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GRANBY MINING CORPORATION

NEW PROPERTIES PROPERTIES SOUGHT - With the Phoenix copper property mined out and all of the estimated 1,072,000 tons of stockpiled ore expected to be processed by the Phoenix mill by about mid-1978, the aim of Granby Mining Corporation's exploration and development effort is to diversify their product and expand their base in western Canada. R.P. Taylor, president, told the annual meeting that, "Efforts to obtain new opportunities by acquisition of discovered mineral deposits will be sustained whether in Canada or abroad. The company is well placed to meet the challenge of 1977.

A small high-grade orebody located south of Phoenix in Ferry County, Washington, is planned for development during 1977. The ore will be mined by Lone Star Mining Corp. and purchased by Granby for processing at the Phoenix mill. Barring unforeseen circumstances, Mr. Taylor expects this production to start this coming fall.

The unit cost of production at Granisle increased by 14.9% per ton milled in 1976 compared with an increase of 25% in the previous year. The increased cost in 1976 was mainly due to the reduced mill throughput caused by extremely hard grinding perimeter ores. The cost price squeeze is dramatized at Granisle by comparing the increase in the price of copper in 1976 of 6.9% with the increased unit cost of production of 14.9%. The market outlook for copper in 1977 remains clouded by the persistent oversupply situation.