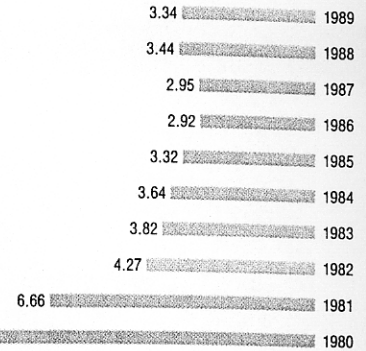


Report on Molybdenum



About 85% of molybdenum produced world-wide is used as an alloying agent by the iron and steel industry. Alloyed with iron or steel, this metallic element with an unusually high melting point (2,610 degrees C) imparts a variety of desirable qualities such as hardenability, corrosion resistance, low-temperature toughness and high-temperature strength. The balance of demand for molybdenum is from industries producing chemicals and lubricants.

Molybdenum is produced both by primary mines, such as Endako, and as a by-product of copper mines, such as Gibraltar. In 1989, primary mines produced 44% of the total world supply.

In 1989, Western World demand increased by 3% over 1988 to 203 million pounds, reflecting improved production activity at steel mills. Demand growth was not great enough to keep pace with the continuing expansion in production, mainly in the United States, which grew to 219 million pounds and molybdenum prices weakened during the year. The Metals Week price averaged US\$3.34/lb. of molybdenum contained in molybdic oxide compared to US\$3.44/lb. in 1988, a 3% decline.

MINE	% Ownership		PRODUCTION				RESERVES ⁽²⁾	
	Year	Year	Production (thousand lbs.) ⁽¹⁾	Millfeed (million tons)	Grade (%)	Recovery (%)	Ore (million tons)	Grade (%)
Endako Mine	100%	1989	12,589	10.2	0.076	82.9	153.8	0.088
		1988	11,200	8.3	0.080	83.9	147.4	0.085
		1987	8,287	5.2	0.095	83.0	165.9	0.085
Gibraltar Mine ⁽³⁾	68.1%	1989	1,196	*	*	*	184.1	0.009
		1988	249	*	*	*	203.6	0.009
		1987	1,234	*	*	*	211.2	0.009
Total Placer Dome		1989	14,055	*	*	*	*	*
		1988	11,449	*	*	*	*	*
		1987	9,521	*	*	*	*	*
The Corporation's Share		1989	13,674	*	*	*	*	*
		1988	11,370	*	*	*	*	*
		1987	9,128	*	*	*	*	*

(1) Figures represent 100% of results of mines unless otherwise stated.

(2) The Corporation's share of molybdenum contained in proven and probable reserves of operating mines, at year-end (thousands of pounds):

1989	293,700
1988	275,400
1987	307,800

(3) Molybdenum is a by-product at the Gibraltar Mine.