

GRANBY MINING CORPORATION

GRANISLE COPPER LIMITED

000336

<u>9 MONTHS TO 30 JUNE 1978</u>			<u>9 MONTHS TO 30 JUNE 1977</u>			<u>9 MONTHS TO 30 JUNE 1978</u>		
Net Revenue	\$17,955,000	\$19,955,000	Net Revenue	\$14,446,000	\$15,873,000			
Cost of Production	17,801,000	17,055,000	Cost of Production	14,223,000	14,422,000			
Deprec'n, Depl'n, Amort'n	2,112,000	2,060,000	Deprec'n, Depl'n.	1,599,000	1,492,000			
Exploration Expense	176,000	491,000	Exploration Expense	50,000	109,000			
Gen., Admin. Expense	1,020,000	924,000	Gen., Admin. Expenses	446,000	456,000			
Investm., Other Income	292,000	670,000	Investm., Other Income	516,000	682,000			
Tax(Recovery): Current	-	137,000	Tax(Recovery): Current	-	-			
Deferred	(1,054,000)	(15,000)	Deferred	(607,000)	(28,000)			
Minority Interest	(13,000)	2,000						
Net Loss	1,795,000	29,000	Net Income (Loss)	(749,000)	104,000			
Loss Per Share	\$1.24	2¢	Loss Per Share	23¢	3¢			
Shares Outstanding	1,444,371	1,444,371	Shares Outstanding	3,329,919	3,329,919			
<u>PHOENIX MINE PRODUCTION</u>			<u>GRANISLE PRODUCTION</u>					
Aver. Tons Milled/Day	2,792	2,835	Aver. Tons Milled/Day	13,900	13,827			
Copper Produced, Lbs.	4,691,000	5,646,000	Copper Produced, Lbs.	25,261,000	28,974,000			

R.P. Taylor, president of Granby Mining Corporation and Granisle Copper Limited, reports that copper prices, which improved slightly to 59.3¢ per pound in the quarter ended 30 June from an average of 57¢ in the 9 months to that date, continue to be at sub-economic levels. Copper production from the two mines in the current nine month period totalled 29,952,000 pounds, down by 13% from the year earlier period.

At Phoenix the total throughput was lower due to the change-over in the second fiscal quarter from a seven-day to a five-day operating week; thus, copper production decreased in both the current quarter and the year to date.

At Granisle, which continues to operate on a 7-day week basis, the lower grade of ore milled was the main reason for the decline in the production of copper in the current periods. The combination of lower copper prices and reduced production results in the loss situation.

Both sources of mill feed for Phoenix, namely the Phoenix mine low grade ore stockpiles and the ore purchased from Lone Star Mining Corp., will be exhausted by the fall of calendar 1978, and the operation at Phoenix will be closed down. Reclamation work will begin as soon as milling is completed, and will extend into 1979.

A new collective bargaining agreement has been signed with the Granisle Copper Limited hourly labour force, effective for one year from May 1, 1978.

82E/RE