Mark • Marque déposée



Trade Mark • Marque déposée



November 20, 1984



Government of the Northwest Territories
Rankin Inlet N.W.T.
XOC OGO

Attention Brian Threadkell

Dear Sir:

In reference to your letter of October 2, 1984 I am enclosing our current joint-venture proposal and some leather samples.

We feel our process is adaptable to any species and would work for the Char. The best approach would be to airfreight 500lbs. of frozen Char skins 16 inches or preferably longer, for research purposes.

The process is basically a tanning operation with some unique procedures and chemicals, markets are virtually unlimited. Production costs are approximately \$1.50/sq.ft. and selling price is \$4.00/sq.ft.

The plan we have enclosed shows production volumes up to two million sq. ft. and depends upon the raw material available.

The process could be developed for application in your area.

Please call or write if you have any other questions.

Yours truly,

Peter J. Holicza
Director

Enclosure
dd

the mermaid Leather company Limited

SUITE 70E1112WESTPENDER ST., VANCOUVER, B.C. CANADA V6E 2S1

TELEPHONE:(604)687-3474 TELEX:0451259

Cointure **emmanuel** Belt

225 LIEGE STREET WEST, MONTREAL, QUEBEC H2P 1H4, CANADA - TEL (514) 382-3440 TELEX. I) S. 825-729

October 2nd 1984

Mermaid Leather Co. Ltd.,
708 11-12 West Pender Street,
Vancouver, B.C.
V6E 2S1

Attention: Mr. Bill Magee, President

Dear Mr. Magee,

We read an article in the Montreal Gazette that your company has discovered a way to make leather from fish skin.

As we are the largest belt manufacturer in North America we are very interested in your product and would appreciate receiving samples.

We also manufacture small leather goods and would again appreciate extra samples to be used for reference by our production facilities.

Your kind attention would be appreciated. Thank you for your co-operation.

Look forward to hearing from you in the near future.

Sincerely,

GREG VETTER

GV:kib

Canada Belt & Bag Co. Inc.

Coassin Marco

IMPORTATEUR

Ch. du Devin 35

1012 Lausanne Suisse

Lausanne, le 25 Octobre 1984

Mermaid Leather Company
Attn. Mr. Peter Holicza
Suite 708
1112 W. Pender St.
Vancouver, B.C. V6E2S1

Dear Mr. Holicza,

We write you today in reference to our last telephone conversation.

Coassin Import deals primarily in luxury articles made of calf and reptile leathers. As importers and factory representatives we work currently with designers, leather factories and wholesalers, handbag, travel bag and wallet factories as well as boutiques and department stores.

Our geographic location in Lausanne, Switzerland, is strategic in the sense that we can effectively cover Central Europe.

Our position in this specialty market is a delicate one as we must study intensely the trends in order to act efficiently as a go-between.

We contact you today as we seek to enter into negotiations with you concerning the following three points:

- (1) We wish to import finished articles made from your leathers and test market them in Switzerland. We have, as some of our clients, high fashion boutiques located in Geneva, Zurich, St. Moritz, etc. This could be a good starting point to help springboard your products into other European cities.
- (2) We are interested in working for you as representatives for the sales of the leather materials within the territory of Central Europe. We possess many valuable contacts and could rapidly introduce and create a demand for your leathers in the region of Florence Italy. This is the most renowned region of the world for the design and conception of leather handbags. We understand that the eventual success of your invention depends upon the consumer acceptance. We propose to work with you to insure this acceptance.
- (*) We have contacts in Scotland who are interested in the conditions under which you plan to license your newly developed technologies.

As we enter the purchasing period for department stores and boutiques (1 november-15 december) we are literally swamped with requests for articles in python, ostrich, crocodile, and lizard. The mode in leather fashion re - entered a cycle in which these articles are highly demanded. We believe that this spring would be an ideal moment for the introduction of your finished items into Switzerland.

With reference to point (1), we are prepared to present your finished products (handbags) into Switzerland. In order to accomplish this task we will need a full line of samples, including color catalogs, along with all the necessary precisions; eg. delivery delay time, stock situation, preferred method of payment, etc. If all this can be completed and the samples received no later than the 12 November we will be on target to begin a test marketing program in Switzerland. Should this situation interest you, please telegram us immediately so that we may be prepared for the addition of your line to our existing models. Airfreight to Geneva airport would be the most practical means of insuring prompt delivery.

With reference to point (2) we wish to state that we would be prepared to present your leathers to designers and manufacturers beginning the 15 january 1985 in order to assure the development of new models for the season of winter 1985-6.

We hope to hear from you soon and look forward to a long and fruitful cooperation .

Sincerely Yours,

Coassin Import

Steven Michael Taub

&

Marco Coassin

