

CYPRUS EXPLORATION CORP. LTD.
VANCOUVER, B. C.

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NO. 67 (1968) COPY
APRIL 3, 1968
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SUBSCRIPTION RATE
\$140.00 PER YEAR

George Cross News Letter

"Reliable Reporting"

NO. 67(1968)
APRIL 3, 1968

WESTERN CANADIAN INVESTMENTS LAFARGE CEMENT OF NORTH AMERICA LTD.

Year Ended Dec. 31,	1967	1966
Sales	\$19,360,471	\$16,831,389
Production & Adm.	14,842,312	13,450,190
Interest Expense	672,785	660,719
Directors expense	99,855	77,857
Writeoffs	1,389,677	1,332,611
Other Income etc	46,511	162,811
Income Tax: current	14,700	7,350
deferred	700,000	-
NET PROFIT	\$ 1,687,653	\$ 1,466,473
Earnings Per Share	\$1.32	\$1.19
Cash Flow	\$ 3,777,330	\$ 2,756,124
Shares Issued:		
A Shares	350,000	350,000
Common shares	927,289	879,289
Current Assets	7,072,115	6,498,345
Current Liabilities	5,277,423	3,532,049
Term Debts	\$10,202,424	\$11,756,368
Total Deferred		
Income taxes	1,050,000	350,000
Fixed Assets*	24,055,459	21,795,476
*After Accum. W/O	7,899,531	6,774,470

Net profit increased 15% for LaFarge Cement of North America Ltd. in the year ended Dec. 31, 1967, compared with the 1966 earnings. Net capital expenditures during 1967 amounted to \$3,414,711 chiefly for the final phase of construction of the second raw grinding mill and the second Kiln, as well as initial expenditures on new stockpiling facilities at the cement plant and at the quarry. In 1966, net capital expenditure amounted to \$4,377,218.

The program of doubling the capacity of the Richmond cement plant to 3,500,000 barrels per year was completed on schedule during 1967, and part of the additional profit reported was due to extra production. As the additional capacity is greater than the present market potential in B.C., export markets have been sought and the company has secured a large long term contract starting in 1969. These contracts could keep the plant working at close to capacity in the years ahead.

LaFarge will build a 1,200,000 barrel cement plant near Kamloops, B.C. Large reserves of raw materials have been secured adjacent to the plant site and construction will start in 1968. The plant is to be in production in the fall of 1969.

The annual report states that the five Deeks McBride Ltd. ready mix plants contributed satisfactorily to earnings. The capacity of the principal ready-mix plant at Main St., Vancouver is to be increased in the 1968 first quarter. Production of sand and gravel was increased to satisfy the demand for both concrete aggregates within the company's operations and other aggregates sold outside. LaFarge is continuing to acquire additional reserves for future exploitation.

CASSIAR ASBESTOS CORPORATION LIMITED

Year Ended Dec. 31,	1967	1966
Revenue	\$20,878,167	\$20,649,226
Production Exp.	8,790,930	8,776,507
Transportation Exp.	3,780,497	3,834,530
Admin. Selling Exp.	1,087,243	875,865
Directors Fees	82,615	70,413
Exploration	152,291	211,804
Debt Interest	159,506	94,341
Income Tax: Current	500,000	765,000
Deferred	2,150,000	1,875,000
NET PROFIT	\$4,175,185	\$4,145,766
Net Per Share	79 1/2¢	87¢
Shares Issued	5,252,500	4,775,000
Dividends Paid	\$3,151,500	\$2,865,000
Dividends Per Share	60¢	60¢
Capital Expenditures:		
Cassiar Mine	2,355,321	3,586,631
Clinton Creek Mine	12,424,412	10,209,859
Current Assets	\$8,447,942	\$7,101,883
Current Liabilities	6,505,233	4,447,449
Term Debts	4,075,000	150,000
Total Deferred Taxes	9,585,000	7,435,000

During 1967, Cassiar Asbestos Corp. Ltd. spent \$10,351,555 on plant and equipment at Clinton Creek and \$2,072,857 on pre-production mine preparation. Total expenditures to date for the Clinton mine on mine plant and equipment, development, preproduction and other expenses and transportation division equipment amounts to \$24,203,660. The company estimates that a further expenditure of approximately \$2,200,000 will be required to complete the project.

Demand for all grades of Cassiar fibre was good throughout the year. The Cassiar mine operated at a record level of 92,000 tons of fibre and was able to meet sales commitments. The sales price of fibre was increased by approximately 3.75% on April 1, 1967. Now that the Clinton mine is in operation, the Cassiar mine will return to normal operating levels of 75,000 tons of fibre per year.

Initial tests by customers of Clinton fibre indicate a good quality asbestos cement. Tentative orders for 1968 covering most of the 60,000 tons planned production from the Clinton mine have been received.

The outlook for asbestos markets for 1968 is somewhat uncertain, the company considers that any easing of the market will be of a temporary nature. The overall demand for asbestos cement products in housing, water supply and in anti-pollution projects continues to grow. The company will take advantage of this growth.

The Kutcho Creek asbestos property will be further explored as follow up on the staking and geophysical work of 1966 and 1967. The property warrants extensive work which will be deferred until Clinton Mine is in full operation.

CASSIAR ASBESTOS

Appointments

26-2-68



A. C. BEGUIN

Mr. J. D. Christian, President of Cassiar Asbestos Corporation Limited, is pleased to announce the following staff changes effective 1 February, 1968.

Mr. A. C. Beguin—General Superintendent, Cassiar Mine to Manager of Operations, Cassiar Asbestos Corporation Limited. Mr. Beguin will reside in Cassiar, B.C. and will oversee the operations of the Clinton and Cassiar Mines and the Transport Division. Mr. Beguin joined the organization in 1953 as Mill Superintendent. This appointment will make his considerable operating experience available to all the company's operations.

Mr. A. C. Caron—Production Superintendent, Cassiar Mine to General Superintendent Cassiar Mine. Mr. Caron joined the Company in 1953 as Chief Engineer and has an excellent background and knowledge of the whole Cassiar operation.

Mr. J. R. Murdoch — Mine Superintendent, Cassiar Mine to Production Superintendent, Cassiar Mine. Mr. Murdoch joined the Company in 1960 as Mine Foreman. In his new capacity he will continue to oversee the mining operations and in addition, will be responsible for all other production aspects at Cassiar. ***

PROVINCE

**WILLS, BICKLE & COMPANY
LIMITED
INVESTMENTS**

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**INVESTOR'S
DIGEST**

September 3rd, 1965

Cassiar Asbestos Corporation Limited

THE INDUSTRY

1964 world production of asbestos fibre was estimated at 3.8 million tons including Russian production of 1.6 million tons (42%) and Canadian production of 1.4 million tons (37%). Other significant producers are South Africa, Southern Rhodesia and the United States.

The estimated sixfold increase in Russian production over the past fifteen years together with a 60% increase in domestic production lead to increased competition in export markets where more than 85% of Canadian production is sold. Selling prices became depressed due to this increased supply. An improvement in demand for asbestos was first noted towards the end of 1963. This improvement continued through 1964 to date resulting earlier this year in a 5% to 10% firming in the industry price structure.

Asbestos fibre possesses remarkable qualities, being soft, flexible, resistant to heat, acids and oxidation. It has good tensile strength. The longer and more expensive fibres (\$400 to \$1,500/ton) can be spun and woven. They are found in rope, cloth, tubing, clutch facings and brake linings. The shorter and non-spinning fibres (down to \$50/ton) find their greatest use in asbestos cement products such as pipe, siding shingles, flooring and wall tiles, etc. Through active industry research asbestos now has more than 20 industrial classifications and over 3,000 applications. An annual growth rate of 5% to 6% in world consumption is anticipated over the next decade.

THE COMPANY

Cassiar Asbestos Corporation operates a high grade open pit mine in the McDame Lake area of Northern British Columbia. Production started in 1954 at 500 tons daily. The mill is currently operating at maximum capacity treating 2,000 tons per day. Ore reserves as presently outlined are sufficient for more than 25 years mine life.

The mine produces four grades of spinning fibre and five grades of cement and shingle fibre. The ore is higher grade with good fibre length and being non-ferrous is well suited for electrical insulation. The milled fibre is trucked 350 miles to Whitehorse from where it is carried to Skagway by rail and then shipped to Vancouver for export. The company's principal markets are in the United States, Australia, Japan and Europe.

Construction will start early in 1966 on the plant for a new mine at Clinton Creek in the Yukon Territory, approximately 40 miles northwest of Dawson. This mine has been financed through the sale of 775,000 treasury shares at \$12.00 per share to: Bell Asbestos Mines Ltd. Cassiar's sales agent (625,000 shs.); James Hardie Asbestos Limited a major customer and large manufacturer in Australia and New Zealand of asbestos cement products (75,000 shs.); Raybestos-Manhattan Inc. the largest consumer of Cassiar spinning fibres (75,000 shs.). This financing will insure a substantial market for Cassiar's products including long term arrangements for increased sales designed to coincide with production from the new mine. Production will begin early in 1968 at an initial annual rate of 40,000 tons of excellent cement fibres. This new cement grade production will allow Cassiar to conserve its valuable spinning grades at the McDame Lake mine. Proven ore reserves are 12.3 million tons grading \$12.30 per ton. The current diamond drilling programme has indicated an additional 12 million tons. These ore reserves assure a mine life of more than 20 years open pit operation with an additional 20 years indicated.

Cassiar has a very enviable record of steadily increasing earnings in an industry which has until recently suffered from severe sales and price competition. Their record is due to first rate mine Management and the company's excellent marketing relationships. These marketing arrangements have been further strengthened by the recent equity financing for the new mine by the company's principal customers. With the Cassiar mine operating at capacity it is estimated that earnings should be 78½¢ per share this year (4,775,000 shares issued) and range between 80¢ - 90¢ per share until the Clinton mine is in operation in 1968. It is estimated that the new mine will earn approximately \$1,000,000 annually after tax at current rates. This will raise earnings ahead to \$1.00 - \$1.10 when 75¢ to 85¢ dividend can be anticipated.

The common shares of Cassiar Asbestos Corporation Limited at \$13½ are recommended for their sound dividend yield of 4.45% and their excellent appreciation potential.

(The dividend for Canadian investors qualify for a 20% depletion allowance and the 20% dividend tax credit.)

* to date.

MARKET RATE FOR THE U.S. DOLLAR

September 2nd	A Week Ago	A Month Ago	Year Ago
107 19/32	108 21/32	108 3/32	107 3/4

CANADA TREASURY BILL RATES

September 2nd	A Week Ago	A Month Ago	A Year Ago
91 Days	4.09	4.08	3.75
182 Days	4.32	4.30	3.89

TORONTO STOCK EXCHANGE INDICES

September 2nd	A Week Ago	A Month Ago	A Year Ago
Industrials	166.32	164.87	159.68
Gold	165.24	169.09	133.42
Base Metals	79.69	79.22	67.19
Western Oils	97.89	97.51	96.65

NATURAL RESOURCES INDICATORS

	Latest Month	A Year Ago	% Change	Total To Date	A Year Ago	% Change
Newsprint Shipment (tons) July	642,365	619,908	+ 3.6	4,362,511	4,088,866	+ 6.7
Steel Ingots Production (tons) July	832,410	726,712	+14.5	5,697,564	5,180,833	+10.0
Iron Ore Shipments (tons) June	4,463,336	5,040,349	-11.4	15,441,286	14,635,957	+ 5.5
Copper Production (tons) May	47,639	40,362	+15.6	208,610	193,788	+ 7.6
Nickel Production (tons) May	23,578	21,027	+12.2	115,010	95,825	+20.0
Zinc Production (tons) May	80,047	58,056	+37.9	381,300	279,227	+36.6
Lead Production (tons) May	25,589	16,244	+57.2	125,551	81,276	+54.5
Gold Production (fine ozs.) May	297,030	307,095	- 3.3	1,517,678	1,572,532	- 3.5
Silver Production (fine ozs.) May	2,632,335	2,672,954	- 1.5	12,245,500	11,805,440	+ 3.7
Asbestos Shipments (tons) June	121,988	121,191	+ .7	565,088	597,688	- 5.5
Portland & Masonry Cement Shipments (tons) June	937,631	924,880	+ 1.4	3,338,258	3,142,624	+ 6.2

INDUSTRY AND THE NATION**EMPLOYMENT**

At mid-July the number of employed totalled 7,251,000, an increase of 202,000 during the month. The number of unemployed totalled 244,000, a decrease of 13,000 during the month, representing 3.3% of the labour force compared with 3.7% a year ago.

EXPORTS

Commodity exports in June were valued at \$737.2 million, 7.4% below June last year. For the first six months of the current year exports totalled \$4.02 billion, 2.1% higher than a year ago. In the six month period, exports to the United States increased 12.7% to \$2.36 billion while exports to Great Britain declined 2.1% to \$571.2 million.

MONEY SUPPLY

The total of currency and chartered bank deposits decreased during the week ended August 11th by \$132 million to total \$19.56 billion, \$2.14 billion higher than a year ago.

BANK DEBITS

Individual Canadian bank account debits totalled \$40.2 billion in July, down 5.5% from \$42.5 billion a month earlier and 6.1% higher than July 1964.

CONSUMER CREDIT

Consumer credit outstanding on the books of sales finance companies totalled \$1.004 billion at the end of May compared to \$934 million at the end of May 1964, the first time such loans have exceeded \$1 billion. Personal unsecured loans granted by chartered banks totalled \$1.96 billion at the end of May, 22% higher than a year ago, while fully secured loans increased 20% to \$502 million. Small loan company cash loans increased 15% over May 1964 totalling \$895 million while instalment credit loans totalled \$61 million, a 24% increase. Department store credit totalled \$468 million, 12% higher than a year ago, furniture and appliance store credit \$190 million, 1% higher.

MANUFACTURING WAGES

The average weekly wage in Canadian manufacturing was \$86.58 during May compared to \$86.96 in April. The average hourly earnings were unchanged at \$2.11 compared to April but were up from \$2.02 in May 1964.

MANUFACTURERS ORDERS

New orders in June totalled \$2.97 billion, 8.7% above June last year. Unfilled orders at the end of the month were \$3.06 billion, 17.5% ahead of a year ago. Shipments at \$2.94 billion were 8.2% more than June last year. Manufacturers inventory was valued at \$5.61 billion, 6.5% higher than June last year.

RETAIL SALES

Retail sales for the first 6 months increased 5.6% over last year totalling \$10.13 billion.

WHOLESALE SALES

Canadian wholesalers had sales totalling \$1.13 billion during May, 13.9% higher than May a year ago. For the first five months of the current year sales totalled \$5.07 billion, 7.8% higher than the same period of 1964.

CONSTRUCTION CONTRACTS

Contracts awarded during August totalled \$497.5 million, 45.7% higher than August last year. For the first eight months of the current year awards totalled \$3.50 billion, 21.4% above the similar period of last year.

HOUSING STARTS

Housing starts in June this year totalled 15,984 units, 26% higher than June last year. For the first six months of the year starts totalled 57,963 units, 11% ahead of a year ago. Completions totalled 66,731 units, 5.9% higher than a year ago. At the end of June units under construction totalled 80,436, 19.3% higher than at the end of June last year.

CANADIAN VEHICLE PRODUCTION & SALES

Production of cars and trucks for the year to date to the week ended September 3rd totalled 548,975 units compared to 467,195 units for the same period of last year. First half sales increased 7.9% totalling 447,816 units.

CARLOADINGS

Railway carloadings for the period January 1 to August 7 of the current year totalled 2,285,920 units, a 1½% decline from the same period a year ago.

NATURAL GAS EXPORT

The National Energy Board has granted approval to export an additional 150 billion cubic feet of natural gas a year to the United States. Alberta and Southern Gas Company Ltd. will be allowed to export 74.8 billion cubic feet of natural gas a year to markets in Northern California, Trans-Canada Pipe Lines 68 billion cubic feet a year to North Dakota, Minnesota and Wisconsin, and Canadian-Montana Pipe Line 7.3 billion cubic feet a year to Montana. Approval by the U.S. Federal Power Commission for the import of this gas is required before the exports can begin.

CONTINENTAL OIL POLICY

In a recent public speech, Mr. Glenn E. Nielson, President of Husky Oil of Canada, urged the establishment of a continental policy for oil and gas by the United States and Canada. It would appear that Canada could be the only source of supplemental crude in the event of an emergency. Mr. Nielson also pointed out that while Canada possesses 15% of total North American oil reserves she produces only 8½% of the demand of the two countries.

CRUDE OIL REQUIREMENTS

It is estimated that Canadian refineries will require 962,193 barrels per day during 1965, 2.3% above 1964. Imports are expected to average 403,458 barrels daily, also 2.3% higher than 1964.

ALBERTA OIL DEMAND

Refinery purchasers of Alberta crude oil and natural gas liquids have nominated for an average of 605,995 barrels daily for September, 7.3% below August but 13.2% higher than September 1964.

CORPORATE NEWS . . .**CANADIAN NATIONAL RAILWAYS**

The company has reported a net operating loss of \$166,000 for the first seven months of the current year compared to a net operating income of \$10.3 million for the same period of 1964. These figures are before fixed charges.

CANADIAN PACIFIC RAILWAY

The company will consolidate beginning September 1st all of its non-transportation real estate through its wholly owned subsidiary, Marathon Realty Co. Ltd. For 1964 Marathon had assets totalling \$13.2 million and net earnings of \$531,000. Canadian Pacific Airlines has reported that revenues for the first half of 1965 increased 15% over the 1964 period. Expenses during the period increased 8%.

COLUMBIA CELLULOSE

The company and Svenska Cellulosa Aktiebolaget of Sweden have reported that they have signed final documents covering the operating and financial arrangements for their joint kraft pulp mill project in the Prince Rupert area of British Columbia. The 750-ton daily capacity pulp mill, to be built at a cost of \$80 million, is expected to be in production by early 1967. Columbia Cellulose owns 60% of the equity and the Swedish company 40%.

DOMINION TAR & CHEMICAL

The company has reported that sales for the first half of 1965 were \$194.8 million, 4.4% higher than a year ago and that sales for the full year are expected to be approximately \$400 million compared to \$386 million in 1964. Because of increased costs, net earnings for the full year are not expected to be much changed from the \$1.69 per share earned during 1964.

FRENCH PETROLEUM COMPANY OF CANADA LTD.

The company reports net production revenue for the first six months of the current year was \$1.1 million compared to \$1 million for the same period of 1964. During the period, oil production averaged 2,739 barrels daily and gas production 6.5 million cubic feet daily compared to 2,757 barrels daily and 3.4 million cubic feet daily for the 1964 first half.

**INTERNATIONAL
NICKEL**

Sales volume for the first six months of the current year totalled \$322 million compared to \$281 million for the first six months of last year. A combination of record first half nickel deliveries and higher prices for the company's copper production contributed to the increased sales volume.

JOHN LABATT LTD.

The company will produce and sell Guinness beer in Canada under a licensing agreement with Guinness Overseas Ltd. It is expected to be lower in price than that now imported.

MASSEY-FERGUSON

The company plans to transfer a substantial portion of its farm implement assembly operations from Brantford and Woodstock, Ontario to a recently purchased factory in Des Moines, Iowa. The move will affect those implements which are manufactured primarily for sale in the corn belt area of the midwestern U.S.

PRICE BROTHERS

The company has withdrawn from plans to participate in the construction and ownership of an \$88 million pulp mill at Squamish, B.C. The decision to abandon the project was influenced by market studies and projects which indicated a substantial surplus of bleached kraft pulp was developing relative to the expected demand in world markets.

SIMPSONS LIMITED

The company reported that first half sales for the current year increased 6½% over the first half of 1964 and that net income for the period increased by better than 10%. For the full year, barring unseasonable Fall and Christmas shopping weather, the company anticipates that net profit will be 10 to 15% higher than the \$1.02 per share reported for the year ended January 6, 1965. The company and Simpsons-Sears Ltd. report a combined sales increase of better than 9% during the first half of 1965 compared to an industry gain of 4.3%.

**STEEL COMPANY
OF CANADA**

The company has placed in operation its new \$13 million hydrochloric acid pickle line at its plant in Hamilton, Ontario. This is the first unit of its kind in Canada and is capable of operating at speeds up to 800 feet per minute. Stelco has acquired the lease to the Bruce Lake iron ore property of Iron Bay Mines Ltd. in Northwestern Ontario. Pickards Mather & Co., which manages the company's mining operations, is making a detailed engineering study of the property. Production of 1½ million tons of iron ore pellets per year is anticipated.

CASSIAR - 5 YEAR SUMMARY

	1960 Sept. 30	1961 15 mos. Dec. 31	1962 Dec. 31	1963 Dec. 31	1964 Dec. 31	Est. 1965 Dec. 31
Fibre produced - tons	38,838	56,556	57,568	62,214	66,897	80,000
Sales - per share	\$2.62	\$3.68	\$3.20	\$3.50	\$3.65	\$3.60
Cash Flow - per share	.85	1.27½	1.14	1.26	1.36	1.31
Deferred Tax - per share	.27	.28½	.16	.17	.19	.23½
Net Earnings - per share	.59	.71	.62	.65	.76½	.78½
Dividends - per share	.60	.75	.60	.60	.60	.60
Cash Flow as % sales	32.4	34.6	35.6	36.0	37.2	36.4
Net Earnings as % of sales	22.5	18.3	19.4	18.6	21.0	21.8
No. Shares issued	3,960,000	3,960,000	3,960,000	3,960,000	3,960,000	4,775,000
Share price High-Low	\$13¾-\$10⅞	\$15¼-\$11⅞	\$13-\$10	\$12-\$10	\$12⅞-\$10½	\$14¾-\$11¾*

EARNINGS STATEMENTS

Three Months		Six Months (Continued)	
	1965	1964	
Shop & Save (1957) Ltd. — June 19	\$.10	\$.16	Nat. Drug & Chem. Co. of Can. \$.04
John Labatt — July 31	.46	.45	Neon Products of Canada Ltd. .58
			Orchan Mines Ltd. .30
Six Months			Pacific Petroleum Ltd. .12
Alminex Ltd.	.09	.02	Patino Mining Corp. .26
Aluminium Ltd.	.83	.80	Reichold Chemicals (Canada) Ltd. 1.63
Can. Industrial Gas & Oil Ltd.	.36	.11	Traders Finance Corp. Ltd. .77
Can. Intern'l Investment Trust Ltd.	.67	.63	Union Acceptance Corp. Ltd. .47
Canadian Pacific Railway Co.	1.64	1.60	United Keno .11
Canadian Petrofina Ltd.	.30	.31	Westeel Products Ltd. .67
Canadian Utilities Ltd.	1.41	1.43	Zeller's Ltd. .32
Central-Del Rio Oils Ltd.	.23	.17	Nine Months
Cosmos Imperial Mills Ltd.	.46	.55	Craigmont Mines Ltd. — July 31 .36
Dome Mines Ltd.	.73	.70	Massey Ferguson Ltd. — July 31 1.56
Eddy Match Co. Ltd.	1.39	1.88	Slater Steel Industries .71
Falconbridge Nickel Mines Ltd.	3.00	2.28	Teck Corp. Ltd. — June 30 .33
Hollinger Cons. Gold Mines	.65	N/A	Twelve Months
Home Oil Co. Ltd.	.49	.42	Bick's of Canada Ltd. — May 31 .82
Industrial Minerals of Canada Ltd.	.17	.22	Bulolo Gold Dredging Ltd. .10
Kilembe Copper Cobalt Ltd.	.77	.25	Calgary Power 1.36
Lafarge Cement of North America	.34	.28	Greater Winnipeg Gas Co. 1.24
Metropolitan Stores of Canada Ltd.	.11	.08	International Utilities Corp. 1.82
Montreal Locomotive Works Ltd.	.32	.81	D. A. Stuart Oil Co. Ltd. 4.53