

GCNL #174

10 SEPT 84

## BRINCO MINING LIMITED (BRN-Alberta, T.M)

DRILL CUT NEW ASBESTOS DEPOSIT - Brinco Mining Limited management announces that a recently completed diamond drill hole 2500 feet SE of the Cassiar asbestos mine in north-central B.C. and 550 feet SE of the contiguous McDame asbestos deposit has intersected 495 feet of asbestos bearing serpentinite with asbestos content similar to that of the Cassiar orebody.

During 1982, it was reported that previous work on the McDame deposit had outlined 15,000,000 tons of asbestos-bearing serpentinite. Results of the recent drill hole indicate that the McDame deposit thickens towards the recent drill hole and that the tonnage of asbestos bearing material in the deposit is more than double the amount previously reported.

MINER 13 SEPT 84

## Brinco hole doubles McDame reserves

VANCOUVER — The life of Brinco Mining's Cassiar asbestos operations has been expanded several fold following the completion of a deep drill hole which was collared 750 ft. southeast of its 15 million ton McDame deposit.

According to Alfred Burgoyne, vice-president exploration, this single drill hole intersected 495 ft. of "asbestos-bearing serpentinite with asbestos content similar to the Cassiar orebody." The drill intercept, which is very close to true width, hit the zone some 550 ft. from the McDame deposit which had been partially delineated by an underground drill program in the past.

Mineralization was encountered from 1,366-2,025 ft. although ore grade material was found from 1,530-2,025 ft. The thicknesses are greater than those indicated by underground drilling earlier, he confirms, adding several of those

old holes are near the recent intercept. The drill hole bottomed at 2,042 ft.

The deep hole has doubled the previously established reserves for the McDame deposit and Mr. Burgoyne concedes even that is probably conservative. Although the grade of the deposit is similar to the main Cassiar orebody, he says the value of the ore (on a unit basis) should be higher because of the quality of the asbestos fibre. Dealing with asbestos grades in terms of percent can be misleading as the value of the ore is dependent primarily on the length of the asbestos fibres. In this case, the orebody appears to contain a higher proportion of these long fibres so the ore would be worth more, he states. Also important, the ore probably wouldn't be much more expensive to mine as it appears amenable to underground block caving.

GCNL 217

## CASSIAR MINING CORPORATION

12 NOV 86

PERIOD ENDED 30 SEPT.	THREE MONTHS		NINE MONTHS	
	1986	1985	1986	1985
Revenue	\$11,686,000	\$14,505,000	N.A.	N.A.
Cash Flow-Operation	N.A.	N.A.	\$7,748,000	\$12,442,000
(Loss) Profit	(\$1,585,000)	(\$1,243,000)	(\$2,514,000)	\$ 677,000

Cassiar Mining Corporation has reported an outstanding insurance claim, the subject of litigation, has been settled with the acceptance of a \$2,000,000 settlement which will be recorded and received by Cassiar in the four quarter.

The McDame exploration adit at Cassiar, B.C., has been completed, bulk sampling is currently in progress and 50% of the 1986 diamond drilling program has been completed.

### Cassiar loss

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MINER

VANCOUVER — Cassiar Mining reported a 9-month loss of \$2.5 million compared to a profit of \$677,000 for the corresponding period in 1985. The company's third quarter loss was \$1.6 million compared to \$1.2 million the previous year.

Cash flow for the 9-month period was a positive \$7.7 million compared to \$12.4 million the year before. An outstanding insurance claim, which was the subject of a legal case, was settled with Cassiar receiving \$2 million. That will be recorded in fourth quarter statements. 104P084

An exploration adit into the McDame asbestos deposit has been completed and a bulk sampling program is currently under way. More than half the 1986 diamond drilling program has been completed. The McDame deposit will replace the company's present open pit operation which is scheduled to wind down by the end of the decade.

GCNL #78 23 APRIL 1985

BRINCO LIMITED (BRN-T, M, Alberta)

SIX PRECIOUS METAL PROJECTS FROM NEWFOUNDLAND TO B.C. EMPHASISED IN 1985 EXPLORATION PROGRAM

Following the announcement of a \$3,000,000 participation by Brinco Limited in the Canadian mineral exploration program of CMP 1985 Mineral Partnership and Company Limited, Brinco president H.R. Snyder and vice-president of exploration A.A. Burgoyne, P. Eng., in a brief interview outlined the program for the year.

Precious metal polymetallic projects will receive the bulk of the 1985 exploration attention. Several of the key properties have been worked on for several years. They are: Pilley's Island and Sops Arm, Newfoundland; Ste. Helene, Joutel area, northern Quebec; Kerr claims at Sulphurets Creek, and Taseko, north of Fish Lake, B.C.

At Pilley's Island, 32 km east of Springdale, 97 km north of the Buchan mine, the 3B massive sulphide deposit has been under exploration in a joint venture with Getty Resources. Reserve indications are 200,000 to 300,000 tonnes grading some 4% copper, 1% zinc, 0.5 oz. silver/t plus low gold. The deposit is buried and was discovered through geological modelling and drilling in 1984. Further exploration will consist of diamond drilling along the southerly trend of the deposit.

At the large Sops Arm gold property on the north coast of Newfoundland, BP/Selco have undertaken an option to earn a 50% interest through exploration expenditures on the property. Once this interest level has been attained, further exploration will be on a 50:50 joint venture basis.

Work during 1984 at the St. Helene gold property in the Joutel area, on the main highway to Shelbaie, northwestern Quebec consisted of ground geophysical and extensive percussion drilling. Work recommended for 1985 is a large overburden drilling program. Brinco has an option to earn a 70% working interest in the property from Dejour Mines Ltd. The exploration potential lies in defining gold mineralization similar in style to that of Golden Knight-Inco at the Casa Berardi deposit located to the east. 104B/8W

At Sulphurets Creek, northwest B.C., the Kerr project has unusually high gold silver values in showings, rock chip samples and soil samples. Examples include 0.5 oz. gold/t in a soil sample, 15 parts gold per million in another, 4 oz. silver/t. The anomalous area is 2 km long and 0.5 km wide and adjoins property where similar values have been encountered by Esso. It has all the characteristics of a major situation. The program of geological mapping, detailed soil and rock chip sampling is to be carried out in 1985 prior to the start of diamond drilling. TASI-22 (920/12)

Just north of Fish Lake, Taseko Lake area, 240 km north of Vancouver, Brinco has staked 631 claims covering favourable geology for an area 22 km long by 6 km wide where the program is seeking massive tonnages of disseminated gold in volcanic and sedimentary formations carrying values in the 0.08 to 0.12 oz. gold/t range. In 1984, the company spent some \$275,000 and defined five target areas by soil sampling, rock sampling and geological mapping. Two of these are ready for diamond drill testing as soon as property conditions permit. One of the discoveries in this area by Cominco contains 220,000,000 metric tonnes grading 0.25% copper, 0.015 oz. gold/t plus values in silver and molybdenum.

In addition, the 1985 exploration program will include examination and preliminary work on a number of other precious metal projects at the prospect stage. Other exploration projects include the San Antonio gold mine, Bissett, Manitoba. At the Jason silver-lead-zinc deposit, MacMillan Pass, Yukon a joint feasibility study of mining the Jason in conjunction with the nearby Tom deposit of Hudson Bay Mining is nearing completion; Brinco has a 21% interest in this deposit.

Brinco also owns a 50% interest in the Tootsee silver-lead-zinc property located in northern B.C. 80 km west of Watson Lake adjacent to the Regional Resources Midway silver-zinc-lead deposit. Canamax owns the remaining 50% interest.

These projects give the company's precious metal search a good geographical and geological spread with a high potential to generate important continuing results.

Approximately \$2,000,000, being 66% of the budget, will be spend on further exploration of the McDame asbestos orebody that is on trend and to the southeast of the currently mined Cassiar open pit orebody, northern B.C. The program will consist of driving a 1,000 meter exploration adit into the ore zone and core drilling into the zone for confirmation of continuity and grade. For the last few years the reserves at the McDame have been shown in the annual reports at approximately 13,000,000 tons of about the same grade as in the open pit mine. As a result of deep drill holes from surface in 1984, underground tonnage has been increased to 62,000,000 metric tonnes at an asbestos grade of 6.5%, slightly higher than mine average grades. The importance and magnitude of these new reserves is seen when they are related to the production from the open pit in the 32 years since operations started in 1953 of 23,000,000 metric tonnes. The McDame reserves are double the mine's historic production and are open to further extension as well as being of slightly higher value. At Dec. 31, 1984 the remaining open pit reserves were calculated at 6,305,000 tonnes grading 6.90% asbestos fibre. At Cassiar, 900,000 to 1,200,000 tonnes per year of asbestos ore is mined. 104P/6W

104P/5W (104P 005)

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GCNL #158

16 AUG 1985

BRINCO LIMITED (BRN-Alberta, T.M)

104P / 5E.W

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6 MONTHS ENDED 30 JUNE

	1985	1984
Net Income Bef. Insurance Payment*	\$797,000	\$4,094,000
Net Income	1,197,000	7,873,000

\*Recovery of product liability litigation costs.

PROFIT FELL. REORGANIZATION PLANNED

In presenting comparative first half results of Brinco Limited, president C. Alan Smith says the reduction in net profit reflects reduced sales revenue from asbestos due to lower average sales price and lower sales

volume. Asbestos fibre production was about the same in both years. Work on the McDame deposit, through the CMP 1985 Mineral Partnership and Company, Limited is progressing on schedule. By June 30, an adit, which will give additional information on the deposit, had advanced 360 meters. Mr. Smith expects it will be completed by November 30.

On 15 July 85, Mr. Smith, who is president of Dorset Resources Ltd., was appointed president and chief executive officer of Brinco Limited. Effective 1 Aug 85, J. Douglas Little became acting president of Brinco Mining Limited. Mr. Little is a past president of Cassiar Resources and has been a director of Brinco Mining for many years.

Mr. Smith announces that Brinco Limited, owned 71% by Dorset Resources Ltd., plans a corporate reorganization to be completed later this year. The objectives are to strengthen the company's financial position; to increase the assets of its oil and gas subsidiary, Brinco Oil and Gas Limited, and to have the shares of its subsidiary, Brinco Mining Limited, listed on Toronto Stock Exchange with most of its shares to be distributed to and held directly by current shareholders of Brinco Limited and Dorset. The reorganization will require cooperation of Brinco Limited's shareholders and bankers and Revenue Canada.

First step in reorganization would be conversion of \$47,000,000 of bank debt owned by Brinco Limited's wholly owned Brinco Mining Limited, into preferred shares. The cash flow of Brinco Mining will continue to be dedicated to amortization of its bank obligations.

The second step would be exchange of preferred shares (7% Series A and 8% Series C) together with the accumulated dividend payments of \$10,780,000 (which have been arrears for 11 quarters) for Brinco Limited common shares.

The third step would be a pro rata partial spin-off of Brinco Mining units comprising common shares of Brinco Mining and warrants for either ordinary or flow-through common shares of Brinco Mining. It is anticipated that the warrants would expire in the spring of 1986. The units of Brinco Mining would be distributed to all common shareholders of both Brinco Limited and Dorset. Brinco Mining would apply for listing its common shares and warrants on Toronto Stock Exchange. The fourth and final step would involve transfer of the oil and gas properties now owned by Dorset to Brinco Oil and Gas for treasury shares of Brinco Limited.

The assets of Brinco Mining comprise the Cassiar asbestos mine and the McDame deposit in B.C., the San Antonio gold mine in Manitoba and various other mining interests, mainly in Newfoundland, B.C. and the Yukon. Funds from exercise of warrants for Brinco Mining flow-through shares would finance continued development of the McDame deposit near the Cassiar operation and other Brinco Mining properties. The strength of the Dorset holding in Brinco Limited will permit Brinco Limited to be more acquisition oriented in future.

Comment

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next?

haps it never will, but the that the courts have already to some extent in favor of dians' claims that the island special significance to them, son for concern. ry are attempting to get recon for their land claims. If an make this one stick, there reason why they couldn't use precedent to lay claim to areas along the coast.

Guppy, a part-time but once ne prospector, hails from p, B.C.

arren S. Moore

-known exploration geolo-Warren S. Moore died y. A graduate of Yale Uni-in 1922 with a degree in gineering, Mr. Moore was eer in the exploration and pment of iron ore deposits hout Minnesota and Can-

ough his company W. S. Co., he operated several ron ore mines in Minneso- esabi Range; producing up million tons per year. In the geologists for his company stake the Mount Wright e deposit in northern Que- U.S. Steel, which became open pit mining operation. e 1960s, Mr. Moore's sights to base and precious met- his crews going to Alaska, stern U.S. and the North- rritories.

ve in civic affairs and organ- ns, Mr. Moore served three n the Minnesota State legis- He leaves his wife, four chil- id 20 grandchildren.

Philip Jenney

Philip Jenney, a well- consulting geologist, and who was consultant to the mi Syndicate when the st shot into prominence, l at the age of 76. enney was born in Toronto and attended Columbia ty, where he obtained a te in geology in 1936. ning his career with the cal Survey of Canada, he istant chief geologist to lated Oil Corp., New York, 34 to 1936.

Brinco moving ahead

Major program to evaluate McDame deposit

VANCOUVER — Brinco Min- ing will drive a second adit into its McDame asbestos deposit at Cassiar, B.C., with funds from the \$3-million mineral partnership scheduled for completion later this month. Development work will begin this May and the adit will be about 500 ft. lower than the one completed several years ago which led to the discovery of the deposit.

According to Peter C. Jones, executive vice-president mining, \$2 million has been allocated for the project which could eventually see Brinco convert to an underground block-caving method as opposed to the present system of open pit mining. Describing the McDame as "a world-class deposit," he tells The Northern Miner the company would have to make a production decision by late 1987 to ensure it is ready when the mine's open pit reserves are exhausted.

The conversion to underground mining will probably require 80-100 additional people including a core group of underground personnel to train those experienced only in open pit mining.

The company's vice-president exploration, Alfred A. Burgoyne, says existing reserves include 15 million tonnes in the probable category and a further 10 million classified as possible, but he adds some 60 million tonnes in total are indicated. Completion of the new adit will allow Brinco to test the deposit with additional drilling; last year a deep hole was drilled from surface about 2,500 ft. south of the company's asbestos operation but further testing from surface would be too costly, he concludes.

The deposit is still open to the south and east, he says, adding they are dealing with a "series of discrete sheets" associated with thrust

faulting and only the odd one is mineralized. Last year's drill program was designed in part to test the open pit potential above the McDame deposit but the only significant mineralized drill intercept occurred in the deposit — some 495 ft. grading 7.6% asbestos.

Mr. Jones says that grade is slightly lower than the main Cassiar deposit but the quality of asbestos fibre is higher, so on a unit basis the two deposits are virtually equal. Studies also indicate underground mining costs will be comparable to open pit using the block caving method. More material will have to be mined, however, to generate an equivalent amount of asbestos product.

The new mine entry will be around 3,600 ft. long. However, an even longer adit level has been proposed at a lower elevation for haulage purposes. Ore would be transported to the portal by conveyor and the material would be pre-concentrated to bring it up to Cassiar grade, says Mr. Jones. That would be done by size distribution through crushing and screening.

The company's Cassiar operation produces about 100,000 short

tons of asbestos fibre per year, representing about 14% of the Canadian market which is essentially for export. Its proportion has increased sharply in recent years because total Canadian output has dropped considerably.

Ban in limbo

Efforts by the environmental protection agency in the United States to ban asbestos usage is now in limbo following the EPA's decision to refer questions on asbestos to the Occupational Safety and Health Administration and the Consumer Product Safety Commission, a procedure never followed before. As a result, the proposal to ban asbestos has been put on hold, at least until the other agencies have a chance to study the issue. The Reagan administration is said to be opposed to such a ban.

Brinco's existing operation has a mine life of around six more years and Mr. Jones says the company is examining the possibility of recovering reserves below the pit bottom by block caving as well. This would involve driving a completely separate access route to this area.

104P 084

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