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Alice Arm Area
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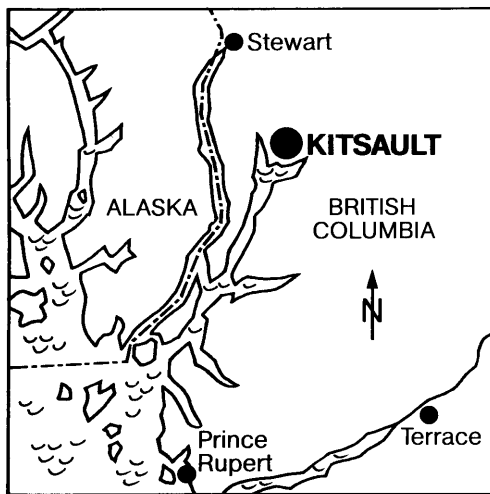
THE KITS SAULT PROJECT



HISTORY

A previous molybdenum mine at Kitsault, B.C. on Alice Arm inlet, closed down in 1972 following five years of operation. Since that time, AMAX of Canada Limited has carried out additional exploration and planning and established an ore reserve of 105 million tonnes—sufficient to support a mine life of at least 25 years.

AMAX plans to process 10,000 tonnes of molybdenum ore per day which is double the capacity of the previous mine. The Company will be spending about \$150 million to bring the Kitsault project into production.



LOCATION

Kitsault is situated at the eastern end of Alice Arm, a long inlet near the British Columbia-Alaska border.

The site is approximately 140 kilometres northeast of Prince Rupert and 800 kilometres north of Vancouver.

The project is located in the rugged mountainous terrain of coastal B.C. The area receives approximately 80 inches of precipitation per year.

THE PROGRAM

Work started on site in June 1979, with the erection of living accommodations for the construction workforce—numbering about 600 during the peak of activity.

Houses in the townsite which were shuttered up have been reopened and prepared for use.

Engineering and construction is underway at the townsite to add more houses, apartments, a new town centre, recreation and commercial facilities, a dock, marina and a sewage plant. An existing school will be relocated.

The mill is being expanded and a tailings disposal system constructed. The water supply system to the millsite is being upgraded and the road from town to mill has been widened.

Construction has begun on a new road from Kitsault to connect with the Terrace-Stewart highway. This road will provide access for the townspeople to interior British Columbia and in turn will give interior residents a direct link to the Alice Arm inlet for the first time.

ECONOMIC BENEFITS

When the mine is in full production, about 450 people will be employed full time.

A payroll of more than \$10 million a year will be generated, providing significant economic stimulus to the Pacific Northwest area.

Supplies and services will be purchased from such centres as Prince Rupert and Terrace by the company and by the more than 1000 residents of Kitsault who will have access to those areas via the new road link.

WHAT IS 'MOLY'?

Molybdenum, often called *moly*, is a grey metal that is used principally as an alloy in steel.

Molybdenum steel is tougher, more resistant to corrosion, and is better able to withstand extremes of temperature.

Moly in steel means stronger, safer and longer-lasting machines and parts. The automotive, pipeline and stainless steel industries are major users of molybdenum alloy steel. Molybdenum disulphide is also a versatile lubricant.

*For more information on the
Kitsault project, contact:*

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