

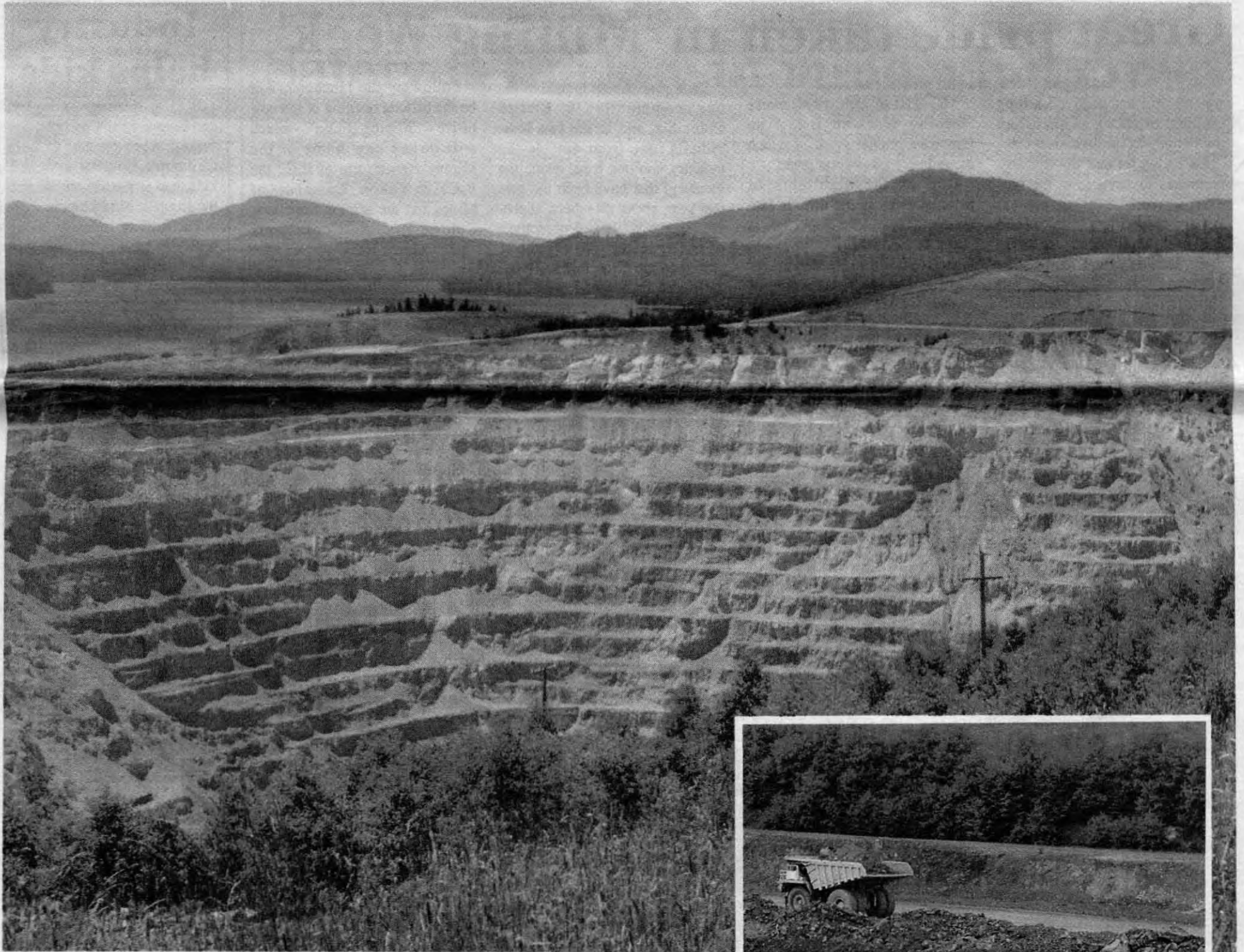
FOCUS

PROPERTY FILE

On Mining

WEDNESDAY, MAY 25, 1994

PUBLISHED BY NORTH ISLAND GAZETTE



Inside the mining industry

Island Copper

Job training is at the forefront of wind down
See page 5

Myra Falls

Limited production continues
See page 12

Diamonds

Call of the north beckons BHP
See page 15

FOCUS ON MINING



Gary Livingstone
President, Mining
Association of B.C.

Budget steps in right direction

As far as the Mining Industry is concerned, the Provincial Budget is at least a "step in the right direction," says Gary Livingstone, President of the Mining Association of B.C.

"The budget refers to "an \$18 million package for mining," which sound pretty good on the surface. But it's important that

we put that into proper perspective. We're an industry that is responsible for some 33,000 jobs in B.C., we generate \$2.7 billion in annual revenue, and spend close to \$2.6 billion every year," says Livingstone.

He added that the mining association has worked hard to get government to understand the

government to understand the industry and appreciate the enormous contributions made to B.C.'s economic and social well being. The industry has met on several occasions with various government ministers, including the premier, to stress the value of the industry to B.C. and what it's going to take to ensure continua-

tion as a significant generator of economic wealth and opportunity.

"The (1994) budget, which among other things provides for a mineral tax rate reduction for coal to bring it into line with tax rates for the base metals, is welcome news and represents a good start," concluded Livingstone.

Great pride taken in 'Mining Week'

As B.C.'s second largest industry, mining has enjoyed a long tradition of strong support from municipalities throughout B.C.

It's no secret that the industry continues to struggle in the face of low world market prices, fierce competition from abroad and detrimental land-use decisions here at home. But it has been the encouragement and accommodation that communities have given the industry over the years that has helped it remain a driving economic force

in the province today.

May 21st to 28th, 1994, marks "Mining Week in B.C.," an important annual event in which the industry takes great pride.

One of the highlights of Mining Week is the awards luncheon. This year's luncheon is being held on May 27th at the Waterfront Hotel in Vancouver and features the presentation of awards for Mining Person of the Year, Mining Community of the Year and Mining Industry Person of the Year.

Each year tribute is paid to the one community in British Columbia, and to the two individuals (one from outside the industry and one from inside the industry) that have been the best that year, above all others, at promoting the goals and objectives of our industry. High value is placed on the effort that individuals make in helping boost the public image as an important economic and social contributor to a healthy and prosperous community way of life.

Following the luncheon, will be the official opening of the new office - "Mining House" - which will be the new home of the Mining Association of B.C., the B.C. & Yukon Chamber of Mines and the Mining Suppliers, Contractors & Consultants Association of B.C.

The luncheon and the opening of B.C. Mining House will attract some 250 industry executives, government leaders and V.I.P.'s from throughout B.C.

Industry helps kids

B.C.'s mining industry, employing 35,000 people, has raised more money to help Children's Hospital treat sick kids than any other private sector group or organization.

The mining industry, along with the hard work and generosity of the Mine Suppliers, Contractors and Consultants Association, have raised more than \$1.8 million for Children's Hospital in just six years. It's a record to be proud of.

PORT HARDY BULLDOZING LTD.

A SERVICE COMPANY TO THE MINING INDUSTRY

Site Development

Exploration Roads

Ore Boat Loading

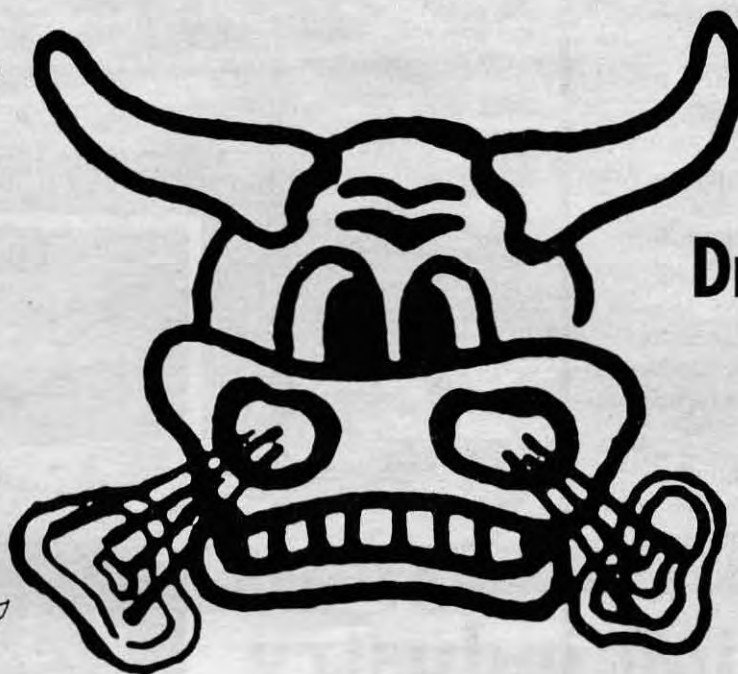
Drill Site Preparation

Settlement Ponds

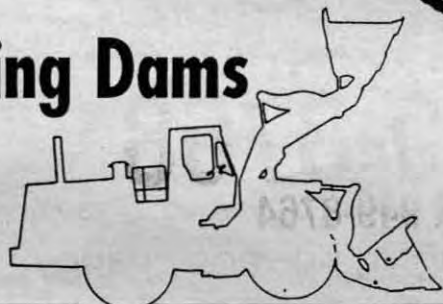
Trenching

Tailing Dams

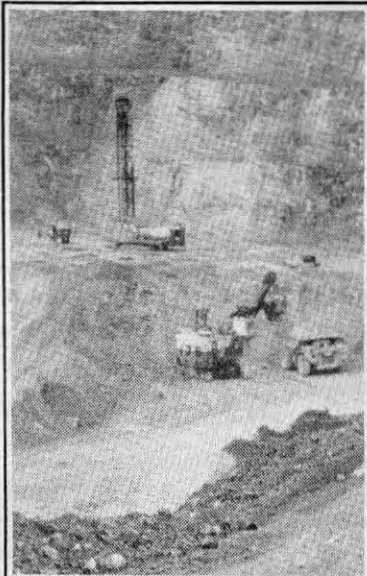
Stripping



PORT HARDY 949-6548
FAX 949-6581



FOCUS ON MINING



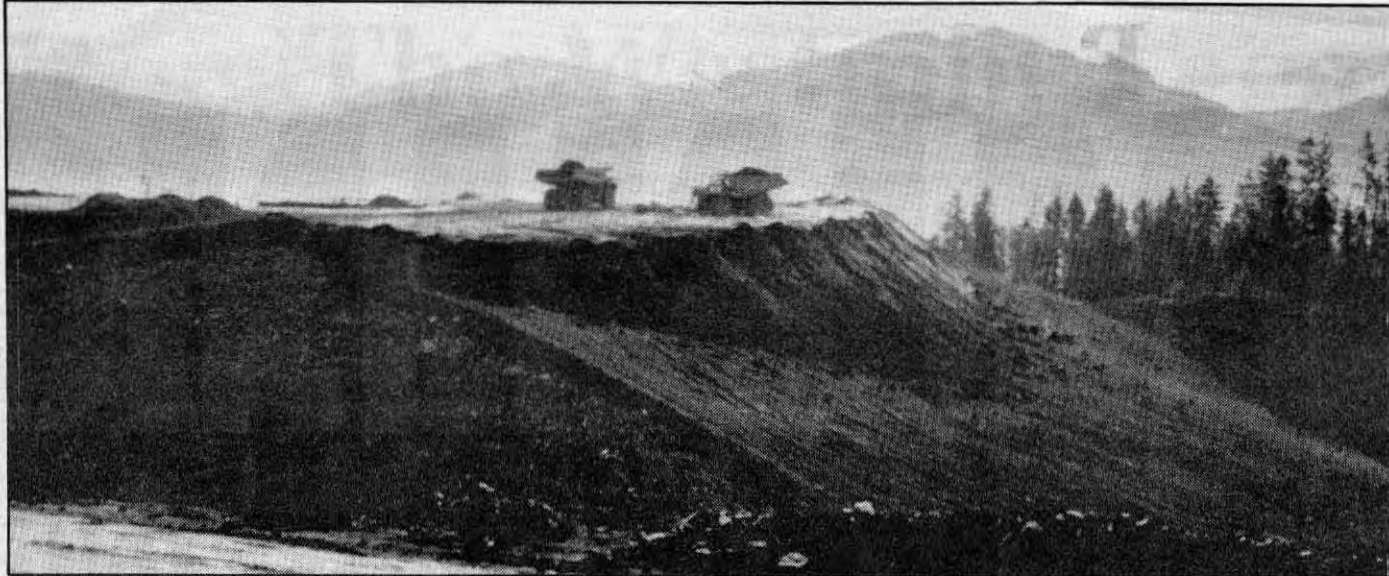
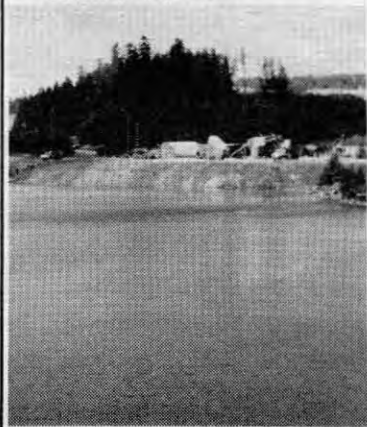
What a history

As far as mines go, it's not the biggest. It's only about one third the size of the Highland Valley Mine near Kamloops. But for over 22 years now, the Island Copper Mine has generated a tremendous amount of wealth for the people of British Columbia.

When you take a look at what the mine has done for the people of the North Island in terms of jobs, support of local business through the purchase of goods and services, it's astounding.

THE 22 YEAR ISLAND COPPER RECORD

Production	
Copper	2,650,000,000 lb.
Molybdenum	60,000,000 lb.
Gold	1,050,000 oz.
Silver	10,800,000 oz.
Rhenium	52,000 lb.
Total Expenditures (\$US)	
Wages and Benefits	\$700,000,000
Spending on Supplies and Services in North Island	\$400,000,000
Spending on Supplies and Services in B.C.	\$800,000,000
Smelter Charges/Transportation	\$600,000,000
Other	\$350,000,000
TOTAL EXPENDITURES	\$2,850,000,000



Inner workings of Island Copper's open pit mine (far left) and an interesting skyline view at the BHP site. Photo Ian Horne

Safety is the key in mine wind down

The wind down of mining operations at Island Copper will be accomplished in three stages starting next February and ending in September, but a decision on the dismantling of the physical plant will depend on what happens with the proposed landfill project, says Mine Manager Jim Excell.

"Our final plans for the completion of mining and milling operations are pretty well set at this point, and we're proceeding with reclamation work on the waste rock dumps," he says. "But we're holding off on the dismantling of buildings, power, water and other infrastructure to see what happens with the landfill project."

Between now and February, he expects production to continue at present levels and, while there has been a significant depression in copper prices over the past 12 months, he hopes the recent strengthening in prices will continue.

Production Manager Bill Hogan says mine production presently is running at 40,000 tons per day and mill production at 57,000 tons per day. By February, waste rock stripping will be completed and production from the pit will be reduced to 4,000 tons per day.

"That reduction will signal the next round of layoffs," he notes. "We have 482 employees right now, and that will drop to about 400 to 410 in February. Then in June, we'll have finished mining out the in-pit reserves and will have to reduce the work force again to about 365 people."

Milling of stockpiled low grade ore and the recontouring and reseeded of the waste rock dumps will continue into

September when the final layoffs are scheduled. A small number of employees will remain for the final reclamation and cleanup work.

"One of our major challenges on the operating side will be to maintain our positive approach to safety," Hogan says. "People are going to have a lot of different things on their minds as we head into the final stages of closure, and we're going to have to be very careful we're not distracted

to the point where we forget about our personal safety."

Commenting on the future of the community, Mine Manager, Excell, notes that about half the 52 employees who left the work force in March had indicated they planned to stay on the North Island.

"We've also had inquiries from employees who would be interested in working on the landfill project if that goes ahead. There would be about 50 jobs at the

landfill itself and a number of jobs on the truck haul if the marine terminal goes into Hardy Bay or Port McNeill.

"There is absolutely no guarantee at this point that the project will proceed, but we're delaying any decision about removing the infrastructure which could be used for the landfill or for any potential spinoff industries associated with that project. We like to be optimistic. We're keeping our options open."

Detroit Diesel Specialists

CYLINDER HEAD REPAIRS
TURBO CHARGER REPAIRS
ALLISON MARINE GEARS



MITSUBISHI ENGINE



Detroit Diesel Allison

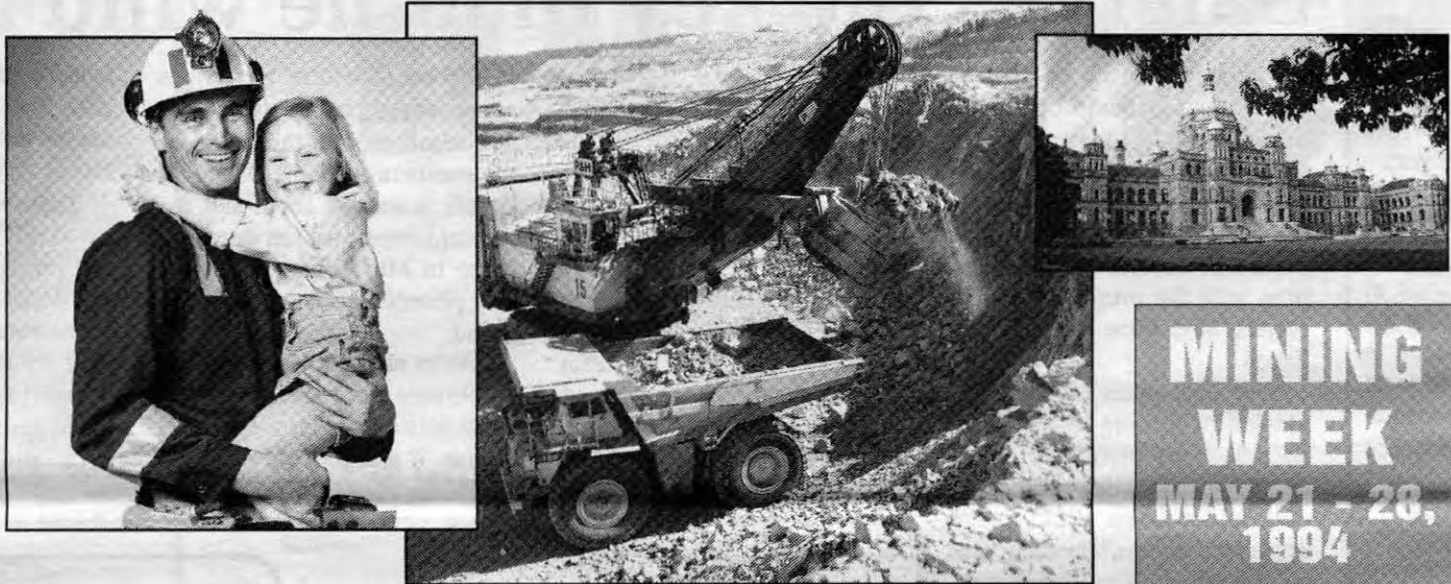


Phone: **949-8768**
FAX 949-8764

5865 BYNG (AIRPORT) RD. PORT HARDY

MINING

A PARTNERSHIP WORTH PRESERVING



**MINING
WEEK**
MAY 21 - 28,
1994

It took strong partnerships to build B.C.'s second largest resource industry.*

Employer and Employees

-Over 33,000 Canadians count on B.C.'s mining industry for their employment.

Industry and Government

-Mining spent a total of \$2.59 billion on B.C. operations. Government agencies collected \$351 million in taxes and other levies from mining activities.

Industry and Local Business

-Mining spent over \$1.36 billion on the purchase of local goods and services. Many innovative B.C. companies are world leaders in mining technology.

Generation to Generation

-The B.C. mining industry leads the world in environmental preservation and land reclamation. With only one tenth of one percent of the total land area in B.C. having ever been touched by mining, vast riches remain for generations to use and enjoy.

B.C. Miners are proud of the economic prosperity and job security we generate for the citizens of this province.

*Price Waterhouse - Mining Statistics 1992.

Major Sponsors

- Cominco Ltd.
- Finning Ltd.
- Fording Coal Limited
- Highland Valley Copper
- Kal Tire
- Line Creek Resources Ltd.
- Placer Dome Canada Limited
- Quintette Operating Corporation
- Teck Corporation

Supporters

- Baymag Mines Co. Limited
- B.C. Bearing Engineers Limited
- Bullmoose Operating Corporation
- BXL Bulk Explosives Limited
- Century Oils (Canada) Inc.
- Climax Canada Ltd.
- Coopers & Lybrand
- Cummins British Columbia
- Detroit Diesel - Allison British Columbia Ltd.
- El Condor Resources Ltd.
- Elkview Coal Corporation
- ESCO Limited
- Golder Associates Ltd.
- Harnischfeger Corp. of Canada Ltd.
- Homestake Canada Inc. - Nickel Plate Mine
- International Northair Mines Ltd.
- J. Kaehne & Associates Ltd.
- Kilborn Engineering Pacific Ltd.
- Knight Piesold Ltd.
- Metall Mining Corporation, Samatosum Division
- Mining Suppliers, Contractors & Consultants Association of British Columbia
- North American Metals Corp.
- Placer Dome Canada Limited - Endako Mines Division
- Redfern Resources Ltd.
- Rescan Environmental Services Ltd.
- Rio Algom Limited
- Taseko Mines Limited
- Terratech Equipment Ltd.
- Thiessen Team
- Tilbury Cement Limited
- Westmin Resources Limited



**Mining Association of British Columbia
Mining Suppliers, Contractors & Consultants
Association of British Columbia**

Suite 860 - 1066 West Hastings Street, Vancouver, B.C. V6E 3X1
Telephone 681-4321 Fax 681-5305

The partnership's worth preserving!

FOCUS ON MINING



Mine Manager, Jim Excell, says BHP is holding off on the dismantling of buildings, power, and water to see what happens with the landfill project. Photo Ian Horne.

Job training programs offer a brighter future

It didn't take a lot of motivation for Bruce Deans to take advantage of the enhanced education program being offered for the employees facing layoffs at Island Copper Mine.

Having just completed his apprentice welding ticket, Deans still has the mind set of a student, in contrast to someone who

He's also considering courses in pressure welding, aluminum welding and even scuba diving, which will help him earn a ticket in underwater welding.

Married with two children, the 30-year-old with nine years seniority at Island Copper is using the program to make himself as valuable as he can when it comes to future employment.

Not everyone is quite as enthusiastic as Deans, but Island Copper employee relations manager Joe DiMarco paints a bright picture for the prospects of employees who are involved in the program.

Courses can range from computers to truck driving to trades to what are more typically known as "hobby courses" such as photography and diving — two qualifications charter boat operators might want.

"It has to kind of fit," DiMarco said. "It can't be too airy-fairy, but this is the kind of thing we're supportive of."

And for those who aren't quite sure what they want to do, they can go through a profile interview to help them uncover their likes and dislikes and decide which courses to take to build up their skills.

The program is something of an anomaly, DiMarco said. When a similar program was offered in 1986, when about 125 people were laid off, BHP covered only 75 per cent of the costs, and the courses had to be mining industry related.

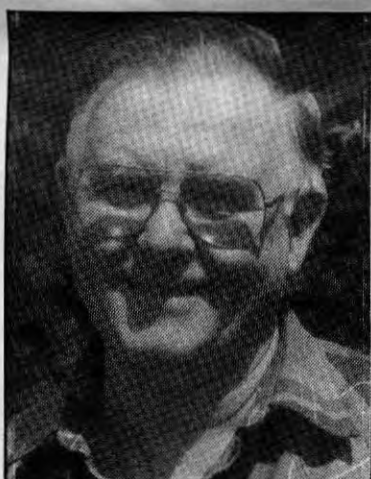
But this time, with the mine closing down completely, it was time to give employees more

than the usual help.

Giving notice more than a year in advance was also important, DiMarco said, because it gives employees time to think and plan their futures, so that many have been able to take care of themselves.



Bruce Deans is happy to take advantage of the retraining program being offered employees who face layoffs. Photo Mark Nielsen



Employee Relations Manager Joe DiMarco

hasn't stepped into a classroom for 20 years.

But just as important, through the program BHP Minerals will pay the full cost of any course he completes, regardless of whether it has anything to do with working at a mine or not.

"What other company would say 'take any course and we'll reimburse you if you pass'?" He said, "you can't complain about that."

So far, he's taken courses in small engine repair and first aid. And he's going to start a more comprehensive first aid course — 16 hours each week — in the near future.



**YOUR ONE STOP SHOP FOR ALL
YOUR HEAVY DUTY TRUCK PARTS
HIGHEST INVENTORY - LOWEST PRICES**

- Rockwell
- Brakes
- Oil
- Clark
- Springs & U-Bolts
- Exhaust Parts
- Batteries
- Much Much More!
- Hubs & Drums
- Timken
- Drive Line
- Seats
- Hendricksen
- Valves
- Wheel Parts & Rims

**THE PLACE TO GO FOR
ALL YOUR ON OR OFF
HIGHWAY TRUCKING NEEDS**

Phone 956-4401

Fax 956-4922

490 Pioneer Hill Drive, Port McNeill



FOCUS ON MINING

Mining helps keep B.C.'s economy strong

Mining is an essential industry to the people of British Columbia. It is the province's second largest resource industry after forestry. The challenges it faces are daunting. Some say the consequences of failure are grim, that the industry might not have a future in B.C.

You Can't Live Without Metal

Imagine what your house would look like if someone passed a huge magnet over it and pulled out all the nails.

Miners have long used analogies like this to emphasize the importance of metals in everyday life and, given the declining fortunes of British Columbia's minerals industry, it is useful to re-emphasize the degree to which we depend on minerals and to appreciate the formidable factors that threaten this resource.

Over a lifetime, the average North American will use half a ton each of lead and zinc, almost a ton of copper, more than two tons of aluminum, 45 tons of iron and steel, 180 tons of coal and

about a million points of stone, sand, gravel, cement and clay.

Lead is a principal component in car batteries; zinc is used as a galvanizing agent in automobiles and in baby creams to prevent diaper rash; there's copper in electrical wiring and appliances, aluminum in pots and pans and

of course, iron in nails and steel. A good portion of Canada's electrical energy requirements is met by coal-fired generating plants; and building stone, gravel and cement are widely used in the construction industry.

A Spectacular Heritage

Canada's endowment of natural

resources is the envy of the world. This endowment includes such commodities as iron, coal, copper, nickel, uranium, molybdenum, platinum, gold, silver and a host of other important metals and minerals. And the list is still growing. Diamonds, one of only a few mineral commodities

Canada doesn't yet produce, have been discovered recently in the Northwest Territories.

On a per capita basis, Canada is the largest producer of mineral commodities in the world and British Columbia's share of the national output is among the highest of all provinces.

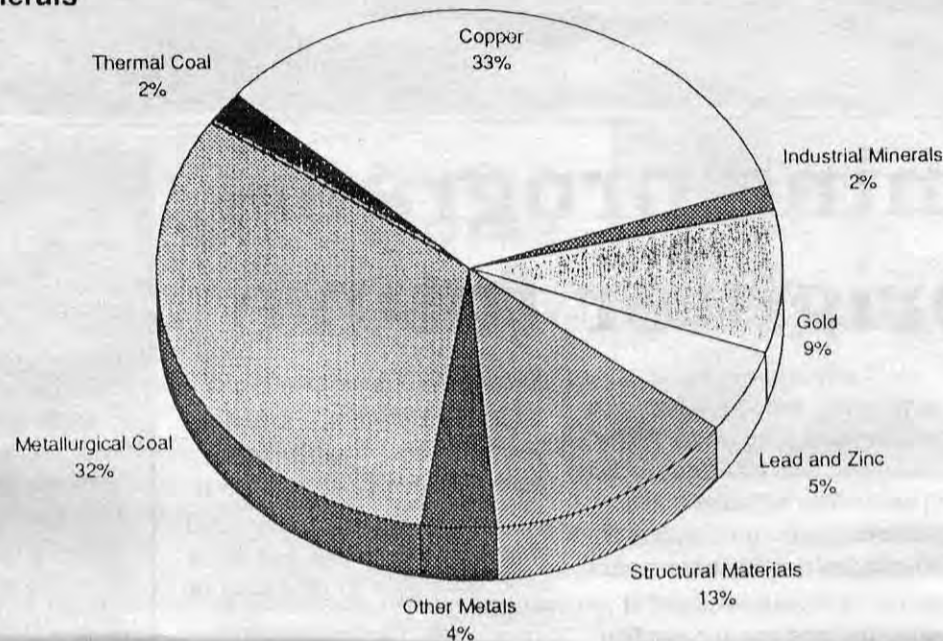
Mining's Impact on the Provincial Economy

The people who work in mining are among the best paid and most highly skilled in the province. Industry personnel encompass a broad range of engineering and related disciplines such as mining, metallurgy and civil, electrical, mechanical and geological engineering. Skilled tradespeople include plumbers, electricians, heavy duty mechanics and millwrights.

The average salary and benefits per employee in British Columbia's mining industry reached a record \$60,000 in 1991, and mining continues to be a major tax source for three levels of government.

1993 Solid Minerals Value in B.C.

\$2.3 billion



DISTRICT OF PORT HARDY

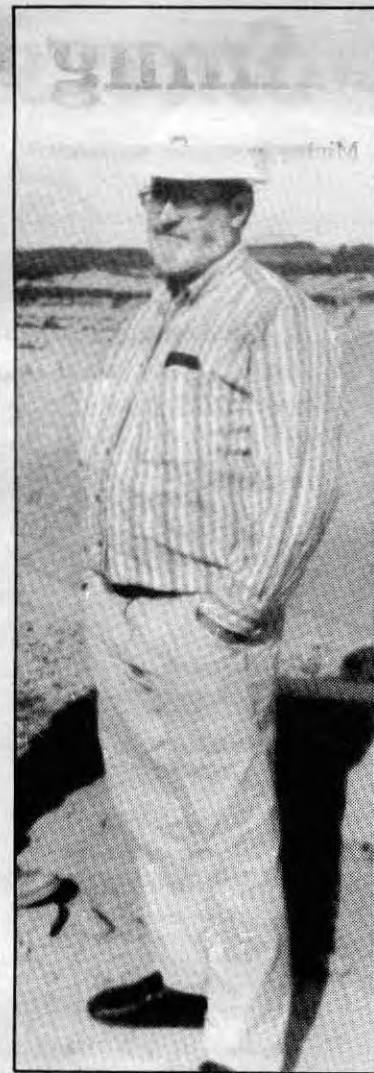


The District of Port Hardy wishes to congratulate Island Copper in this their 23rd year of operation on the North Island. Port Hardy and areas has benefited greatly through Island Copper's contribution to our social and economic fabric. We wish them every success in the future.

Council and Staff

FOCUS ON MINING

It's estimated the pit, 2.4 km long, 1.2 km wide and 390 metres deep, could handle the garbage needs of the entire Georgia Basin for the next 200 years. Photo, Ian Horne



LANDFILL: looking for the answers

Sufficient interest has been shown by potential markets for BHP Mineral's landfill project to prompt another step in the process in conjunction with the issues scoping being done by the community Round Table, says Project Manager Dick Robertson.

"Vancouver Island and the Sunshine Coast, excepting Victoria, are definitely interested and the GVRD (Greater Vancouver Regional District) has listed us as an option for waste from Port Mann when that closes," he says. "There's also a potential for volumes from the Tacoma area where two existing landfills are scheduled to close.

"But they all want to know what our pricing will be and when we could expect to obtain the necessary community approvals and government permitting and be ready to operate.

To answer that question, the company is initiating a study to determine costs and a price for disposal, or "tipping fee," which can form the basis for negotiations with potential markets. A draft scope of work for this study was to be reviewed by the community round table at its May meeting.

"The study will incorporate the relevant recommendations of the community round table which we hope will issue its first report in June," says Robertson. "The round table's work has already been instrumental in identifying key issues to be addressed and generating a good deal of information about the mechanics of the waste management business."

The present schedule for the project calls for receipt of the community round table's first report, followed by completion of the marketing study and a

request for expressions of interest from potential markets in the fall.

"The response to that approach to the market will determine whether we proceed beyond that point," says Robertson. "If we do, the next step would be to prepare a formal plan for submission to Mt. Waddington Regional District and the provincial government. We expect that submission would trigger a major project review and that the community round table would continue as part of that review process."

Robertson emphasizes that even approval by major project review would not automatically mean the project would proceed. "If that approval was forthcoming, the company then has to decide if it wants to go ahead with a full scale feasibility study which would determine the very specific requirements for the next regulatory stage - the permitting process.

"In the permitting phase, the relevant federal and provincial ministries review the actual operating details for the project as they apply to permits, operating licenses, environmental permitting and so on. Again, we would hope that the community round table will continue to participate in this phase and, if the project goes ahead, remain in a monitoring role for the operational phase."

Meantime, the company has completed preliminary research into three key issues identified in the first round of public meetings which took place on the North Island in the spring of 1993. These dealt with an alternative shipping route instead of Quatsino Sound, the content and treatment of landfill leachates and the potential impact on

tourism.

Now under consideration is a route up the Inside Passage utilizing containers in covered barges with a terminal in Hardy Bay or Port McNeill and a truck haul to the mine on existing logging roads.

A report on leachate content and treatment has been prepared by B.C. Research in Vancouver and was to be considered by the community round table at its

May meeting. A report on Cashe Creek's experience with its landfill also was to be considered at the May meeting.

"I must emphasize that these studies and reports are very preliminary in nature and in no way represent the final word on these issues," says Robertson. "From the company's perspective, however, they represent a positive assessment and encourage us to continue.

Project Manager, Dick Robertson. Gazette photo.



VANCOUVER ISLAND HELICOPTERS LTD.

- GENERAL CHARTER
- FLIGHT TRAINING
- MINING EXPLORATION
- DRILL MOVES
- FOREST PROJECTS

"Serving Western Canada Since 1955"

Port Hardy, BC: 949-6605

Campbell River, BC: 923-3133

Prince Rupert, BC: 624-2792

Gold River, BC: 283-7616

Stewart, BC: 636-2442

Bella Coola, BC: 982-2425

Sandspit, BC: 637-5344

Bob Quinn Lake, BC: 237-3010

HEAD OFFICE

VICTORIA INTERNATIONAL AIRPORT

#1 - 9600 CANORA ROAD

SIDNEY, BRITISH COLUMBIA

PHONE: 656-3987

FAX: 655-1180

OPERATING: Bell 206 Series, Bell 222, Bell 205A-1 and Hughes 500 D Helicopters

Successful reclamation at Island Copper



Reclamation of land disturbed by the mining process at Island Copper has been underway since the late 1970s and the grass slopes and alder thickets have become a productive habitat for deer and Canada geese. Island Copper has received several Provincial awards for its reclamation program.

As mining activity winds down over the next year, reclamation and reseeding of the waste rock dumps, including the "land" and "beach" dumps, will be completed and systems will be established for continuing environmental monitoring of the pit and environs.

The future of the pit itself is open to question. The closure plan presently being considered by the Ministry of Mines calls for flooding the pit, but this could be postponed in favor of the proposed landfill project.

Land Areas

The first step in the reclamation process is to recontour the land to ensure efficient drainage, after which about half a metre of glacial till and soil is placed on top of the waste rock. The mine has experimented with two methods of reseeding. On flat areas, seed is scattered and then tilled with an agricultural harrow. The other method is hydroseeding in which seed, fertilizer and wood fibre mulch are mixed with water and sprayed on the land.

The mine also has experimented with different types of grass seed and with alder seeds, recognizing that successful revegetation needs to start with nature's "pioneer" species - red alder and lodgepole pine. In areas reclaimed in the 1970s, young hemlock and cedar are now growing up under the alder canopy which will eventually die off.

Beach Areas

Recontouring of the beach dump is essentially completed and active reclamation work is underway at the western

end. The intertidal zone is recontoured to encourage the growth of marine organisms and increase fish habitat. A monitoring study is in place to evaluate the rate of recolonization.

A reference site has been established on a natural beach west of the mine site and monitoring is conducted at several locations along the beach dump. A beach area reclaimed in 1991 now shows all the same organisms as the natural beach and another area reclaimed in 1992 so far has returned about 70 per cent of these organisms. A study now underway will determine which organisms come first and how long it takes them to re-establish.

Wildlife

The logged-off land in the immediate vicinity of the mine site has long been a popular feeding ground for deer. Now, the grassy slopes of the reclaimed land dumps offer additional habitat. There are presently at least 25 deer on the site... and probably about 300 Canada geese as well as the usual flocks of ravens and smaller birds.

Island Copper has been monitoring fish populations in Rupert and Holberg Inlets since startup in 1971 and populations of juvenile salmon, dogfish shark, six-gill shark, rock cod, sea perch, greenling, bullheads and Dungeness crab are similar to those in the early 1970s when mining first began. The mine's environmental department monitors a number of physical, chemical and biological parameters in the mill effluent, open pit water, other terrestrial surface waters and the marine environment.



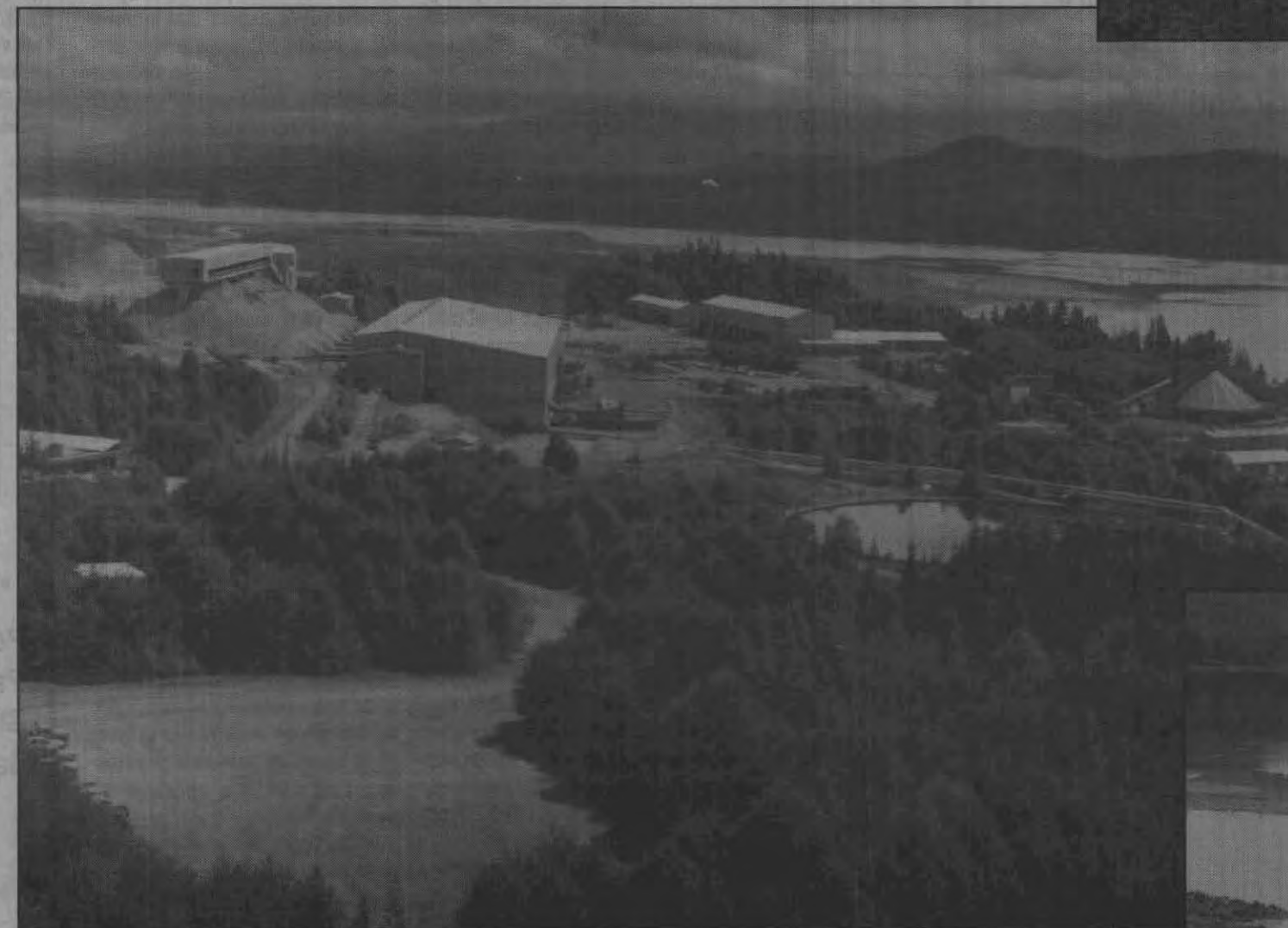
Hydroseeder sprays a mixture of grass seed, fertilizer and mulch on recontoured land.



March Klaver from the environmental department assesses the recolonization of marine organisms at a survey site.



Dozer pulls a large log to level glacial tills and construct flat land.



Thickets of alder about 20 feet in height have grown up on these areas reseeded in 1972-74. A reclaimed grassy slope can be seen behind the mill buildings.



Backhoe spreads stockpiled glacial tills prior to reseeding.



Two deer share a feeding ground on a reseeded rock dump with a flock of Canada geese.



One of the herd of about 25 deer attracted to the grassy slopes of reclaimed waste rock dumps



The mine's operating equipment is used to construct bays along the beach dump which create an improved habitat for marine organisms and fish.



BHP Minerals Canada Ltd.

B.C. Government Supports Mining

Exploration, Investment, Jobs...

a \$100-million, 5-year program to stimulate our mineral industry

Explore B.C.

An incentive program for exploration and mining companies to explore on properties or mine sites with identified economic potential.

- ◆ 1/3 of total costs up to \$150,000 per property

Prospectors Assistance

A program to promote grassroots exploration for new mineral deposits in British Columbia.

- ◆ up to \$10,000 for qualified prospectors

Tax Incentives

Five-year Capital Expenditure

- ◆ 133 percent capital cost deductibility for new mines or major expansions

Mineral Tax Deductibility and Expenditure Pooling

- ◆ improves competitiveness of B.C.'s industry
- ◆ gives new deduction flexibility for mining companies

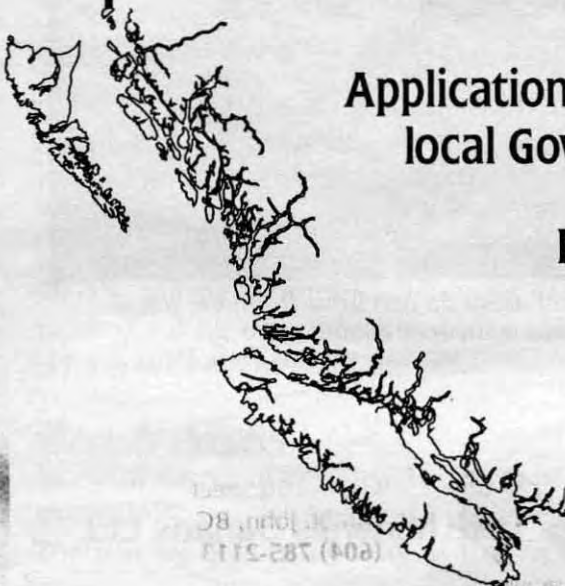
Coal and Metal Rate Parity

- ◆ coal taxes reduced by approximately 50 percent

Application forms for exploration programs are available through local Government Agents offices—Deadline is May 27, 1994

For further information call (604) 952-0152
Outside Victoria call 1-800-663-7867

Province of British Columbia
Ministry of Energy, Mines and Petroleum Resources



FOCUS ON MINING

Public is supportive of mining

The most extensive nationwide poll ever conducted on public attitudes towards mining issues demonstrates that the public has a favorable impression of the industry and sees the retention of investment as an issue of vital importance to mining

communities and significant importance for the Canadian economy.

Public support for mining is even stronger here in B.C. Here is some of what British Columbia had to say:

54% have a favorable opinion

of the mining industry overall.

83% agree that the government should create a favorable investment climate for mining in Canada.

66% believe that current government policies are discouraging mineral exploration and

investment in Canada (compared to a national average of 58%).

67% believe it's important to keep mining communities strong and healthy.

91% feel keeping mining in Canada should be a priority for

government.

85% believe that it is important to check for mineral deposits when considering setting aside land for parks. If "large valuable" deposits are discovered, 67% believe that mining and other land uses should co-exist.

Mining facts

- A precipitous decline in employment levels to a ten-year low occurred in 1992 - 50 per cent of the losses are expected to be permanent. Direct employment dropped to 10,576 in 1992 from 12,584 in 1991.

- The mining industry in British Columbia experienced another year of losses in 1992 - total losses after taxes were \$119 million.

- Mining companies are investing larger proportions of their exploration expenditures in countries other than Canada, especially in South America.

- Although losses continued to

afflict the industry, payments of \$351 million were made to the three levels of government in respect of taxes and other charges.

- Total salaries and benefits (including overtime) were \$642 million in 1992.

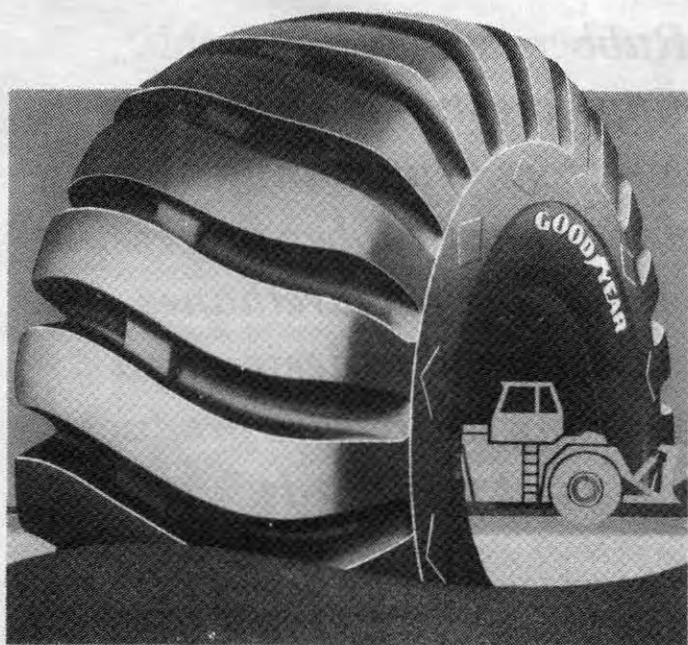
- Mining activity in B.C. is shrinking. Two more mines closed in 1992, and for the first time in over a decade, no new mines opened to replace them.

- Industry spending in 1992 was down from 1991 by \$544 million.



Opening next fall, 'Mine Games' will give the public hands-on simulations of what is involved in B.C.'s mining industry. Cheques from the mining community and government were presented April 20. Present were: Dr. Sid Katz, Executive Director, Science World, Bob Hallbauer, Pres. and CEO Cominco, Penny Omnes, Chair Mining Suppliers Assoc., Michael Francis, Pres. Science World Board of Governors, John Eckersley, VP, Secretary and General Counsel, Placer Dome, Anne Edwards, Minister, Energy, Mines and Petroleum and Dr. Norman Keevil, Pres. and CEO, Teck Corp. Photo Min. Mines.

GOOD YEAR



LOADER/DOZER SERVICE
L-3

HRL D/L-3A
WIDE BASE BIAS/DIAGONAL

MINING TIRES & RETREADING

Fountain Tire

2305 Mine Road, Box 39
Port McNeill, BC
956-4425

943 Chamberlin Avenue
Prince Rupert, BC
(604) 627-8473

5130A, Highway 16 West, RR #3
Terrace, BC
(604) 635-4344

#60, 9500 Van Horne Way
Richmond, BC
(604) 273-8006

9410 - 195 Street
Langley, BC
888-8652

1415 Maple Street
Campbell River, BC
(604) 287-9291

45086 Yale Rd. West, P.O. Box 459
Chilliwack, BC
(604) 792-2777

9410 - 100 Street
Fort St. John, BC
(604) 785-2113



FOCUS ON MINING

Myra Falls production continues on limited basis

The Myra Falls labor dispute continued through the first quarter of 1994 and continues to have a major influence in the company's results. While mining revenues fell to \$4,450,000 from \$16,659,000 in the first quarter of 1993, total expenses were reduced even further to \$10,245,000 from \$28,641,000 for the same period last year. The result was a net loss of \$5,336,000 for the first quarter of 1994 compared with a loss of \$9,902,000 for the comparable period of 1993. After provision for preferred dividends, the loss per common share decreased to \$0.17 from \$0.28 for the same quarter in 1993.

Investment income was down \$1,612,000 because of the disposal in 1993 of the remaining investment in preferred shares. Cash flow from operations decreased \$1,363,000 compared to the first quarter of 1993, which was largely offset by an interest cost reduction of \$1,244,000 for the same periods.

At Myra Falls Operations maintenance and rehabilitation

work is ongoing along with limited production carried out by management staff. The first quarter loss was reduced significantly from \$9,940,000 in 1993 to \$3,493,000 this year.

There have been no further developments in the labor dispute.

At Premier Gold tonnage milled was up over the first quarter of 1993, but gold recovery was down contributing to a first quarter loss of \$1,211,000 compared with a profit of \$216,000 last year. The search for custom milling ore for the Premier mill

Improvements ongoing

Continuous improvement does not stop during a labor dispute at the Myra Falls Operations. Production may have been interrupted by the commencement of the lock out on April 24, 1993, but staff employees have continued to work towards improving the operations in many ways.

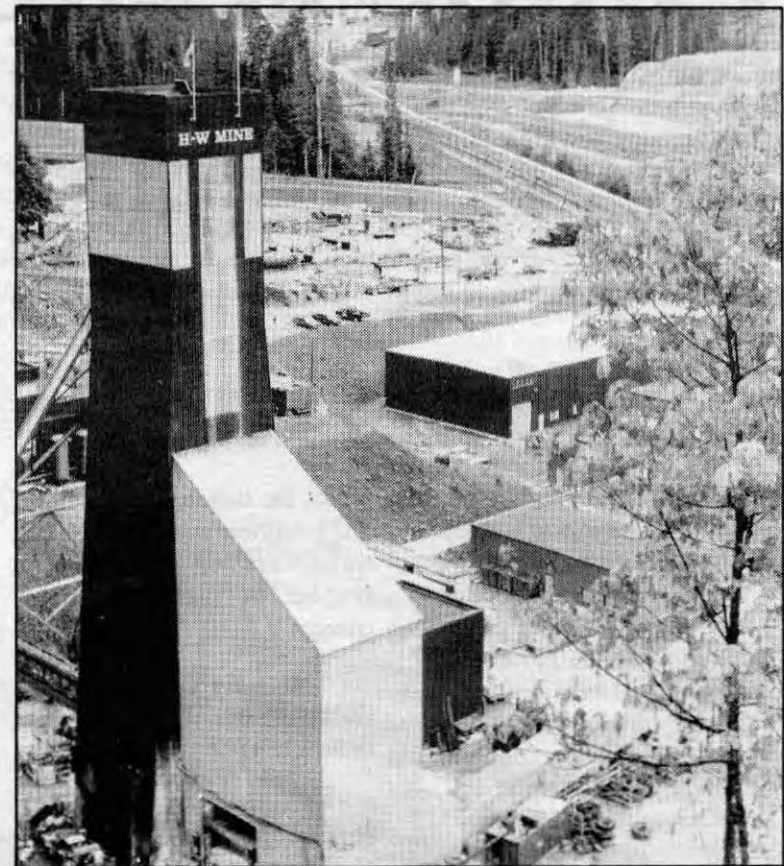
Maintenance and rehabilitation projects such as the H-W under-

ground coarse ore bin, mill flotation cells, tailings pipe lines and 24 level rehab are just a few examples of the physical improvements staff employees have made. Amidst all the repair work and the continuation of ongoing new and different job assignments, the people at Myra Falls took time to sit back and collectively look at how they could make real change.

has had some success with the signing in the first quarter of a one year agreement. The dividend of \$0.53 per share has been declared payable June 30, 1994 to Class B, Series I Preferred shareholders of record June 10, 1994.

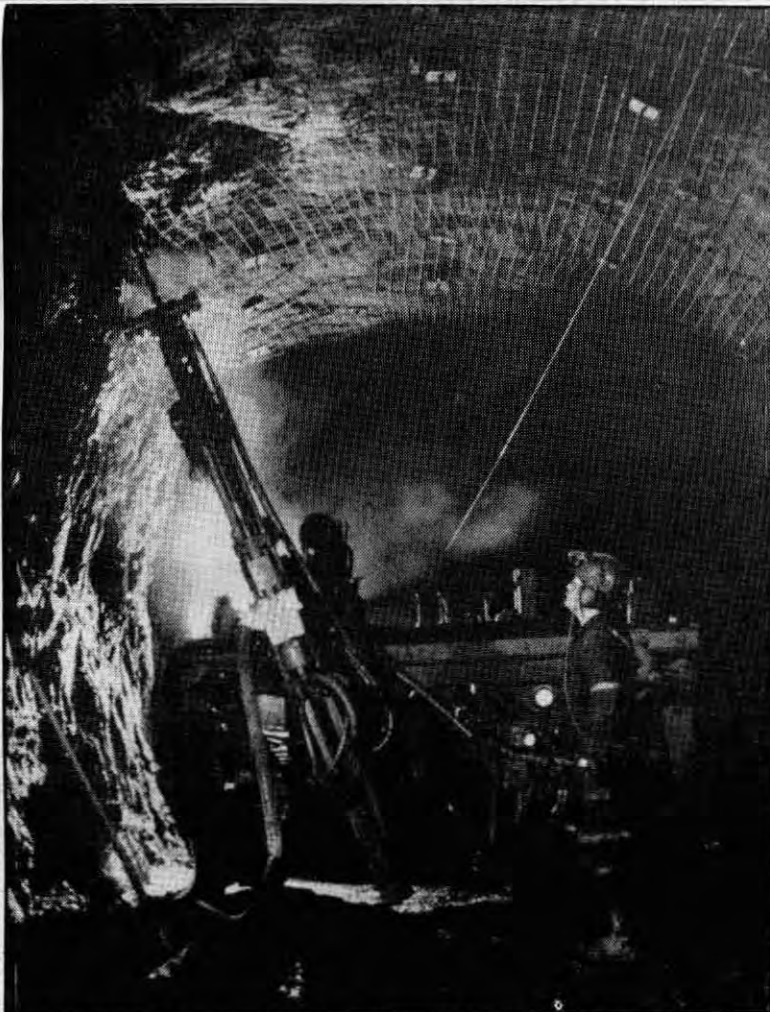
A dividend of \$0.05 per share has been declared payable June 30, 1994 to Class B, Series I Preferred shareholders of record June 10, 1994.

A dividend of \$0.05 per share has been declared payable May 31, 1994 to Common shareholders of record May 20, 1994.



The H-W ore is a thick massive sulphide deposit which allows for a bulk mining system utilizing rubber-tired diesel equipment. Parts of the Lynx Mine have also been modified to allow some use of this type of equipment.

Photo courtesy Westmin Resources Ltd.



Myra Falls Operations consists of two active underground mines (Lynx and H-W), a concentration plant, offices, camp facilities, two hydroelectric generating plants, a tailings disposal area with water treatment ponds. Photo courtesy Westmin Resources Ltd.



Accurate Rubber Products Ltd.

"Accurate Rubber is a major supplier to the mining, forestry, marine and transportation sectors. Our manufacturing capability includes most rubber processing techniques and cast polyurethanes. Our plant is equipped to design and manufacture tooling to produce products of the highest standards."

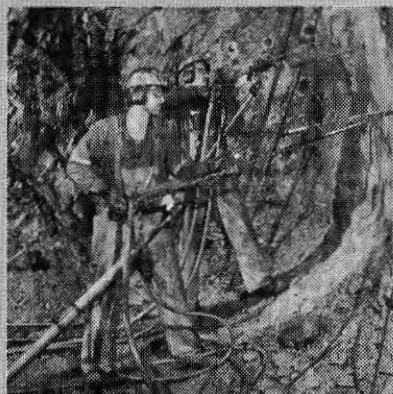
12771 No. 5 Road
Richmond, B.C.
V7A 4E9

Telephone: (604) 274-9955

Telefax: (604) 274-1013

The Westmin Legacy

...we're proud of our contribution.



A Strong History

Westmin Resources Limited is a Vancouver-based exploration, development and mining company with interests in base and precious metals, coal, and industrial minerals. The mining industry has a rich history in the province of British Columbia and Westmin Resources has played a key role in this field for over 25 years.

People and Technology

Using leading edge technology, our highly skilled employees work together to delineate and mine top grade resources while improving recovery rates and minimizing costs. Westmin recognizes the importance of new developments in the field, and provides comprehensive training to ensure that our staff is kept abreast of emerging technologies. We also welcome innovative ideas, as seen in our participation in B.C. Hydro's Power Smart Program, which in just two years has already resulted in impressive accomplishments in energy management and savings.

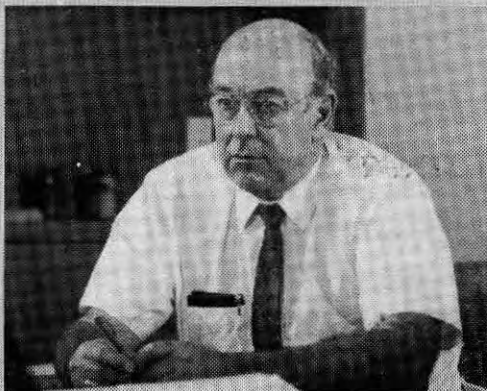


Quality Products

At Westmin, we feel that quality is the key to sustainable growth for our company. The result we have for our customers is reflected in the superior value we provide. We strive to meet new challenges and exceed expectations in order to ensure satisfaction.

Contributing to the Economy

The current economic and social climate has resulted in negative impacts on some sectors of business and industry. Westmin's business of copper and zinc mining, in particular, has been affected through much of 1993 and early 1994 by an ongoing labour dispute at our Myra Falls Operations, near Campbell River. Normally Westmin would be a significant generator of economic activity in the Comox Strathcona Regional District, with exports close to \$100 million, a payroll of nearly \$25 million and direct, indirect and induced employment of more than 1,000



jobs within the District. We expect to regain this profile at some point and again be a major player in the region for years to come. We have solid ore reserves, modern facilities, skilled employees and exciting exploration potential at Myra Falls. These attributes, along with operational changes we are currently bringing about, will help to ensure we can be a competitive producer well into the 21st century. In addition, Westmin operates the Premier Gold Project in northwestern British Columbia with active outside exploration sites in Alaska and Yukon Territory.

Responsible Mining

One of our objectives is responsible mining. Underscoring all of Westmin's activities is a solid business ethic based on integrity of conduct and respect for our investors, employees and the community. We have established high standards of environmental management so as to protect and preserve the surrounding Strathcona Provincial Park. Responsible mining also means a safe workplace. Our most important resource is our employees and we are therefore committed to occupational health and safety. Moreover, we take pride in ensuring that our operations are clean, secure and efficient.

Dedicated to the Community

Our dedication to the community is perhaps best demonstrated by our significant involvement in the B.C.'s Children's Hospital's Mining for Miracles Telethon and our annual United Way drive. Westmin also offers educational opportunities through such programs as Shad Valley and through our "Partners in Education Agreement" with Campbell River's Carihi Secondary School as well as supporting community events and various cultural, business and sporting activities. During our open houses and site tours, we invite both local residents and tourists alike to become acquainted with our methods and practices in order to establish and maintain active lines of communication between Westmin and the community.

Accomplishing Goals

Leading the way with a competitive edge, we are working together to accomplish our goals and effect positive change. Westmin... we are proud of our long-standing role in the mining tradition and look forward to a bright future for our employees, our investors and our community.

Corporate Offices:

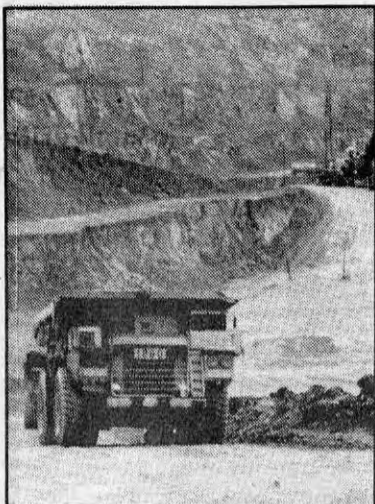
P.O. Box 49066, The Bentall Centre
Suite 904, 1055 Dunsmuir Street
Vancouver, B.C. V7X 1C4
Phone: (604) 681-2253 Fax: (604) 681-0357

Myra Falls Operations:

P.O. Box 8000
Campbell River, B.C. V9W 5E2
Phone: (604) 287-9271 Fax: (604) 287-7123



FOCUS ON MINING



Copper prices stay low

The price of copper increased slightly in the third quarter of 1993 averaging US \$.87/lb. Market fundamentals remain poor and there is no sign of a quick recovery.

In 1993 strong copper demand was experienced in the newly industrializing nations of Asia. East Asia, including China, surpassed the copper consumption of both the European Economic Community and North America, despite the fact the Chinese consumption was lower than anticipated. East Asia is also expected to have the highest copper consumption in 1994.

A consortium of eight mining and metals companies entered an agreement with Australia's Itec Pty Limited to commercialize Itec's hydrometallurgical copper extraction (HCE) process. The consortium will construct a pilot project in Sydney.



TAKE YOUR PICK.



Buying or renting, Finning is your one-stop mining equipment centre.

There's more to Finning than just mine haul trucks, loaders, excavators, graders and tractors. Much more. In fact, Finning carries the solution to many more of your mining equipment needs than you may think.

Whether you're prepared to buy, or just need to rent for the day, week, or month, Finning has an impressive range of products that will satisfy many of your day-to-day operational requirements.

This gives you the convenience of dealing with a single, reliable source for your equipment *PLUS* the benefits of Finning's unsurpassed product support. You know from experience that downtime won't be a problem when you deal with Finning.

Take your pick from this wide range of products:

- *Portable & Stationary Air Compressors*
- *Generator Sets*
- *Portable Light Towers*
- *Backhoe Loaders*
- *Boom and Scissor Lifts*
- *Integrated Tool Carriers*
- *Rock Drilling Equipment*
- *Air Tools*
- *Off-highway Truck Engines*

And Finning knows mining. We have people who are dedicated solely to satisfying your every equipment need. Our product specialists work daily with the industry to determine your requirements and how we can best meet them as your complete equipment supply centre.

Call your Finning mining representative today and get the advantage of one-stop equipment supply.

FINNING

FOCUS ON MINING



On site, at one of the small drill rigs used in the search for diamonds on the NWT Diamonds project in the Lac de Gras region. Photo, Northern News Services

Diamonds draw BHP to the far north

BHP Minerals Canada Ltd. is currently preparing an initial environmental evaluation of its diamond project in the Northwest Territories for submission later this year to a regional environmental review committee.

The company's exploration program has uncovered 16 diamond-bearing rock formations called "kimberlites" since 1991 in the Lac de Gras area, about 300 kilometers north of Yellowknife.

"Although we are still studying the feasibility of those sites, the company hopes to begin mining on completion of the environmental reviews of the permitting process," says Bruce Turner, Project Manger of BHP's NWT Diamonds division. "This would be Canada's first diamond mine."

Worldwide production of

rough diamonds has a market value of about \$8.4 billion, most of it coming from Australia, Botswana, Zaire, Russia, South Africa, Angola and Namibia.

The NWT Diamonds project is a joint venture between BHP Minerals Canada Ltd., Dia Met Minerals Ltd., geologist Charles Fipke and Stewart Blusson. BHP is a majority shareholder and project operator. The project dates back 10 years to Fipke's exploration work in the area. In 1991, the discovery of what was believed to be the source kimberlite pipe at Point Lake set off the largest claim rush in North American history.

Initial small scale sampling in 1991 and 1992 at Point Lake successfully yielded diamonds; some of them gem quality. Sampling at other known kimberlite pipes in 1992-93 also proved

very favorable, leading to current large scale bulk sampling at Koala and Fox Lakes.

During this stage, an on-site camp houses almost 170 geologists, engineers, drillers and surveyors. A small airstrip and an existing winter road provide access for supplies and equipment in an area where the glacial tundra is frozen for about eight months of the year. Snare Lake, a

small settlement of the Dogrib Dene, is the closest community at a distance of about 180 kilometers.

"Environmental studies, socioeconomic planning and liaison with First Nations representatives are important elements of the project," Turner says. "We have a public consultation process including an open house, readily available information and an

office in Yellowknife which promotes community participation and contact.

"The environmental studies cover such areas as water and air quality, hydrology, meteorology, vegetation, fisheries and wildlife. Planning for tailings and waste management also has begun and there will be a mine closure plan covering land restoration and environmental monitoring."



Visitors to the NWT Diamonds project enter the portal of a 1,500-metre tunnel giving access to a diamond-bearing kimberlite pipe located 250 metres below Fox Lake in the Lac de Gras area. Photo, Northern News Services



North America Packaging, Ltd.

11811 Meridian St. N.E.

Edmonton, ALTA

T6S 1A3

Phone: 1-800-268-2292



We produce steel drums from 10 to 46 imperial gallons, in different gauges of steel, in both closed top and open top style. Our plastics division produces 16 litre, 20 litre and 5 U.S. gallon industrial pails complete with a variety of lids.

A major portion of our business is the mining industry. During Mining Week, we salute this valuable industry.



OK TIRE STORES

Quality Products and Customer Satisfaction BOTH GUARANTEED!

BY OVER 100 STORES NATIONWIDE

**WORK &
LEISURE
WEAR**

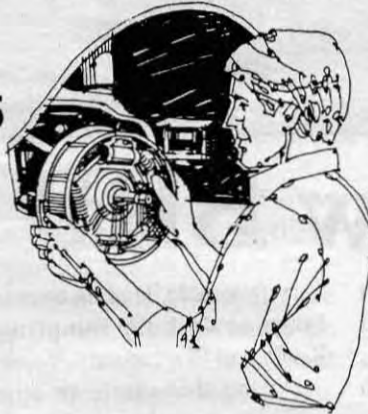
*Is proud to
support the
North Island
Forest Industry*

- Safety Equipment
- Faller's Pants • Rain Gear
- Caulk Boots • Safety Boots

By such names as

- ADMIRAL • BIG K • RANPRO
- ACTON • VIKING • HELLY HANSON

BRAKES
from **\$99.95**



**CUSTOM
MADE
EXHAUST
SYSTEM**

**WALKER
ADVANTAGE
MUFFLER**

**LIFETIME
WARRANTY**

HUNTER
Total 4-Wheel Alignment
WHEEL ALIGNMENT
from **\$44.95**



MARSHAL

TIRES
from **\$51.95**

**100,000 km Limited
Mileage Warranty
and Road Hazard
Protection**

**YOUR ONE STOP
UNDERCAR
SERVICE CENTRE**

*Putting North Island
Dollar\$ Back Into
The North Island*

7010 MARKET ST

949-7731

MON - SAT 8:30 - 5:00

MASTERCARD

VISA



WORK & LEISURE WEAR

**PORT HARDY PLAZA
PORT HARDY, B.C.**

949-8135