015693

foothills. Gas sales from the limestone field are expected to begin late 1980.

□**CASSIAR ASBESTOS CORP:** The company reports a decline in net income to $11,825,204 or $2.15/share in 1978. Net income in 1977 was $19,565,945 or $3.56/share.

□**COMINCO LTD:** Consolidated net earnings for 1978 were $65.2-million or $3.46/share, compared to $62.2-million or $3.43/share in 1977. Sales reached a record high of $901.2-million, compared to $759.2-million in 1977.

The decline in value of the Canadian dollar contributed to increased earnings from export sales. Zinc and metal concentrate sales improved and high prices for lead and zinc boosted earnings, particularly in the fourth quarter. Metal inventories were lower than in 1977.

Fertilizer and potash prices improved over 1977 but continue to provide an unsatisfactory return on invested capital. Sales of potash, urea and ammonia increased over the previous year.

□**DOMTAR INC:** Domtar plans to increase the production capacity of its Goderich, Ontario, rock salt mine to 3.5-million tons/year from 2.25-million tons.

The 55% capacity increase is to satisfy the growing market for rock salt, used for ice control as well as a range of chemical and industrial applications. The expansion will cost approximately $25-million. Engineering plans are underway and shaft sinking and equipment selection will begin in the near future.

□**CYPRUS ANVIL MINING:** Metal price increases in the second half of the year enabled Cyprus Anvil to recover the loss experienced in the first half of 1978. The company's profit for 1978 amounted to $6,985,000 or 92¢/share, compared to $4,934,000 or 65¢/share in 1977.

Tons milled in 1978 totalled 3,616,000 grading 3.17% lead and 5.14% zinc, compared to 3,435,000 tons grading 2.74% lead and 4.88% zinc in 1977.

A total of 148,070 tons of lead concentrate was produced grading 60.68% lead, compared to 110,660 tons in 1977 which graded 64.11%. Zinc concentrate totalled 271,580 tons grading 50.41% compared to 243,422 tons in 1977 which graded 50.29% zinc.

93L/16E, -ID2426, MAP# 93L-146

R

□**GRANBY MINING CORP:** Consolidated results for the year ended 30 Sept 1978 show a net loss of $2,619,294 or $1.81/share, compared to a net loss of $2,626,558 or $1.82/share in 1977. For the first quarter ended 31 Dec 1978, net income loss amounted to $269,000 compared to $831,000 for the same period last year.

At the Granisle mine, a total of

5,100,001 short tons were treated, a slight increase over the 5,002,664 short tons treated in 1977. Copper production dropped to 34,216,408 lb with an average grade of 0.414% copper, compared to 37,780,917 lbs averaging 0.44% copper in 1977. Gold production also dropped to 14,944 oz compared to 16,373 oz in 1977. Silver production totalled 135,662 oz compared to 157,197 oz in 1977.

Granisle ore reserves totalled 47,966,000 tons averaging 42% copper at 30 Sept 1978. The stockpile of 6,395,000 tons of low grade material had an average copper content of 0.27%.

Tons milled at Granisle in the first quarter dropped to an average 12,391 tons/day. A 15% drop in copper production to 7,190,000 lb was offset by improved copper prices. The decline was mainly because of milling lower grade and hard grinding ore from the perimeter of the pit.

The Phoenix mine, which closed down 30 Sept 1978, treated 836,336 short tons of ore in fiscal 1978. It produced 6,855,339 lb copper, 7584 oz gold, and 32,425 oz silver. A total of 515,866 tons of ore averaging 0.38% copper originated from the Phoenix low grade stockpiles, and the remaining 320,470 tons of ore averaging 0.95% copper were supplied by the Lone Star operation.

In January 1979, Granby Mining, Granisle Copper, and Zapata Canada amalgamated into one company known as Zapata Granby Corporation.

□**HUDSON BAY MINING:** Earnings before extraordinary items for 1978 were $4,123,000 or 41¢/share, compared to $4,278,000 or 42¢/share in 1977.

In the fourth quarter, net earnings were $438,000 or 5¢/share against a loss in 1977 of $512,000 or 5¢/share. The Canadian metals division made a substantial contribution to profits in the quarter, reflecting higher prices for base metals, particularly copper. In the US, Inspiration Consolidated Copper Company incurred a loss because copper production was reduced by heavy rains in Arizona which washed away water supply lines and restricted open-pit mining in the last two months of 1978.

Terra Chemicals International also incurred a loss in the fourth quarter because of depressed prices for fertilizers, agricultural chemicals, and lower sales than anticipated.

In the oil and gas sector, aggregate earnings were reduced as a result of a downward revision of reserves of natural gas, crude oil and natural gas liquids of Canadian Merrill Limited, which depleted its earnings. The industrial products group made a positive contribution to the company's earnings.

With an improved outlook and higher metal prices, the company has resumed payment of dividends and declared a

NMINER 22APR82

Noranda's Granisle Mine on Babine Lake in ~~central B.C.~~ will close for one year effective July 2, because of poor copper prices. Three hundred people will be laid off, says Gordon Harris, area manager, because Noranda "has incurred substantial losses over the past year."

Despite record-low inventories the copper price is well below that needed to show a profit and he believes prices would have to improve to at least $US1 before the mine could reopen.

Speaking with The Northern Miner, he noted the price had increased about 2¢ since the announcement but conceded the near term prospects for any significant improvement are poor.

Granisle isn't a big producer, averaging 13,200 tons per day at 0.38% copper with some precious metals as a sweetener. Their concentrate runs about 2-2.5 oz. silver per ton and 0.33 oz. gold — not a significant ~~revenue factor~~.

93L/16E

093L 146

WMINER MAY82

Noranda closes Granisle mine, workforce of 300 laid off

The Granisle mine located on Babine Lake ~~in central BC~~ will close for one year. Effective 2 July 1982, 300 people will be laid off. The division, owned 100% by Noranda Mines Limited, has incurred substantial losses over the past year. 93L/16E 093L 146

Noranda Mines did not fare well in 1981, when net earnings fell to $164.8-million compared with the record high earnings of $408.4-million in 1980. Capital expenditures during 1981 were $680-million, in addition to $862-million Noranda spent on the MacMillan Bloedel and Carol Cables acquisitions.

During 1981, programs to expand mine production at Brunswick and Bell Copper were completed, as was the program to place the oxide portion of the Lakeshore copper orebody in Arizona back in production. In Quebec, production started at the Gallen orebody, and progress was made toward placing the Goldstream copper property in BC and the Grey Eagle gold orebody in California in production.

Good progress was made on the new roaster and acid plant at Canadian Electrolytic Zinc and the oxygen plant and other facilities at the Horne smelter. A decision was made to proceed with construction of a new 110,000 tons/year zinc reduction plant at Belledune, New Brunswick but now the construction of the $360-million zinc refinery has been delayed. Work on the project was to have started in May, with completion scheduled for late 1984. The company expects to announce a new construction date in August. Site preparation began in December, 1981.

92B

35

The Province

Vancouver, B.C.***

Wednesday, April 14, 1982

300 to lose jobs in copper mine shutdown

By SHANE McCUNE
Province Business Reporter

Noranda Mines Ltd. will close its Granisle copper mine on Babine Lake in central B.C. for a year, putting 300 employees out of work on July 2.

The nearby Bell copper mine, also owned by Noranda, will remain open, the company announced Tuesday.

Gordon Harris, area manager for Noranda, said the two Babine mines have incurred "substantial losses" over the past year, although no exact figures were available.

In Vancouver, Noranda spokesman Ken Hughes said it is not certain whether the Granisle mine will reopen in a year.

"I don't think that anybody can guarantee anything, but our plan is to close down for one year," Hughes said.

Spokesmen for the United Steelworkers of Canada, the miners' union, were not available for comment Tuesday.

The layoffs will hit hardest in the village of Granisle, 70 kilometres (43 miles) northeast of Smithers, where the mines are the major employers.

With 300 breadwinners out of work in a population of 1,600, the community's social services will be severely strained, says Clive Beardwood, Granisle's human resources administrator.

"Our board of directors, which is made up of people from the town, will be meeting to consider whether to carry on," Beardwood said. "They may just decide to fold it (the regional office) and hand it over to the province.

"Frankly, I don't know how the hell human resources is going to handle it . . . People here who haven't used human resources because there's been full employment may need it now — or they may all just leave town," he said.

So far the village's merchants are not too pessimistic.

"On a business level the number of men leaving will make quite a dent in the town, and our volume will certainly be going down," said Steve Jellie, manager of the Granisle Village Inn. "But I think we'll survive."

"I'll just merchandise in a different way," said Bert Klaus, manager of Lucky Seven Foods, Ltd., the village's only food store. "I'm going to have to bring in a cheaper cut of meat and so on, but we're not going to start laying people off."

Noranda is Canada's largest diversified resource company, holding extensive mining interests throughout Canada, manufacturing companies in eastern Canada and control of MacMillan Bloedel Ltd.

Due to the collapse of lumber and mineral markets and declining metal prices, its profits fell from $408 million in 1980 to $165 million in 1981. It lost $42.7 million in the last quarter of 1981, in contrast with a profit of $80.2 million in the same period of 1980.

Asked if there is much hope for recovery of copper prices and markets in the near future, Hughes said, "There sure as heck isn't."

93L/16E
093L 146

34

093L-146 (93L/16E) 02426 GCNL #20 79-01-29

GRANBY MINING CORPORATION

YEAR ENDED SEPTEMBER 30	1978	1977
Net Revenues	$26,607,342	$23,964,942
Net Loss	$2,619,294	$2,626,558
PHOENIX MINE PRODUCTION		
Aver.Tons Milled/Day	2,816	2,561
Copper Produced, Lbs.	6,855,339	6,561,224
Gold Produced, Ounces	7,584	8,894
Silver Produced, Ounces	32,425	65,536

GRANISLE COPPER LIMITED

YEAR ENDED SEPTEMBER 30	1978	1977
Net Revenues	$20,923,786	$19,352,915
Net Loss	$191,997	$1,487,298
GRANISLE PRODUCTION		
Aver.Tons Milled/Day	13,973	13,706
Copper Produced, Lbs.	34,216,408	37,780,917
Gold Produced, Ounces	14,944	16,373
Silver Produced, Ounces	135,662	157,197

In presenting financial results of Granby Mining Corporation (in which are consolidated those of Granisle Copper Limited) for the year ended 30Sep78, president R.P. Taylor reports that, despite a 7.4% decrease in copper production, revenue increased by 11% as a consequence of improved gold and silver prices and the increased Canadian dollar value of production. Granby terminated the Phoenix operation by fiscal year end. Granisle ore reserves at 30Sep78 were estimated at 47,966,000 tons at an average copper content of 0.42% and an average stripping ratio of 1.62 tons of waste per ton of ore.

Granby has agreed to buy Noranda Mines Limited's Bell Copper division and Morrison Lake copper prospect, both near the Granisle operation. The purchase is subject to approval by the Foreign Investment Review Agency. Granby plans to expand the capacity of the mill from 14,500 to 17,000 tons per day. The concentrate produced by the Bell mine will continue to be treated in Noranda's smelter at Noranda, Quebec, and will be sold under long-term contracts to European customers.

At 30Sep78, Granby owned 98.3% of Granisle's shares and Zapata Canada Limited, wholly-owned by Zapata Corporation of Houston, Texas, held 92.6% of Granby's. Effective 1Jan79, Granby, Granisle and Zapata Canada amalgamated under the name Zapata Granby Corporation as a wholly-owned subsidiary of the Texas company on terms detailed in GCNL 178(78) page 1. Each Zapata Canada preference share is exchangeable into 0.6086 common share of Zapata Corporation.

Granby results up for first quarter

N. Miner Feb. 22/79

VANCOUVER -- Granby Mining's consolidated net income for the first quarter of fiscal 1979 ended Dec. 31, 1978, was $268,000, or 19¢ a share, compared with a net loss of $831,000, or 58¢ a share, for the same period a year earlier.

Affecting the results was the closure of the Phoenix mine in September 1978. The mine was included in the results for the three months ended Dec. 31, 1977.

Tonnage milled at Granisle Copper was lower than in the same period of fiscal 1978 due mainly to lower grade ore, harder grinding ore from the perimeter of the pit. This resulted in a 16% drop in copper production. However, reduced production was more than offset by improved metal prices.

An average of 12,391 tons was milled daily at Granisle during the first quarter producing 7,190,000 lb. copper compared with an average milling rate of 13,318 tons a day in the first three months of fiscal 1978 which produced 8,572,000 lb. copper.

p. 21

Grandby - 92G/4W - 4164
92F-313
Phoenix - 82E/2E - 1383
82E/SE-20
Granisle - 93L/16E - 2426
93L-146

GRANBY MINING CORPORATION

093L16E 02426 open file under GRANISLE 93L-146

ZAPATA - GRANBY BUYING TWO B.C. COPPER DEPOSITS FROM NORANDA - Granby Mining Corporation, a subsidiary of Texas-based Zapata Corporation, has reached agreement to buy from Noranda Mines Ltd. an existing copper operation and a copper development prospect for an undisclosed consideration. Both sites are located near Babine Lake, some 200 miles N.W. of Prince George, B.C.

Zapata's chairman, Wm.H. Flynn, says the purchase, subject to satisfaction of certain conditions and approval by the Canadian Government, includes the mine, facilities and infrastructure of Noranda's Bell Copper Division and the nearby Morrison Lake copper prospect. The Bell operation, which began production in 1972, has the capacity to treat 13,800 tons of copper ore per day. Granby plans to expand the capacity there to 17,000 tons per day.

Granby's Granisle Copper subsidiary operates a 14,000-ton per day facility, established in 1966, on an island in Babine Lake some 5 miles south of the Bell Mine. The deposits at Granisle, Bell and Morrison Lake are porphyry copper deposits. Operating personnel from both mines live in Granisle Village. Mr.Flynn says that, under the agreement, Granby and Noranda will provide for continuity of employment for Bell personnel.

Mr. Flynn comments that although world copper prices are at depressed levels,Zapata is optimistic about long-term price and demand potential.

The acquisition is tied to 10-year contracts for the sale of Bell's copper production to European customers and concentrates produced at Bell will be treated in Noranda's smelter at Noranda,Quebec, before shipment to Europe. The sales agreements provide price support in certain circumstances, particularly during the early periods when copper prices are expected to be below levels necessary to support planned expenditures. The current London Metals Exchange price for copper is U.S. 67.1¢ per pound.

GRANBY MINING CORPORATION 92G/04W

6 MOS. TO MAR.31,	1978	1977
Net Revenue	$12,450,000	$14,925,000
Cost of Production	12,478,000	11,220,000
Depr,Depl'n,Amort'n.	1,390,000	1,369,000
Exploration Expense	134,000	327,000
Gen.,Admin.Expenses	682,000	593,000
Investm.,Oth.Income	308,000	425,000
Tax(Recover):		
Current	-	374,000
Deferred	(705,000)	394,000
Minority Interest	(8,000)	17,000
NET INCOME(LOSS)	$(1,213,000)	$1,056,000
Per Share	(84¢)	73¢
Shares Outstanding	1,444,371	1,444,371
PHOENIX MINE PRODUCTION		
Aver.Tons Milled/Day	2,722	2,902
Copper Produced,Lbs.	3,370,000	4,064,000

04164 092F-313

GRANISLE COPPER LIMITED 93L/16E

6 MOS. TO MAR.31,	1978	1977
Net Revenue	$ 9,680,000	$11,879,000
Cost of Production	9,614,000	9,442,000
Depreciation,Depletion	1,052,000	990,000
Exploration Expense	35,000	68,000
Gen.,Admin.Expenses	303,000	311,000
Investm.,Oth.Income	423,000	472,000
Tax(Recover):		
Current	-	200,000
Deferred	(412,000)	360,000
	-	-
NET INCOME(LOSS)	$(489,000)	$980,000
Per Share	(15¢)	29¢
Shares Outstanding	3,329,919	3,329,919
GRANISLE MINE PRODUCTION		
Aver.Tons Milled/Day	13,780	14,018
Copper Produced,lbs.	16,805,000	19,086,000

02426 093L-146

R.P. Taylor, president of Granby Mining Corporation and their subsidiary, Granisle Copper Limited, reports that the loss situation is due to the low copper prices which remain at sub-economic levels-average London Metal Exchange price in the 6 months ended 31March this year was 55.8¢(U.S.) compared with 61.9¢ last year.

Mr.Taylor notes that combined copper production from the two mines in the 6-month period totalled 20,535,000 pounds, down 11% from the year-earlier period. At Phoenix the tonnage milled was lower due mainly to the change-over from a 7-day to a 5-day operating week but, copper production rose because the ore milled was mainly the higher grade Lone Star ore. Consolidated production costs increased due to the purchase costs of Lone Star ore; previously, ore milled was from the Phoenix low grade stockpiles. At Granisle, copper production was lower despite higher throughput because of the lower grade of ore milled.

The project as originally negotiated between Equity Mining Corporation & Granby in Apr.77 for design & construction of Sam Goosly copper-silver property is not viable. The scale of the project as conceived has created problems in marketing the concentrate. Granby is re-examining its alternatives in this market situation.

The agreement with the Granisle hourly labour force has been extended for 4 months from 1Jan78 with no increase in wages.

The Phoenix orebody was mined out in August 1976, but the mill has continued to process accumulated low-grade Phoenix stockpiles and ore purchased from a small affiliated mine nearby in Washington state. Mr.Taylor reports that it is evident that both sources of ore feeding the mill will be exhausted by end of the year. A definite closure date has not yet been established. Reclamation work will begin as soon as milling is completed and will extend into 1979.

copy under all 3 names

02426-93L-146

93416E

GRANBY MINING CORPORATION

9 MONTHS TO 30 JUNE	1978	1977
Net Revenue	$17,955,000	$19,955,000
Cost of Production	17,801,000	17,055,000
Deprec'n, Depl'n, Amort'n	2,112,000	2,060,000
Exploration Expense	176,000	491,000
Gen., Admin. Expense	1,020,000	924,000
Investm., Other Income	292,000	670,000
Tax(Recovery): Current	-	137,000
Deferred	(1,054,000)	(15,000)
Minority Interest	(13,000)	2,000
Net Loss	1,795,000	29,000
Loss Per Share	$1.24	2¢
Shares Outstanding	1,444,371	1,444,371
PHOENIX MINE PRODUCTION		
Aver. Tons Milled/Day	2,792	2,835
Copper Produced, Lbs.	4,691,000	5,646,000

GRANISLE COPPER LIMITED

9 MONTHS to 30 JUNE		
Net Revenue	$14,446,000	$15,873,000
Cost of Production	14,223,000	14,422,000
Deprec'n, Depl'n.	1,599,000	1,492,000
Exploration Expense	50,000	109,000
Gen., Admin. Expenses	416,000	456,000
Investm., Other Income	516,000	682,000
Tax(Recovery): Current	-	-
Deferred	(607,000)	(28,000)
Net Income (Loss)	(749,000)	104,000
Loss Per Share	23¢	3¢
Shares Outstanding	3,329,919	3,329,919
GRANISLE PRODUCTION		
Aver. Tons Milled/Day	13,900	13,827
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 30June 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.

04164 92F-315 092G/4W

GRANBY MINING CORPORATION — GRANISLE COPPER LIMITED — ZAPATA CORPORATION

02426-93L-16E — 93L-146

AMALGAMATION PROPOSAL DETAILED - A plan has been announced by Zapata Corporation of Houston, Texas, to amalgamate its wholly-owned Zapata Canada Limited, its 93%-owned Granby Mining Corporation and Granby's 98%-owned Granisle Copper Limited as a Canadian company under the name of Zapata Granby Corporation.

Zapata says "completion of the amalgamation would require the acquisition of minority public interests in Granby and Granisle." Proposed is an issue of preference shares of Zapata Granby at a rate of 2.7 shares in exchange for each Granby share and at 1.2 shares for each Granisle share. Each preference share would carry an annual dividend of 40¢ U.S., would have a liquidation preference of $10 U.S., would be redeemable at $10 at Zapata Granby's option and, after 4 years, also at the holder's option. In addition, Zapata Granby preference shares would be convertable into Zapata Corporation common shares at a price still to be set but at a premium over trading levels of Zapata common at the time proxy material seeking support for the amalgamation is sent to Granby and Granisle shareholders

GCNL #178 15-9-78

20

93L16E 02426 93L-146

Granby will keep the Granisle mine operating if copper prices rise soon

VANCOUVER – It will be in Granby Mining's best interests to keep the Granisle Copper mine going if an anticipated modest recovery in copper prices materializes in the spring of 1978, shareholders of the two companies were told at separate annual meetings.

R. P. Taylor, president of both Granby and Granisle, said recent projections for 1978 indicate a change in the supply/demand picture for the better.

However, he said that serious losses in 1977 (**N.M.**, Jan. 26, 1978) mean that projected income from the Granisle operation near Babine Lake, B.C., must be constantly reviewed in light of world copper market situation.

No obvious steps can be taken at Granisle which would reduce operating costs, Mr. Taylor explained.

Employees have been asked to forego any wage increase during depressed market conditions. The Granisle bargaining unit (Granby also owns the Phoenix mine) has agreed to a four-month extension of its contract with effect from Jan. 1, 1978, with no increase in wages. The company has agreed to review wages in April or May 1978.

In the event of a shutdown, the cost of keeping the plant and townsite on a care and maintenance basis would be about $250,000 per month.

Mr. Taylor said that the Sam Goosly copper-silver property development project originally negotiated between Granby and Equity Mining in April 1977 is not viable. The property is situated near Houston, B.C.

The current market for such concentrates cannot absorb the amount of production planned for the operation. Granby is, therefore, re-examining its alternatives in this market situation.

Shareholders were told that 1978 will probably be another difficult year for the companies but that there is now "some light at the end of the tunnel".

The directors of both Granby and Granisle were re-elected.

Indium is a silver-white metal that resembles tin in its physical and chemical properties.

N. MINER 9 MARCH 78

(A)

GRANISLE COPPER LIMITED 02426 93L 16E

Three Months Ended Dec.31,	1977	1976
Net Revenue	$4,568,000	$4,293,000
Cost of Production	4,844,000	4,642,000
Depreciation &Depletion	561,000	483,000
Exploration Expenses	23,000	35,000
Gen. Admin.Exp.	145,000	145,000
Invest. Other Income	285,000	246,000
Income & Mine Taxes(Credit)	(239,000)	(326,000)
NET LOSS	$ 481,000	$440,000
Net Loss Per Share	14¢	13¢
Shares Outstanding	3,329,919	3,329,919

Granisle Copper Mine Production Statistics		
Average Tons Milled/day	13,318	14,087
Lbs.Copper Produced	8,572,000	9,176,000

GRANBY MINING CORPORATION GCNL #31 14-2-78

Three Months Ended Dec.31,	1977	1976
Net Revenue	$5,474,000	$5,667,000
Cost of Production	5,702,000	5,516,000
Deprec'n.Deple'n.& Amort.	731,000	668,000
Exploration Expenses	90,000	147,000
General Admin.Expenses	298,000	272,000
Invest.Other Income	235,000	198,000
Income & Mine Taxes(Credit)	(273,000)	(216,000)
Minority Interest	(8,000)	(8,000)
NET LOSS	$ 831,000	$514,000
Net Loss Per Share	58¢	36¢
Shares Outstanding	1,444,371	1,444,371

92E 02E 01383

Phoenix Copper Mine Production Statistics		
Average Tons Milled/Day	2,758	2,926
Lbs.Copper Produced.	1,174,000	2,139,000

R.P.Taylor, president of Granby Mining Corporation and their subsidiary, Granisle Copper, reports that combined copper production from the two mines in the current quarter totalled 9,746,000 pounds, down 14% from the year earlier period. The decrease in production was due to the milling of lower-grade stockpiled ore at Phoenix and the milling of harder grinding ore from the perimeter of the pit at Granisle.

Copper prices remain at sub-economic levels; the average London Metal Exchange copper price was 55¢ U.S. per pound in the current quarter compared to 58¢ per pound in the quarter ended Dec.31,1976. The reduced production and lower copper price in the current quarter were largely offset by higher gold prices and to a greater extent by the increased value relative to the Canadian dollar and the German mark. The concentrate production is paid for in these currencies and is of course reflected in net revenue.

Granisle's first quarter again shows a net loss

093L16E 02426 093L-146

16-FEB-78 N. MINER

VANCOUVER – Granisle Copper, for the three months ended Dec. 31, 1977, first quarter of the current fiscal year, had a net loss of $481,000, against a net loss of $440,000 for the same period of the previous year. Net revenue increased to $4,568,000 from $4,293,000, while production costs rose to $4,844,000 from $4,642,000.

Due, in general, to milling of harder grinding ore from the perimeter of the pit, tons treated per day during the quarter declined to 13,318 from 14,087. Copper produced totalled 8,572,000 lb., against 9,176,000 lb.

GCNL #43 2-3-78 GRANBY MINING CORPORATION 093L/16E

CURRENT OUTLOOK IS FOR THE CONTINUED OPERATION OF THE GRANISLE MINE DESPITE OPERATING LOSSES - R.P.Taylor, president told the annual meeting of Granby Mining Corporation that, despite a loss of $3,500,000 in 1977 and provided 02426 the anticipated modest recovery in copper price materialises in the spring of 1978 to something better than 60¢ U.S. per pound, it is clearly in the best interests of the company to keep the Granisle mine in operation . He points out that there are no obvious economies to be taken at Granisle which would obtain any reduction in operating costs. The company has no flexibility with regard to waste removal, and the options are simply to continue operating at maximum throughput in order to optimise the cost per pound of copper produced, or shut down completely. Employees have agreed to forego any wage increases during the depressed market conditions. Wages will be reviewed in May 1978,

He pointed out that when Granisle started production in 1967 the average price of copper was 58¢ Canadian per pound which in 1977 dollars is equivalent to approximately $1.10 per pound. The Equity Mining Corp. Sam Goosly is not viable as planned and is being re-examined.

Despite improved production

N. MINER 26-JAN-78 93L/16E 02426 093L-146

Granby Mining remains in loss position

VANCOUVER — Improved copper production failed to help Granby Mining as the company remained in a loss postion in fiscal 1977.

The company had a consolidated net loss of $2,626,558, or $1.82 per share, for the year ended Sept. 30, 1977, as compared to a net loss of $663,112, or 46¢ per share, for 1976, President R. P. Taylor states in the annual report.

Poor copper prices and higher operating costs at Granisle Copper (98.3%-owned) along with the write-off of the estimated unrecoverable portion of the deferred exploration expenditures on the Grandridge coal property more than offset improved copper production.

Capital expenditures in fiscal 1977 totalled $1,794,391, almost all at Granisle. A 100-ton truck was purchased for about $520,000 to enable the mine to handle increased waste tonnage. The rest of the money was used to replace mining equipment.

Capital commitments at year end totalled approximately $1,500,000, mainly for a new 10-yd. electric shovel at Granisle. The mining program for 1978 calls for a further increase in the stripping ratio.

In 1977, the tonnage of ore treated at Granisle was 15% higher than in 1976, resulting mainly from continuous plant operation and treatment of easier grinding ore. Copper production was 37,780,917 lb., up 23% from 1976.

Operating costs rose, but, because of higher throughput, unit costs dropped slightly from $3.93 in 1976 to $3.88 in 1977.

At year end Granisle ore reserves were estimated to be 52,883,000 tons averaging 0.42% copper. There was a stockpile of about 5,000,000 tons averaging 0.27% copper. A total of 4,997,000 tons ore was mined.

At the Phoenix mine, total mill feed came from the low grade stockpiles which contained about 260,000 tons averaging 0.37% copper at year end.

Mill throughput was 12% below the 1976 level due to a planned shutdown in July for vacations and difficult loading and crushing conditions while handling stockpile ores. A decline in both grade and tonnage milled resulted in a 29% reduction in copper production.

The Lone Star project in Washington state was suspended during the winter and resumed in April with mining beginning in May. During the year, the 12-mile haul road from Phoenix to the Lone Star property was constructed and all plantsite services and pre-production work finished. A total of 55,900 tons of ore were mined and stockpiled. Milling is scheduled for 1978.

Production from the Phoenix stockpiled ore was sold to the United States and will continue until completed. Granisle production was sold to Japan and Germany and a new contract was signed with Japanese customers.

Granby's exploration expenditures increased from $759,410 in 1976 to $817,669 in 1977. Of this, $132,187 was spent on pre-production work at the Lone Star project.

Exploration efforts were concentrated in western Canada and were directed primarily at lead, zinc and molybdenum. Two helicopter-supported projects were carried out, both of which found minor mineral occurrence. A total of 144 claim units were staked. Claims held in two joint ventures, one in B.C. and one in the Yukon, were further explored.

No work was done on the Huckleberry copper deposit held under option from **Kennco Explorations (Western)**. The option from Kennco on the Lorraine copper deposit was given up. The Richmond copper prospect near the road from Phoenix to Lone Star was optioned and 3,000 ft. of percussion drilling carried out. However, only sub-economic mineralization was found and the option was dropped.

Exploration activities in South Africa through Granby's subsidiary, Granex (Pty.), continued on a diminishing scale until they terminated at year end.

During the year, the company completed negotiations with **Equity Mining** whereby Granby may acquire a minority interest in the Sam Goosly copper-silver property near Houston, B.C., about 50 miles from Granisle. The project awaits the finalization of various agreements, including a smelting contract.

Of the $1,843,772 spent by the company on the Granridge coal property in Alberta, $935,243 was written off and the remainder shown as deferred exploration expenditures. This latter amount is expected to be recovered from the Alberta government.

As previously reported, Granby's proposal to develop the Granridge property by open pit methods was rejected. The option agreement with CanPac Minerals has been extended to Mar. 31 to allow time to conclude arrangements with the Alberta government. The option agreement will then terminate.

The annual meetings of Granby and Granisle will be held Mar. 1, in Vancouver.

17

0934/16E

GRANBY MINING CORPORATION

YEAR ENDED SEPT.30,	1977	1976
Net Revenues	$23,964,942	$23,472,583
Cost of Production	22,786,600	20,892,142
Dep'n,Depl'n,Amort'n.	2,763,047	2,392,061
Exploration	685,482	462,188
General,Admin.Exp.	1,212,837	1,090,446
Defer'd.Expl'n.Writeoff	935,243	-
Investm.& Other Income	842,309	505,070
Income & Mining Taxes	(924,000)	(185,371)
Minority Interest	(25,400)	(10,701)
Net Loss	2,626,558	663,112
Loss Per Share	1.82	46¢
Shares Outstanding	1,444,371	1,444,371
Working Capital	$14,961,729	$16,555,173
Long-Term Debt	2,516,765	1,089,860
Deferred Income Tax	$3,916,397	$4,874,397
PHOENIX OPERATIONS		
Tons Ore Treated	934,600	1,067,399
Aver.Tons Treated P/Day	2,561	2,924
Copper Content(%)	0.43	0.52
Unit Cost of Production Per Ton Milled	$3.53	$3.53
Payable Metal Produced		
Copper(lbs.)	6,561,224	9,195,433
Gold(ounces)	8,894	10,990
Silver(ounces)	65,536	101,504

GRANISLE COPPER LIMITED

YEAR ENDED SEPT.30,	1977	1976
Net Revenues	$19,352,915	$17,531,522
Cost of Production	19,432,732	17,069,429
Dep'n. & Deplet'n.	2,005,216	1,693,289
Exploration	154,059	122,845
General,Admin.Exp.	617,296	529,978
Defer'd.Expl'n.Writeoff	311,760	-
Investm.& Other Income	879,850	705,278
Income & Mining Taxes	(801,000)	(598,586)
Net Loss	1,487,298	580,155
Loss Per Share	45¢	17¢
Shares Outstanding	3,329,919	3,329,919
Working Capital	$17,839,160	$17,820,150
Long-Term Debt	2,200,765	773,860
Deferred Income Tax	$3,650,397	$4,451,397
GRANISLE OPERATIONS		
Tons Ore Treated	5,002,664	4,346,002
Aver.Tons Treated P/Day	13,706	11,874
Copper Content(%)	0.44	0.42
Unit Cost of Production Per Ton Milled	$3.88	$3.93
Payable Metal Produced		
Copper(lbs.)	37,780,917	30,672,124
Gold(ounces)	16,373	13,847
Silver(ounces)	157,197	117,611

Although combined copper production from the Phoenix mine of Granby Mining Corporation and the Granisle mine of 98.3%-owned Granisle Copper Limited was 11% higher in the year ended 30Sep77 than in the previous year, the improvement was more than offset by other factors which adversely affected financial results for fiscal 1977. The major elements, says R.P.Taylor, president of both companies, were: sub-economic copper prices and increased treatment and refining charges-the average London Metal Exchange price in fiscal 1977 averaged about 60¢ U.S. per pound vs 62¢ in 1976; higher operating costs at Granisle, due mainly to the greater tonnage of waste removed-11,063,927 vs 8,254,033 tons-expenses associated with the increased throughput of ore and continued inflation; and the write-off of the estimated unrecoverable portion of deferred exploration expenditures on the Granridge property.

As previously reported, as a result of a favourable B.C. Court of Appeal judgement in respect of mining tax re-assessments for the period ended 30Sep71, Granisle recovered from the B.C. government $841,632. In addition, Granisle reduced its mining tax liability for the years 1972 to 1975 by $688,000. The recovery and related mining tax adjustments have been reflected as a prior period adjustment as of 30Sep76.

Capital expenditures in fiscal 1977 totalled $1,794,391, practically all at Granisle. One additional 100-ton haulage truck was bought at a cost of some $520,000 to handle the increased waste tonnage. The balance was mainly to replace equipment which had reached the end of its economic life.

Capital commitments at the year end totalled about $1,500,000, mainly to buy a 10-yard electric shovel at Granisle. The mining program at Granisle for 1978 calls for a further increase in the stripping ratio and the additional shovel will enable this waste removal target to be met.

At Granisle in fiscal 1977, the tonnage of ore milled was 15% higher than in 1976, resulting mainly from continuous plant operations and treatment of easier grinding ore. The higher throughput, better head grades and improved metallurgical performance increased copper production by 23%. As of 30Sep77, Granisle ore reserves were estimated at 52,883,000 tons grading 0.42% copper and an average stripping ratio of 1.65 tons of waste per ton of ore. At year end there was a stockpile of some 5,000,000 tons of low grade material averaging 0.27% copper.

At the Phoenix mine, the total mill feed came from the low grade ore stockpiles which at year end were estimated at 260,000 tons grading 0.37% copper. Mill throughput was 12% below 1976 due to vacation shutdown in July and difficult loading and crushing conditions during the handling of stockpile ores. The declines in tonnage milled & ore grade resulted in a 29% reduction in copper production.

The Lone Star project was suspended during the winter pending the outcome of the Environmental study requested by State of Washington. Approval was received in Feb.1977 & mining began in May. During the year the 12-mile haul road from Phoenix at Greenwood,B.C., to Lone Star property, just across the U.S.border, was constructed & all pre-production work was completed. 55,900 tons of ore were mined & stockpiled. Milling of Lone Star ore is scheduled for 1978.

Exploration was concentrated in western Canada, directed mainly to lead,zinc & molybdenum. A total of 144 claim units were staked. Claims held in 2 joint ventures,1 in B.C. & 1 in Y.T., were further explored without results of immediate importance. A declining number of prospect submissions were received & somewhat fewer examined in the field. No work was done on Huckleberry copper deposit optioned from Kennco Explorations(Western)Ltd. until 1989. The option on Lorraine copper deposit,also from Kennco, was surrendered. Richmond copper prospect adjacent to the road from Phoenix to Lone Star was optioned but later dropped after 3,000 ft.of percussion drilling indicated only erratic sub-economic mineralization.

GRANBY MINING CORPORATION			GRANISLE COPPER LIMITED		
9 MONTHS TO 30JUNE	1976	1975	9 MONTHS TO 30JUNE	1976	1975
Net Revenue	$17,837,000	$21,414,000	Net Revenue	$13,689,000	$16,611,000
Net Income (Loss)	$(519,000)	$30,000	Net Income (Loss)	$(273,000)	$1,267,000
Per Share	(36¢)	2¢	Per Share	(8¢)	38¢
PHOENIX MINE			GRANISLE MINE		
Tons Milled Per Day	2,909	2,923	Tons Milled Per Day	12,359	13,297
Copper Produced,lbs.	6,497,000	5,973,000	Copper Produced,lbs.	23,248,000	26,802,000

prod

REPEAL OF TAX ON MINE PRODUCTION REDUCES LOSS - In presenting results of Granby Mining Corporation and their subsidiary, Granisle Copper Limited, president R.P.Taylor notes that for the 3 months ended 30Jun76, Granby's net income is $453,000 or 31¢ per share, compared to a net loss of $310,000 or 22¢ per share a year ago and Granisle's is $396,000 or 12¢ p/sh. vs $93,000 or 3¢ p/sh. a year ago. The main factors affecting comparative results, are: the inclusion in revenue for the previous period of gains from forward selling of a portion of the company's copper production; increased costs of materials and supplies, offset by reduction in other areas, notably Mineral Land Tax.

The present government of B.C. intends to repeal the production-based provisions of the Mineral Land Tax Act as of 1Jan76. Accordingly, Mineral Land Tax recorded since that date has been reversed in the third quarter and a credit of $277,000 is the main factor contributing to net income of $453,000 for Granby in the 3rd quarter. A credit of $225,000 is the main factor in Granisle's net income of $396,000 in the 3rd quarter.

744 West Hastings St.
Suite 114
Vancouver, B.C.

At Granisle the tonnage milled in the current quarter was 4½% higher than the year earlier period however, due to the lower grade of ore treated, copper production was down by about 6%.

George Cross News Letter
"Reliable Reporting"
NO.23(1976)
FEBRUARY 4, 1976
$100.00 per year
NO.23(1976)
FEBRUARY 4, 1976

WESTERN CANADIAN INVESTMENTS

GRANISLE COPPER LIMITED

Three Months Ended Dec.31,	1975	1974
Net Revenues	$3,851,000	$5,924,000
Cost of Production	4,196,000	3,658,000
Depreciation & Depletion	457,000	509,000
Exploration	37,000	90,000
General & Administrative	111,000	87,000
Operating Income(loss)	(950,000)	1,580,000
Investment & Other Income	261,000	493,000
Mineral & Land Taxes	107,000	271,000
Income & Mining Tax	(245,000)	1,092,000
Net Income (loss)	$ (551,000)	$ 710,000
Net Income per share	(17¢)	21¢
Shares Outstanding	3,329,919	3,329,919
Tons Milled Per Day average	13,300	12,721
Pounds Copper Produced	8,526,000	9,041,000

GRANBY MINING CORPORATION

also refers to Phoenix

R.P.Taylor, president of Granby Mining Corporation, states in the first quarter report that the drastic reversal from a profit to a loss position was attributable to those same factors outlined in the annual report(See GCNL No.14,page two, Jan.22,1976) namely lower copper prices, increased treatment costs, continuing inflation, and increased taxes. It has been a long-term policy to value concentrate inventory and shipments in transit at the estimated net realizable value based upon the most recently available information, namely the average metal prices for any given month. Falling metal prices during the first fiscal quarter of 1976 have necessitated a downward revision of the value of the concentrate inventory and certain shipments in transit, both as at September 30,1975. This revision reduced revenue by approximately $408,000 in the current quarter.

Mr.Taylor pointed out that while the company incurred a pre tax loss for the period the Mineral Land Tax was $158,000.

GRANBY MINING CORPORATION

6 MONTHS TO MAR.31,	1976	1975
Net Revenue	$11,141,000	$15,026,000
Net Income (Loss)	(972,000)	340,000
Per Share	(67¢)	24¢
PHOENIX MINE		
Tons Milled Per Day	2,918	2,945
Copper Produced,lbs.	4,316,000	4,076,000

GRANISLE COPPER LIMITED

6 MONTHS TO MAR.31,	1976	1975
Net Revenue	$8,573,000	$11,599,000
Net Income (Loss)	(669,000)	1,174,000
Per Share	(20¢)	35¢
GRANISLE MINE		
Tons Milled Per Day	12,638	13,178
Copper Produced,lbs.	16,293,000	18,085,000

ROYALTIES INCREASE LOSSES - R.P.Taylor, president of Granby Mining Corporation and their subsidiary Granisle Copper Limited, owned over 98%, states that the transition from profit to loss is due to: lower copper prices; inclusion in the previous period of gains from forward selling of part of the companies' copper production; lower production in the current period; and increased costs caused by continuing inflation. He notes specifically that, in the current period, even though a pre-tax loss of $1,021,000 was incurred, Mineral Land Tax amounted to $366,000 for Granby's consolidated account and $294,000 in Granisle's account. GCNL #89 (1976) MAY 10th

14