

NMINER 16 JUNE 1986 104P/5W (104P 005)

Cassiar to spend \$4.5 million to explore McDame deposit

VANCOUVER — With full production still approximately four years away, Cassiar Mining Corp. has started a \$4-million underground exploration and development program to firm up reserves at its McDame asbestos deposit.

Besides driving a new decline to about 200 ft below the 1,415 level, a footwall drift will be put in through competent argillite to allow definition drilling on the McDame. In terms of unit value, the discovery is higher than the present Cassiar deposit, the company states.

The McDame is really an anomaly because it grades less than Cassiar, but has a higher percentage of spinning fibre. Cassiar's executive vice-president, Peter Jones, tells The Northern Miner a 1,200-ton bulk sample taken last year contained 44% spinning fibre, "the highest we have ever seen at Cassiar." But he admits it was quite unusual, claiming that the average will probably reach as high as 15% when they begin mining. The actual contained value will be about 10% better than the Cassiar deposit, he feels.

The McDame deposit is huge and contains about 62 million tonnes of reserves which are mineable by low-cost block caving methods. The deposit is still open to the south and east and, according to Cassiar's vice-president exploration, Albert Burgoyne, will be drilled on approximately 100-ft centres with fan holes.

The company will also drive a crosscut into the ore zone for bulk sampling purposes and to check ground conditions which will be a key concern. A tunnelling machine (Road Header) has been considered for the work as conventional drill blast techniques shatter tunnel walls and can create instability.

More than 30,000 ft of drilling will be done with HQ core which should provide a decent sample and good recoveries. Fault zones are limited and only two have been encountered thus far, so no major surprises are expected, he says.

Underscoring the importance of the financing mechanism, Mr Jones says the project will be funded by flow-through shares. Just over \$4 million was raised April 30 and exercise of the warrants could see another \$2.5 million put into its coffers between now and 1987, he says.

The Cassiar open pit is scheduled to be exhausted in 1991 and this year's expenditures should bring McDame to full feasibility with a production decision probable sometime in 1988. There can't be much overlap between underground and surface mining, to ensure stability in the bottom of the open pit. That being the case, open pit mining will be accelerated to have a reasonable overlap with the underground, he says.

Mr Jones says the asbestos market is still tough, adding that the mine will be shut down in July and August to control inventories. In the first quarter, production was 10% over budget and costs were below forecast. Sales have been in line with expectations of 85,000 tonnes for the year, he states.

The McDame work program is expected to prove up 16 million-18 million tonnes of reserves and, if funding is available, additional bulk samples will be treated at the Cassiar mill.

GENL #125 30 JUNE 1986

CASSIAR MINING CORPORATION

MINE SHUT DOWN TO BE EXTENDED TO - Cassiar Mining REDUCE HIGH ASBESTOS INVENTORY Corporation has 104P/5W (104P 005) announced an extension of the summer shutdown period from a two to a three months closure of the mining operation at Cassiar B.C. Fibre inventory has increased 60% since May 31, 1985 as a result of a record level of production in the first five months of 1986 and a decrease in the overall demand for asbestos fibre. Production improvements have resulted from a higher than anticipated grade of ore mined and enhanced productivity levels. Cassiar has maintained its portion of the reduced world market. The average cost of production was more than \$100 below the average per tonne cost in 1985 and 1984.

During the summer closure, work will continue on the McDame deposit, utilizing the \$4,100,000 proceeds from the flow-through share financing earlier this year. Work on extending the adit and diamond drilling is on schedule, although results are not anticipated until later in the year.

The International Labour Organization (I.L.O.) in a recent meeting in Geneva recommended a ban on crocidolite (blue asbestos), although it considered the use of chrysotile asbestos (the kind mined by Cassiar) to be safe if controlled. In the company's opinion, Cassiar grade 'AK' fibre is the most likely replacement for blue asbestos.

NMINER 7 JULY 1986

104P/5W
(104P 005)

Cassiar extends asbestos shutdown

Cassiar Mining Corp. has announced an extension of the summer shutdown period from a 2- to a 3-month closure of the mining operation at Cassiar, B.C.

The decision comes in response to a 60% increase in fibre inventory over the level as of May 31. The increase is due to both a record level of production in the first five months of 1986 and a decrease in the over-all demand for asbestos fibre. Production improvements have resulted from a higher-than-anticipated grade of ore mined and enhanced productivity levels.

Cassiar has maintained its portion of the reduced world market, Anthony T. Kana, vice-president finance, says, so it is anticipated that the current high inventory will

be reduced to normal levels by the end of the year.

The average cost of production was more than \$100 below the average per-tonne cost in 1985 and 1984, he says. Accordingly it is expected that the sale of existing fibre inventory during the shutdown period will significantly improve Cassiar's cash flow.

"Certain sectors of the marketplace, in particular southeast Asia which is a natural market for Cassiar, are showing signs of increased economic strength, although it is difficult to say whether this will be reflected in additional fibre sales during the latter part of 1986, Mr Kana says. "A scheduled short shutdown over the Christmas period may therefore be

increased or reduced to reflect market conditions."

During the summer closure, work will continue on the McDame deposit utilizing the \$4.1-million proceeds from the flow-through share financing earlier this year. Work on extending the adit and diamond drilling are on schedule, although results are not anticipated until later in the year, the company says.

GENL #87 6 MAY 1986

CASSIAR MINING CORPORATION(CSQ-T) 104P/5W (104P 005)

QUARTER ENDED 31 MARCH	1986	1985	
Operating Cash Flow	\$2,069,000	\$4,861,000	to continued pressure on the sales price of fibre.
Profit (Loss)	(730,000)	650,000	The production of fibre at their <u>Cassiar, B.C.</u> , asbestos mine

----- during the three months was at a record high level, resulting in a significant reduction in the cost per tonne of fibre produced. These savings are reflected in the carrying values of inventories and will be realized on the income statement in future periods. Continued progress in reducing production costs is anticipated. On April 30th, 87% of the outstanding Series I warrants were exercised prior to their expiry, resulting in receipt of \$4,100,000. These funds will be used for exploration projects, principally the McDame deposit. McDame exploration work will start within the next 30 days. Shareholders who exercised the Series I warrants are entitled to receive 3,200,000 shares to be issued from treasury as the exploration funds are expended and 3,200,000 Series II warrants which entitle the holder to acquire flow-through shares of the company until April 30, 1987.

MINER
18 MAY 1986

Cassiar Mining loses \$730,000

VANCOUVER — Cassiar Mining reports a loss of \$730,000 for the first quarter of 1986. This compares to a profit of \$650,000 for the corresponding period of 1985. Cash flow from operations was \$2.1 million compared to \$4.9 million the previous year, mostly because of lower asbestos prices.

Fibre production at Cassiar during the three months was at record levels, resulting in lower unit costs. These savings will be reflected in the carrying values of inventories on the company's income statement in future periods.

Cassiar received \$4.1 million April 30 from the exercise of its outstanding Series I warrants and those funds will be utilized for exploration projects, namely its McDame asbestos deposit. Exploration will begin within the month.

104P/5W (104P 005)

Brinco reorganization paves way for asbestos

by David Duval

VANCOUVER — A complicated but essential reorganization at Brinco Ltd. should pave the way for the development of the McDame asbestos deposit by Cassiar Mining Corp. which, following shareholder approval, will become a 44%-owned subsidiary.

Earlier this year the Reichmann family's Olympia and York Holdings bailed out Brinco because of its poor financial performance and the product liability often associated with asbestos.

Calgary-based Dorset Resources acquired 71% of the outstanding voting shares of Brinco in July, including the Reichmann position, which set the wheels in motion for the reorganization and also for a successful challenge to the proposal by a group of dissident preferred A shareholders.

According to Brinco President C. Alan Smith, the company's largest shareholders were polled and agreed to support the reorganization but he admits a dissident group had expressed general dissatisfaction with the offer of four Brinco common shares for each preferred A share. "We felt we had touched all the bases," he told The Northern Miner, claiming "it came as pretty much of a surprise."

By the time a shareholders' meeting was convened Nov. 1, minority shareholders had amassed more than half a million series A preferred shares, defeating the motion and causing an adjournment of the meeting pending a successful resolution of the matter.

The dissident group later agreed to accept five Brinco common shares for their preferreds, which was expected to be approved at an

extraordinary meeting last Wednesday. Mr. Smith says the new offer is a good deal for preferred A shareholders although it will mean a 2% dilution for those holding common shares.

The action by the dissidents delayed the reorganization by at least two weeks and it was so well conceived they incurred little cost in achieving a more equitable deal.

Brinco was unable to service its preferred shares because of poor cash flow resulting from low commodity prices, so it had been accumulating those payments as debt. Early in September, Cassiar — its name was changed recently from Brinco Mining — concluded a restructuring agreement with its banker to put Cassiar's \$47-million debt with that bank into a wholly-owned numbered company. The bank subscribed to \$47 million in cumulative, redeemable, retractable preferred shares at \$1 each, leaving Cassiar debt free. Cash flow will be transferred into that numbered company and Cassiar will redeem the preferred shares with any surplus cash.

Mr. Smith confirms that Brinco Ltd. will be primarily involved in coal including the Quinsam project on Vancouver Island where permitting is under way along with trial shipments to local pulp and paper mills. The mills are testing the high volatility coal as an alternative to oil heating. International consumers have also expressed an interest in the product.

Dorset's assets are being rolled into Brinco Oil and Gas for common and preferred shares and Cassiar Mining will have the asbestos operation and the San Antonio

joint venture in Manitoba. With independent operations, the companies will find it easier to finance their respective exploration and development programs, Mr. Smith says. The asbestos orebody at Cassiar will be exhausted in 1990, so development of the underground McDame deposit would have to begin well in advance of that date.

Cassiar now is in a position to organize a public financing for that project and it stands to raise \$7 million over a 2-year period through the exercise of its warrants, which will help.

Block caving will replace open pit mining and Cassiar's executive vice-president, Peter C. Jones, claims the method will be just as cheap because there is no stripping involved. The company's mill at Cassiar will handle 3,800 tons per day and the underground operation will be phased in to replace the exhausted open pit.

Based on that production rate, mine life would be in the order of 50 years or more and the company's high quality asbestos fibre should guarantee it a strong position in the market.

Brinco has written off its \$20-million investment in the San Antonio gold mine near Bissett, Man., which includes operating losses and \$12.5 million in capital costs. An Inco-led joint venture is drilling below the deepest level in the mine and Cassiar is carried for the first \$7.5 million. Alfred A. Burgoyne, Cassiar's vice-president exploration, says higher grade tonages will have to be found to make the operation viable again.

GCNL #247 24 DEC 1985 104 P/5W (104P 005)

CASSIAR MINING CORPORATION (CSQ-T) BRINCO LIMITED (BRN-T, M, Alberta) DORSET RESOURCES LTD. (DOT-T, Alberta)
DISTRIBUTION UNDERWAY - Cassiar Mining Corporation common shares and series I warrants were posted for trading Dec. 19 on the Toronto Stock Exchange. Cassiar units consisting of one common share and one series I warrant are in the process of being distributed by Brinco Limited and Dorset Resources Ltd. to their respective shareholders. Transfer Agents and Registrars, The Guaranty Trust Company of Canada, at their principal offices in Montreal, Toronto, Calgary, and Vancouver. Cassiar Mining's most significant asset is the Cassiar Mine in northern B.C. with a capacity to produce 90,000 - 100,000 tonnes of asbestos fibre per annum, sold on a world-wide basis.

GCNL #37 21 FEB 1986

CASSIAR MINING CORPORATION (CSQ-T) 104P/5W (104P 005)

YEAR ENDED 31 DECEMBER	1985	1986
Revenue	\$61,300,000	\$73,300,000
Profit (Loss) Bef. Extra Item	(800,000)	3,400,000
Extraordinary Gain	2,000,000	--
Net Earnings	1,200,000	3,400,000

\$16,200,000 of which \$8,300,000 was applied to reduce bank debt to \$43,900,000.

The McDame adit was completed by November 1985 and a bulk sample of the asbestos ore processed at the Cassiar mill confirmed the potential of the high quality McDame deposit. Further development work will be done during 1986 on the McDame deposit.

Anthony T. Kana, vice-president finance, announces that Cassiar Mining Corporation's earnings per share after extraordinary items were 26¢ in the year ended 31 Dec 85. No comparative figure for 1984 is available due to the reorganization of the share structure of the company during the latter part of 1985. Cash flow from operations was

MINER
29 AUG 1985

Brinco first half down sharply

Newly appointed President C. Alan Smith reports Brinco Ltd. generated net income totalling \$1,197,000 for the first half of 1985, or 4¢ a share, compared to \$7,873,000 or 35¢ a share in the same year-ago period.

"The reduction in net profit reflects reduced sales revenue for asbestos due to lower average sales price and lower sales volume," Mr. Smith says in a company release.

At the company's Cassiar asbestos operation in northern British Columbia, work has advanced 360 m on a planned 1,000-m audit designed to explore the McDame deposit at the 1,415-m elevation. The audit is expected to reach the deposit in November.

A 623-m exploration hole intersected the deposit last year. It intersected 237 m of serpentinite, with the lower 152 m containing asbestos similar to that of the Cassiar ore body. The deposit is estimated to contain 62 million tons.

104P/5W
(104P 005)

GCNL #230 29 NOV 1985

BRINCO LIMITED (BRN-Alberta,T,M)

BRINCO LIMITED

9 MONTHS ENDED 30 SEPTEMBER	1985	1984
Cassiar Mines Operating Loss	\$ 669,000	
*Net (Loss) Earnings	\$(1,919,000)	\$6,789,000
Per Share	(27¢)	23¢
*Including Insurance Recovery	\$ 400,000	\$3,779,000

and 99% of the common shares of Brinco voted in favor of the plan as did over 99% of both common and preferred shareholders of Dorset. Application for final court approval of the plan will be made in early December and management is hopeful that the entire reorganization will be completed by year-end.

Holders of Brinco preferred shares Series A will now receive five Brinco common shares for each Brinco preferred share Series A. The previous offer was four common for each one A preferred. Units of Cassiar Mining Corporation, consisting of one common share and one warrant entitling the bearer to acquire additional shares, will continue to be distributed to Brinco shares on the basis of one for each ten Brinco common shares. (SEE DETAIL IN GCNL NO.182,P2,SEP.21/85.)

104P/5W (104P 005)

The Cassiar Mine loss incurred in the third quarter reflects a reduction in sales of asbestos fibre together with costs incurred during a scheduled shutdown at the mine during July and a two week unscheduled shutdown in September.

The exploration adit being driven into the McDame deposit adjacent to the Cassiar pit was advanced to 1080 m and the last 41 m was in ore grade mineralization. While the primary purpose of the adit is to provide access for further exploration and a diamond drilling program in 1986, a bulk sample of material in excess of 1000 tonnes was obtained and has been processed in the Cassiar Mill. Preliminary results indicate both a higher grade and longer fibre than previously anticipated, with an average monetary value 30% higher than the present open pit fibre mix.

DORSET RESOURCES LTD.

NINE MONTHS ENDED 30 SEPTEMBER	1985	1984
Revenue	\$4,557,000	\$2,358,000
Funds From Operation	1,506,000	718,000
Net Income (Loss)	350,000	325,000
Per Share	4¢	2¢
Oil Production BBL/Day	33.7	160
Natural Gas MCFD	910	580

Dorset Resources has reported average production volumes in the third quarter alone were 531 BOPD and 1702 MCFD of natural gas.

The financial results in the third quarter reflect the 2Jul85 acquisition of the controlling interest in Brinco Limited.

The company experienced increases in production from company interests in Red Earth, Sylvan Lake, Grand Forks,

Freda Lake and North Dahl areas.

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NM MINER
23 MAY 1985

Brinco says price weakness will be offset by lower costs

104P/5W
(104P 005)

VANCOUVER — Brinco Mining predicts that asbestos prices will remain depressed until the industry "rationalizes its production capacity," noting lower prices this year will be partially offset by a drop in minesite costs at its Cassiar operation.

In the annual report, Hugh R. Snyder, president, said world production facilities operated at 60% of capacity so prices remained under pressure.

But Cassiar slightly improved its market share, selling approximately 95% of its capacity. The mine, in northern B.C., has a very high quality fibre so demand is higher than average.

Earnings for the year were \$4.92 million before the \$4.85-million writedown of Brinco's remaining interest in the San Antonio gold project near Bisset, Man., following the termination of a joint venture agreement with **Lathwell Resources**.

After the writedown, earnings dropped to \$71,000 for the year ended Dec. 31, 1984.

Mine production was about 10% higher, totalling just over one million tonnes, and the mill produced 93,526 tonnes of asbestos fibre at a recoverable mine grade of 9%. Waste removal was sharply lower and will average about 1.5 million bank cubic metres until 1988, when it drops further.

Unit costs were also lower, largely because of a reduction in the workforce, which is now about two-thirds what it was three years ago. No significant decrease in staffing is expected over the next few years, Brinco says.

An exploration adit will test the McDame deposit (N.M., Apr. 25/85) this May, which could eventually supply feed to the Cassiar mill.

The \$2-million program is being funded by a flow-through share offering.

The reserves are lower in grade than the main deposit, but the quality of asbestos fibre is said to be better. Open pit reserves were 6.3 million tonnes, grading 6.9% asbestos at year-end with a stripping ratio of approximately one to one.

Brinco says Free World consumption of asbestos fibre was fairly static in 1984, at 1.4 million tonnes, and Canadian fibre shipments were 812,000 tonnes. While substitution has impacted heavily on the short fibre market, the cement market, where most of Cassiar's asbestos is sold, was affected only slightly.

"Fibre prices will remain under intensive pressure in 1985, a condition which will not improve until some portion of production capacity in the Free World is permanently closed," says Mr. Snyder.

The company sold its Loftis coal mine last year, the 60.1% interest in Abitibi Asbestos Mining, and also wholly-owned Brinco Petroleum.

Receipts from the sale of Loftis were offset by obligations relating to the mine but holding costs and administration expenses for all the properties were eliminated by the disposal. Management personnel from Brinco Oil & Gas were moved to Vancouver, and a Calgary-based petroleum firm is now providing technical support at significant savings, Mr. Snyder claims.

He says the company's bank has agreed in principle to convert Brinco's term loan into retractable preferred shares in a subsidiary, claiming the retraction schedule should be "more appropriate to the company's current financial circumstances."

NM JNER
25 APRIL 1985

Brinco moving ahead

Major program to evaluate McDame deposit

104P/5
(104P 605)
VANCOUVER — Brinco Mining 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.

GCN #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. 104P/6W

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/5W (104P 005)

NMIAER
2 AUG 1984
**Improved asbestos sales
aid Brinco in first half**

Significant increases in asbestos sales, reductions in administrative and exploration costs and the closure of non-contributing operations all helped to improve the first half financial performance of Brinco Ltd. Net income after taxes in the first six months was \$7.873 million.

The company says a large chunk of the gain was due to the recovery of \$6 million in insurance related to product litigation defence costs incurred in the previous year. But even without the recovery of these costs, net income would have been \$1.4 million, compared to a loss of \$2.4 million in the same period in 1983. The gains were made despite a deterioration in the average price per tonne of asbestos fibre.

The improvement permitted the paying down of long-term and current debts by \$7 million and \$17.3

million respectively. Total corporate indebtedness at the end of the period stood at \$54.8 million.

All this is clouded somewhat by the company's expectations for the second half. Brinco expects sales to deteriorate as customers' asbestos fibre inventories become restocked. As a result, no further debt reduction is expected during the remainder of the year and dividends normally payable on Sept. 30, on preferred shares, will be omitted until the company has sufficient retained earnings and cash to effect redemption. Brinco reports.

CASSIAR ASBESTOS

104P/5W

(104P 005)

GAIL #26

6 FEB 1985

BRINCO LIMITED (BRN-Alberta, T.M)

SOME \$3,000,000 OF EXPLORATION FUNDS - Brinco Limited will participate in the Canadian mineral exploration program of ARRANGED BY A TAX FLOW-THROUGH DEAL CMP 1985 Mineral Partnership and Company, Limited under agreements whereby Brinco will spend \$3,000,000. These funds will be contributed by CMP against the issue to CMP of Brinco common shares at a premium over market price on the day of the closing of the public offering of the CMP 1985 Partnership. This is expected to occur in the latter half of February.

These funds will be used as to about \$2,000,000 on further exploration of the McDame asbestos deposit in northern B.C. Previous exploration of this deposit indicates extensive reserves of asbestos mineralization of a grade similar to that of Brinco's mine at Cassiar, B.C., whose plant and facilities can support the McDame exploration. Brinco will use the rest of these new funds to explore a number of gold and precious metal prospects across Canada.

CASSIAR ASBESTOS
104P/5W (104P 005)

104P/5W (104P 005)
NMINER 24 MAY 1984
**Brinco has first quarter profit
but sees no asbestos price lift**

Higher asbestos fibre sales helped give **Brinco Limited** a \$5.5 million profit in the first quarter this year, President Hugh Snyder told the annual meeting.

Mr. Snyder said the gain was attributable to a \$9 million increase in sales in the first quarter, together with a \$6 million insurance recovery concerning past product liability costs.

Earnings without the insurance recovery in the period would have been \$1.7 million, compared to a loss of \$2.2 million in the similar period last year.

Following the meeting, the Brinco president said the company expects to about hold the line on earnings for the balance of the year. He added he does not see any likelihood of the asbestos price firming in the year, to lift the earnings expectation.

The meeting was told correction of an imbalance in asbestos markets, currently adversely affected by surplus mine capacity on a world basis in relation to the demand for fibre, may take a number of years.

He noted that while Cassiar's shipments were 20% higher in the first

quarter this year, the improvement reflected restocking by buyers, rather than a real demand increase.

Improvements in productivity and cost reduction has been achieved, particularly at Cassiar, but the Brinco president said the company has likely "gone about as far as it can go" with cost-cutting measures.

Commenting to The Northern Miner on the recently completed joint venture agreement with **Lathwell Resources** on the San Antonio gold mine in Manitoba, Mr. Snyder said he expected Lathwell will shortly be moving onto the mine site.

The mine ceased production in May of last year because of erratic ore production from the upper levels, and the decline in gold price. In the new joint venture arrangement, Lathwell can earn a 50% interest in the project through expenditure of \$7.5 million over a 4½-year period.

Shareholders at the meeting were told Brinco is unlikely to resume payment of dividends on its preferred shares this year, nor redeem any of its preferred shares in the period.

GCNL #146 30 JULY 1984

6 MONTHS ENDED 30 JUNE	1984	1983
Earnings (Loss) Before		
Extra Item	\$4,094,000	\$(2,413,000)
Recovered From Insurers	6,079,000	-
Net Income (Loss)	7,873,000	(2,413,000)
Per Common Share *	35¢	(26¢)

* After unpaid pfd. share dividends.

BRINCO LIMITED (BRN-T, M, Alberta)

104P/5W (104P 005)
1983 CASSIAR ASBESTOS FINANCIAL RESULTS IMPROVED SHARPLY
BUT DEBT REDUCTION CONTINUES HARD

Net income of Brinco Limited in the first half of 1984

includes a recovery from insurers of \$6,079,000 related to product liability litigation defence costs which had been incurred in previous years. The improvement in first half financial results, apart from the insurance recovery, results from an increase in asbestos sales tonnage reflecting

re-stocking of asbestos fibre inventories by customers and from a significant reduction in administration, interest and exploration costs and the closure of non-contributing operations. These improvements were offset in part by lower prices of asbestos fibre sold.

Long-term debt was reduced in the first half by \$7,000,000 and current debt, net of short term investments, by

NMIMER

17 MAY 1984

Brinco manages to cut 1983 losses

VANCOUVER — Indicative of the difficult economic times of the past few years, **Brinco Ltd.** measured its 1983 success in terms of cutting losses. After extraordinary items, the company lost approximately \$20.1 million, about \$8.7 million less than 1982. Included in the loss are assets being sold which have been written down to estimated net realizable value, Hugh R. Snyder, president and chief executive officer, says in the annual report. A number of other properties where no work is planned in the immediate future have been written off altogether.

The company's working capital fell from \$11.7 million to a deficit of \$177,000 by year-end which, for the most part, resulted from an \$11-million increase in current long-term debt. But Brinco says total corporate debt, including subsidiaries' net of invested cash, now stands at \$79.1 million, down from \$84.3 million the year before.

Brinco was unable to redeem its preferred Series A shares in January because of its negative retained earnings position. To do so would have contravened the Newfoundland Companies Act and Brinco

adds this restriction will probably apply to the redemption of shares scheduled for October this year.

Shipments from the Cassiar, B.C., asbestos operation remained at 1982 levels and Brinco says its share of Canadian asbestos shipments since 1980 has actually increased from 8% to 10%. Canada meets 36% of the free world's asbestos requirements but supply is much greater than demand at the moment and no price recovery is anticipated in the immediate future, concedes Mr. Snyder. He did, however, predict that corporate results in 1984 would be better because of reduced minesite costs, a reduction in overhead, the continued strong performance by **Brinco Oil & Gas**, along with the elimination of losses at the Loftis coal mine in eastern Kentucky and the San Antonio gold mine near Bissett, Man.

Brinco says a preliminary feasibility study has been completed on the McDame asbestos deposit which is contiguous to the Cassiar orebody. That study concluded the deposit was indeed minable by underground methods. But Brinco says a production decision will have to be made by mid-1985 so it can coincide with the winding down of the existing Cassiar open pit. The Cassiar operation has a high quality asbestos fibre, probably the best in the country. Reserves as of Dec. 31, 1983, were 8.3 million tonnes grading 6.85% asbestos fibre.

Things don't look too good for the company's coal mining assets. The Loftis mine was closed in the fourth quarter and will remain so until spot markets for thermal coal improve. The Quinsam Coal project has been delayed indefinitely, or at least until overseas markets get better. Brinco claims the project is sufficiently advanced to permit early development as and when acceptable coal contracts become available.

104P/5W

(104P 005)

N MINER 2 FEB 84

104P15W
104P 005)

Brinco expects \$5.4m. loss for 1983 sees good 1984 Cassiar performance

Brinco Limited says it expects to report a loss of \$5.4 million before extraordinary items, for the year ended Dec. 31, 1983, compared with a loss of \$8.9 million in 1982.

The company says because of depressed markets for uranium and coal, 1983 year-end accounts will also reflect a reduction in asset values and writeoffs attributed to non-producing properties which, together with the operating loss, will result in a deficit in retained earnings.

Brinco notes that while conditions in the resource industry in the latest year were difficult, necessitating shutdown of the San Antonio gold mine and the Loftis coal mine, its core activities "performed well."

The Cassiar asbestos mine for instance was able to market 90% of production capacity in the year, despite continuing difficult conditions in that industry.

Significant cost reductions were achieved at the mine, and there was a positive cash flow after interest

payments. Performance of the Cassiar this year is expected to be on a par with that of 1983.

The company will not go ahead with redemption of 5% of its outstanding preferred Series A shares, otherwise redeemable at the start of 1984, because its deficit position would make such a move contrary to applicable law, Brinco says. It also expects this will prohibit redemption of any of the preferred Series A shares during 1984.

Brinco Oil & Gas is expected to record a profit this year, reflecting 30% higher oil and gas sales over those in 1982.

NMINER 1 DEC 1983

Brinco Mining reports a net loss of \$3.9 million for the nine months ended Sept. 30. This compares with a loss of \$11.6 million for the similar period in 1982. The company says discussions are continuing with its bankers to reschedule the repayment provisions for its \$70-million term loan. The bankers have waived their right to receive the first instalment of principal until Dec. 31. Meanwhile, the sale of asbestos fibre from the company's Cassiar Asbestos operation almost approximated production. Over-all production costs were approximately 14% lower than in 1982 because of improved grades, higher productivity and more efficient plant operation.

Work at the company's San Antonio gold mine has ceased and a joint venture partner is being sought for further exploration of the property. The company's Loftis coal mine in Kentucky was also shut down for an indefinite period because of depressed market conditions for thermal coal.

104P/5W

104P 005

GNL #19 27 JAN 84

BRINCO LIMITED

LOSS INDICATED FOR 1983 - Brinco Limited management announces that preliminary financial information for the year ended 31Dec83, indicates a loss of about \$5,400,000 before extraordinary items, compared with a loss of \$8,900,000 in 1982. Because of the depressed markets for uranium and coal, year-end accounts will also reflect a reduction in asset values and write-offs attributed to non-producing properties which, together with the operating loss, will result in a deficit in retained earnings. Final figures will be announced when audited accounts have been approved.

Because of the deficit position, directors have determined that it would be contrary to applicable law to redeem 5% of Brinco's outstanding preferred shares Series A which would otherwise be redeemable at the beginning of 1984. It is also expected that this legal constraint will prohibit redemption of any of the preferred shares Series A during 1984. Were Brinco in a legal position to do so, it would be required to offer to redeem all of outstanding shares of this Series before Oct 17/84.

Discussions continue with Brinco Mining Limited's bank to allow compliance under current financial conditions and to remedy certain defaults under its loan agreements. The bank has agreed to waive its rights until 29Feb84.

While conditions in the resource industry were difficult and it became necessary to shut down the San Antonio gold mine and the Loftis coal mine, management say Brinco's core activities performed well in the circumstances. During 1983, the Cassiar asbestos mine was able to market 90% of the production capacity despite continuing difficult conditions in the asbestos industry. Although prices for fibre failed to improve, significant reductions in costs were achieved and the mine recorded a positive cash flow after interest payments. Management expect the mine's performance in 1984 will be similar to 1983. Brinco Oil & Gas Limited is expected to record a profit in 1983 reflecting 30% higher oil and gas sales than in 1982.

104P/5W

104P 005

NMNER
26 MAY 1983

Brinco reports loss for first quarter

Brinco Limited reports a net loss for the three months ended March 31 of \$2,189,000, against a net loss of \$2,424,000 for the 1982 first quarter.

The company says revenue for the three months this year was down slightly at \$21,969,000, from the \$22,898,000 reported for the same period in 1982.

As previously reported (N.M., Mar. 3/83), Brinco recorded a net loss of \$28,756,000 for the year 1982, after extraordinary net charges of \$19,835,000, and total revenues for the year of \$99,853,000.

The company's San Antonio gold mine produced 2,193 oz. gold in the first quarter this year, but will discontinue operations by the end of this month, Brinco adds. Meanwhile, a drilling program is reported in progress to explore the lower levels of the mine, where higher grade reserves are indicated.

104P/5W
104P 005
The Cassiar asbestos mine produced 24,271 tons of asbestos fibre during the 1983 first quarter, with sales for the period approximating those for the first quarter of 1982.

In a joint statement in the annual report, chairman H. W. Macdonell and President Hugh Snyder say it is expected over-all sales of Cassiar asbestos fibre will approximate levels achieved in the previous year, with a resulting "modest" contribution to cash flow from the mine.

The company's Loftis coal mine, which produced 78,892 tons of coal in the first quarter this year, is "expected to make modest contributions to cash flow when demand and price in the eastern United States for thermal coal return to normal levels," the annual report states.

The Quinsam coal property on Vancouver Island, although also faced with depressed markets in the Pacific Rim countries for its thermal coal product, is "attractively situated" for coal deliveries to these markets when conditions improve, it is noted.

GCNL #231 2 DEC 82

BRINCO MINING LIMITED

104P/5W

104P 005

ACCIDENT CLOSES ASBESTOS - Brinco Mining Limited report that on 30 Nov 82 a haul rope broke
MINE IN B.C. TEMPORARILY on the tramline that carried ore from their Cassiar mine to
their mill some 3 miles away. No one was injured in the
incident but significant damage was done to the loading terminal, support towers and haulage
equipment. Preliminary estimates for repair of the facility indicate downtime could extend
to 6 or 7 weeks. No cost estimate of the damage is available pending investigation by
structural engineers.

The Cassiar asbestos mine is located in northern B.C.

NMTR 9 DEC 82

As if the economic situation isn't bad enough, less than a year after a runaway truck damaged the supports of a conveyor supplying feed to an aerial tramway, Brinco Mining's Cassiar asbestos operation has had another spate of bad luck. On Nov. 30 a wire haul-rope broke on the tramline carrying ore from the mine to the mill, a distance of approximately three miles. As a result the operation will have to be shut down for at least 6-7 weeks and some 400 employees laid off until repairs are completed.

Fortunately, nobody was injured but Brinco says "significant damage was done to the loading terminal, support towers and haulage equipment." Peter Jones, mine manager at the Cassiar operation, explained to The Northern Miner that four of the tramway's support towers were damaged and three of them have to be replaced together with 20 cars. As much of the repair work as possible will be done by mine personnel but he notes the actual tower fabrication will have to be done in Vancouver.

A breakage like this is very unusual, according to Mr. Jones, who added the cable is checked regularly to ensure it's problem free. In any event the damage might be covered by insurance although no actual dollar figure has been worked out yet.

Brinco had announced a shut-down of three weeks beginning Dec. 22, the result of a dock strike at the port of Vancouver which delayed normal shipments of fibre from the mine to the ocean port at Stewart and then to Vancouver. Mr. Jones said the company didn't shut down earlier because of the union agreement which requires 60 days notice.

The Cassiar operation produces a long asbestos fibre which in normal times is very marketable but Mr. Jones stated demand for asbestos has dropped because of the recession and inventories are high. Increased demand will depend on an improvement in the construction industry. And he notes: "The market is still very soft and there probably won't be much improvement until late 1983."

Brinco posted a net loss for the 9-month period of \$11.6 million compared to net earnings of \$2.8 million last year. Working capital at Sept. 30 was \$18.6 million compared to \$4.3 million at the same date last year.

104P/5W
104P 005

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GCNL #228 29 NOV 82

BRINCO LIMITED

104P/5W

104P 005

9 MONTHS ENDED SEPTEMBER 30,	1982	1981	Brinco Limited president Hugh R.
Asbestos Revenue	\$54,230,000	\$57,381,000	Snyder reports that total working
Gold Revenue	1,763,000	1,000,000	capital provided in the 9 months ended
Coal Revenue	10,007,000	5,961,000	30Sep82 was \$23,005,000 with \$7,927,000
Oil/Gas Revenue	2,489,000	2,287,000	(1981--\$18,506,000) generated from opera-
Investment, Other Revenue	3,400,000	2,456,000	tions and \$14,504,000 from disposition
Total Revenue	\$71,889,000	\$68,085,000	of long term investments. The funds
Cash Flow	7,927,000	18,506,000	were used mainly for waste rock removal
Net Profit (Loss) Bef. Following	(6,429,000)	1,667,000	and capital expenditures at the Cassiar
Extraordinary Gain (Loss)	(5,314,000)	1,000,000	mine, development of coal properties
Minority Interest In Subsid. Loss	139,000	124,000	at Loftis Quinsam and for investment
Net Earnings (Loss)	(11,604,000)	2,791,000	in the San Antonio gold project. Brin-
(Loss) Applicable to Common	(14,593,000)	(703,000)	co's net loss reflected lower volumes
(Loss) P/Comm.Sh.Bef.Extra.Item	(54¢)	(10¢)	and selling prices for asbestos fibre,
After Extraordinary Item	(35¢)	(4¢)	start-up costs at the San Antonio mine
Working Capital	18,556,000	43,043,000	and higher interest costs due to the in-
Long-Term Debt	\$65,625,000	\$63,477,000	creased level of debt. The loss includes

a tax benefit of \$4,400,000 and extra-ordinary items of \$5,314,000 representing losses on the sale of long-term investments.

About 66,800 tons of asbestos fibre were produced at the Cassiar mine in the 9-month period, 17% below plan. Asbestos markets remain depressed, reflecting low activity in the construction industry. Sales of fibre approximated production.

Gold production from the San Antonio mine in east-central Manitoba has improved steadily from 2,100 ounces in the second quarter to 3,100 ounces in the third quarter, about 60% of target. This improving trend is expected to continue during the final quarter with the possibility of achieving target production levels by yearend. The San Antonio gold project was undertaken by Brinco as a 50-50% joint venture with New Forty-Four Mines Ltd. Under recent new arrangements, Brinco will henceforth have 100% working interest in the mine, mill and related assets, and New Forty-Four will have 10% interest in net profits after Brinco recover costs associated with the project. New Forty-Four may back in for an additional 15% net profits interest by paying Brinco \$3,750,000.

An environmental impact report plus a request for approval in principle to develop the Quinsam coal project on Vancouver Island, was submitted to the B.C. govt. in August. A response is expected by yearend. Brinco are engaged in a marketing program, chiefly in Pacific rim countries, to sell about 1,000,000 tons of steam coal annually with first deliveries assumed to be made in 1985.

Concerning exploration, Mr. Snyder says investigation of the McDame asbestos deposit continued. Exploration of the Tanya asbestos deposit, some 15 km. from Cassiar, produced encouraging results and further work is planned.

Results of 1982 drilling on the Jason lead-zinc deposit in the Yukon, in which Brinco have about 24% interest, confirm the promising results of previous years' work.

Third quarter production of 83,900 tons of coal from the Loftis mine in eastern Kentucky was in accordance with 1982 projections, bringing total coal production year-to-date to 244,000 tons, compared to 263,000 tons planned. Earlier production problems have now been overcome and Mr. Snyder expects target production levels will be achieved throughout the rest of the year. Steam coal markets have deteriorated but Sharondale sold all Loftis' production; however, prices have declined significantly from those projected.

Brinco participated in drilling 16 wells, 7 being completed as successful oil wells and 5 as successful gas wells. In addition, 2 wells drilling at 30Sep82 found oil & await completion. Brinco maintain their policy of restricting oil & gas activities to participation in high-grade low risk, drilling projects that qualify under Canada & Alta. drilling incentive programs. The Hotchkiss gas plant in Alta. Brinco 7.7% interest, went on stream in Sept. & is delivering gas into pre-build section of Alaska natural gas pipeline. Brinco Italia SRL still awaits permits covering extensive acreage on the island of Sicily.

NMINER 5 AUG 82

Brinco blames 6-month loss on high rates and low prices

Brinco Limited reports a net loss of \$7,005,000 for the first six months of the year, compared with a profit of \$6,066,000 in the same period of 1981. Revenue was \$50,118,000 for the period, compared with \$54,473,000 in the 1981 half. After providing for dividends, Brinco losses were 53¢ per share in the six months, compared with earnings of 21¢ per share a year earlier.

The company says that the decline in earnings was mainly due to decreased revenues from asbestos and low mineral commodity prices. High costs at the San Antonio gold mine and higher interest costs due to increased debt and high rates also contributed to the loss.

The company is implementing a program of cost reduction, particularly in the area of oil and gas exploration. This will include elimination of non-essential oil and gas exploration in Canada for the time being and sale of part of the company's interest in the U.S.-based Hrubetz Oil Co. exploration joint venture to Olympia & York Developments and

The Rio Tinto-Zinc Corporation. Administrative changes are being made in both the Toronto and Vancouver offices, resulting in a 25% reduction of staff, and an 18-month freeze on senior management salaries. The company will substantially reduce its expenditures for mine exploration and investigations.

Brinco continues to evaluate the development of the McDame deposit contiguous to the Cassiar asbestos mine in north central British Columbia. The development of the Quinsam coal mine on Vancouver Island will proceed in 1983, on completion of acceptable feasibility and market studies and the receipt of government approvals on technical and environmental requirements.

The company is also participating in oil and gas exploration permit applications covering areas in offshore Newfoundland and within the onshore Central Sicilian Basin in Sicily.

THE NORTHERN MINER November 4, 1982

Brinco suffers 9-month loss San Antonio terms revised

Brinco Limited suffered losses of \$11,604,000 during the first nine months of the year, compared with earnings of \$2,791,000 for the 1981 period. After providing for preferred share dividends, the loss per share was 85¢, compared with a loss of 4¢ per share during all of 1981.

Revenue for the 9-month period was \$71,889,000, compared with \$68,085,000 last year, while working capital provided was \$23,005,000 compared with \$7,927,000 for the first nine months of 1981 (and \$18,506,000 for the full year).

The company says losses reflect lower volumes and prices for asbestos fibre, start-up costs at the San Antonio gold mine, and higher interest costs due to an increased level of debt. Included in the loss are extraordinary items of \$5,314,000, representing a loss on the disposition of long-term investments, and a tax benefit of \$4.4 million, reflecting reduction of deferred income taxes due to the claiming of less deductions for income tax purposes than were recorded in the accounts.

Brinco reports that the San Antonio joint venture with New Forty-Four Mines has been renegotiated. Under the new terms, Brinco Mining's working interest in the Manitoba gold mine will increase from 50% to 100%, and New Forty-Four will have a 10% net profits interest following recovery by Brinco of its costs in the project. New Forty-Four may acquire an additional 15% net profits interest upon payment of \$3.75 million, subject to certain conditions.

Gold production from the mine improved to approximately 60% of the target for the third quarter, and the company says it expects the improving trend will continue throughout the balance of the year

with the possibility of achieving target production levels by year-end.

A 3-week shutdown at the Cassiar asbestos mine is scheduled to begin Dec. 22, and is mainly due to the labor dispute involving dock workers at Vancouver, which is preventing normal fibre shipments.

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Brinco expects 1982 results will mirror 1st quarter loss

Brinco Limited expects that its financial performance during the remainder of 1982 will mirror the results of the first quarter, in which the company had a \$3.4 million loss. "What we see in the first quarter is what we can expect for the rest of the year," said H. R. Snyder, president, after the annual meeting.

Mr. Snyder noted that he had warned at last year's meeting that "our asbestos order book, the principle determinant of our profitability, was starting to look suspect," at that time, and "the warnings, unfortunately, proved correct."

Brinco's Cassiar operation pro-

duced 26,508 tons of fibre in the quarter, slightly ahead of target even though grade was lower than expected. Sales were 20,819 tons, which the company says is about normal for this time of year.

Mr. Snyder said that the list prices posted in 1981 were continuing into this year, although "competitive pricing (is) common in selected markets." He indicated that Cassiar is not discounting as much as the rest of the industry, and stated that the company is the most profitable asbestos operation in Canada. Cassiar, which is closing the mine for 35 days this summer and halting mine stripping for two months, plans no further cutbacks and already will be drawing on inventory during the rest of the year.

Regarding Brinco's San Antonio joint venture with New Forty-Four Mines in Manitoba, Mr. Snyder said the operation will not reach its target rate of 500 tons-per-day until mid-year. The company is currently bringing about 100 tons-per-day of ore from the nearby Lotus mine to supplement production, in a joint venture with Esso Minerals. Brinco is expecting to bring the cost down to \$US280-\$300 per ounce.

Brinco doubled the capacity of its Loftis coal mine in Kentucky during 1981, and is anticipating that it will meet its production target of 350,000 tons this year, after reaching full production targets in the first quarter. Mr. Snyder said he is expecting the coal operation to break even on a cash basis.

The company's \$3.4 million loss in the first quarter came after paying \$1 million in preferred share dividends, and compares with earnings of \$648,000 during the 1981 period. Total revenues were \$22.9 million, slightly up from \$22.1 million in 1981.

104P/5W WMINER APR 82
104P 005

BRINCO LIMITED
Net earnings for 1981 were \$1.1-million compared to \$900,000 in 1980. These earnings included the first full year of operations of the Cassiar asbestos mine since the company acquired Cassiar Resources Limited in November 1980.

WMINER APR 82
Metal producers announce further cutbacks

Until the surplus of metal on world markets disappears, further cutbacks and layoffs are expected from Canadian metal producers. Adding to the list of mining cutbacks are the following.

Amax of Canada has reduced the mill rate at its Kitsault, BC operation from seven to a five day week. The cutback will reduce the mines' output by 2.5-million lb to an annual rate of 6.5-million. No layoffs are planned, however a reduction of 25-30 hourly paid employees is expected through attrition.

Brinco Mining Limited will shut down its Cassiar asbestos mine from 29 June to 3 Aug 1982 because of the depressed asbestos market. Approximately 600 employees will be affected by this closure.

Cominco Limited will shut down its lead-zinc smelter and mine in Trail and Kimberley for at least the month of July.

Virtually all of the 6300 employees at the two locations will be affected. Together with the zinc production cutback presently in effect, the July shutdown will reduce annual production of lead by 18,000 tons, zinc by 40,000 tons, lead

concentrate by 15,000 tons and zinc concentrate by 13,000 tons.

As of 2 July about 80 workers are to be layed off from Noranda Mines Limited's Boss Mountain mine, located east of 100 Mile House in the Cariboo. Open-pit operations will be halted and the mine will switch to two shifts/day on the underground section from the current three-shift operation in an attempt to reduce losses. The mine has built up an inventory of 1.3-million lb of molybdenum, equal to eight month's production, and for the past few months the cost of producing the metal ore exceeded its selling price.

Placer Development Limited will close its Endako molybdenum mine this summer for 13 weeks. The shutdown will affect 565 employees.

Bethlehem Copper Mines near Kamloops BC is continuing to operate with 350 crew members after a layoff in December. In normal operations the plant strips two tons of waste for each ton of ore but currently is removing 0.7 tons of waste for each ton of ore.

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GCNL #85 4 MAY 82

BRINCO LIMITED

104P/5W 104P 005
WORLD DEPRESSION AND HIGH INTEREST RATES CAUSE LOSS

3 MOS. ENDED 31 MAR.,	1981	1982
Revenue	\$22,893,000	\$22,061,000
Cash Flow	5,300,000	7,700,000
Net Earnings (Loss)	(2,424,000)	2,131,000
Per Common Share:	(20¢)	31¢
*After Preferred Dividends	\$1,001,000	\$1483,000

Brinco Limited management report that the poor performance in the first quarter of 1982 reflects depressed economic conditions worldwide which have resulted in a falloff in demand and price for most mineral products including asbestos fibre. Though some discretionary expenditures have been curtailed or eliminated, corporate activity associated with new ventures remains high and this, along with high interest costs, has further contributed to the first quarter loss.

Revenues from sales of asbestos fibre were down as the price for fibre fell on international markets. The Cassiar Asbestos mine produced 26,503 tons of asbestos fibre in the first quarter which was according to plan. The Loftis coal mine in eastern Kentucky produced 77,991 tons for the first quarter and is now operating at planned production levels. Construction of the mill at San Antonio gold mine in Manitoba was completed within budget and was tested at design capacity. The rate of production was below plan as a result of slower than anticipated mine development but the mine should reach production targets by mid-year.

104P 005
104P/5W
MINER 4 MAR 82

Brinco anticipates poor 1982 1st half

Brinco Ltd. reports net earnings of \$1,091,000 for last year (including an extraordinary tax credit of \$1,100,000), which after payment of preferred share dividends was equal to a loss of 20¢ per share on the common stock. In 1980, the company earned \$899,000 or 1¢ per common share.

Revenues for 1981 totalled \$92,045,000 vs. a previous \$18,070,000 and included the first full year of operations of the Cassiar asbestos mine. Brinco acquired Cassiar Resources in November, 1980.

The company says deteriorating economic conditions in the latter half of the year were a major factor contributing to a decrease in antici-

pated earnings for 1981. These had a severe impact on the level of asbestos sales from the Cassiar mine. Brinco adds: "The outlook for the first half of 1982 remains poor, as mineral product prices continue to be depressed."

Year-end working capital increased to \$30 million from \$8 million in 1980, reflecting a long-term loan of \$70 million arranged with a Canadian bank during 1981. The main application of funds, totalling \$59 million, was for capital expenditures at the Cassiar mine, the Loftis coal mine, the new San Antonio gold mine. Brinco's oil and gas activities and the purchase of a long-term investment.

Asbestos cutbacks

Brinco is closing its mill at the Cassiar asbestos mine for 35 days. The shutdown will be effective from June 29 to Aug. 3, with a temporary continuing shutdown beyond that for the open pit operations for a further period of approximately 30 days.

These moves, President H. R. Snyder said, are being made in the light of poor outlook for asbestos sales on the international market in 1982 reflecting general economic conditions and slow construction starts.

104P 005
104P/5W
MINER 15 APR 82

Brinco earnings down on increased revenue

Brinco Limited had earnings of \$1,091,000 for last year, on revenue of \$92,045,000. This compares with earnings of \$2,151,000 in 1980 on revenue of \$18,070,000. However, after payment of dividends on preferred shares, the company had losses of 20¢ per share compared to earnings of 1¢ per share in 1980.

Last year was the first full 12-month period when revenue from subsidiary Cassiar Resources was included in the financial statements. Revenue from asbestos sales through Cassiar was \$76,300,000 for the year, while coal brought in \$9,188,000 and oil and gas accounted for \$2,854,000. Gold production began early in 1982 at the company's San Antonio mine in Manitoba.

In a joint statement in the report, R. B. Harris, chairman, and H. R. Snyder, president, admit that the outlook for Brinco's various revenue sources is not good for 1982. They cite a 30-day shutdown of operations at Cassiar due to difficult market conditions, an inventory which is currently at an all-time high; and a depressed outlook in the Canadian oil and gas industry, which "dictates that we proceed with extreme caution at the present time."

However, the company expects to see increased earnings from its Loftis coal mine in Kentucky since markets are expected to remain firm for high quality coal. Brinco is anticipating that its Quinsam coal mine on Vancouver Island could bring in revenue by the mid-1980s if a green light is given to the project by the government by the end of this year.

CASSIAR ASBESTOS
104P/5W
104P 005

GCNL #41

1 MAR 82

BRINCO LIMITED

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104P 005

YEAR ENDED 31 DECEMBER

	1981	1980
Revenue	\$92,045,000	\$18,070,000
Net Bef. Extra Item	(9,000)	899,000
Extraord. Tax Credit	1,100,000	-
Net Earnings	1,091,000	899,000
Profit(Loss) P/Comm. Share*	(20¢)	1¢

*After preferred share dividends

capital at year end was \$30,000,000 compared to \$8,000,000 in 1980. During the year, a long term loan of \$70,000,000 was arranged with a Canadian chartered bank. The main applications of funds totalling \$59,000,000 were for capital expenditures at the Cassiar Asbestos mine, The Loftis coal mine, the new San Antonio gold mine, oil and gas exploration and development activities and the purchase of a long term investment. Deteriorating economic conditions in Canada and elsewhere in the second half of 1981 were a major factor contributing to a decrease in earnings from those anticipated for 1981. These had a severe impact on the level of asbestos sales from the Cassiar mine and the net earnings for the company. High interest rates on funds borrowed to finance expansion added significantly to operating costs. The outlook for the first half of 1982 remains poor as mineral product prices continue to be depressed.

Revenues of Brinco Limited in 1981 included the first full year of operations of the Cassiar asbestos mine since Brinco acquired Cassiar Resources Limited in November, 1980. Funds generated from operations were \$22,211,000 and working



THE NORTHERN MINER March 4, 1982

N MINER 4 MAR 82

Brinco work similar to 1981

Brinco Mining, subsidiary of Brinco Ltd., will be maintaining exploration expenditures at around \$2 million in 1982, similar to the size of program carried out in 1981. The 1982 program will include many of the same properties as 1981, however, several modifications will be made.

Expenditures on uranium exploration in eastern Labrador will be significantly reduced and exploration programs for uranium in western Labrador and in Saskatchewan will probably be deferred. In a Brinco operated joint venture with Edison Development Canada in

eastern Labrador, exploration will continue in the Melody Lake area on several promising uranium showings.

Further exploration is planned on the Dawes Pond joint venture in central Newfoundland on several promising lead-zinc prospects. Brinco is in a 50%/50% joint venture with Getty Canadian Metals on this property.

In western Canada, work on the Tesslin asbestos property, a joint venture with Cominco and Exploration will be expanded. This program is concentrated in the Clinton Creek and Cassiar areas of the

Yukon and B.C. respectively. During 1981 promising results in the form of several asbestos soil anomalies and prospects were defined.

Two new projects will be initiated, one for precious metals in central British Columbia and a new gold project in northeastern Ontario.

The company is also heavily committed to the exploration, development, and mining of industrial minerals. From the exploration side, the company is not only pursuing asbestos (the company's Cassiar asbestos mine in B.C. produces in the order of 100,000 tons of high quality asbestos per year) but is involved in limestone, silica and mica.

With the participation of joint venture partners in many of these programs the total exploration expenditures will be over \$4 million in 1982.

In addition, work will continue on the Ogilvie Joint Venture under Pan Ocean Oil's direction of which Brinco has in excess of 24% interest.

During 1981 reserves in the inferred category on the Jason claims of the program increased substantially on completion of a 10,000 m drilling program.

Exploration in B.C. and the Yukon will be based out of Brinco's Vancouver head office. An eastern exploration office will continue in Toronto from which exploration will be directed for eastern Canada. As well, field offices are based in Springdale, Newfoundland, and Northwest River, Labrador. Brinco employs nine geologists and will hire approximately 12 students for the 1982 summer program.

(12)

MINE STRIPPING CUT-BACK

After completing a mine planning review in late 1980 it was found that if the mine continued stripping at its then current rate, waste removal would surpass requirements. As a result, waste production was cut from 6.7-million bank cubic yards to 4.5-million for 1981, and 5.1-million for 1982. No layoffs resulted from this cut-back.

UNDERGROUND EXPLORATION

In an attempt to delineate an orebody with the view to establishing additional mining reserves, the mine has embarked on an exploration drilling program below the present open pit. To date 21,000 feet of drilling for core samples has been completed. The results have been encouraging and an engineering feasibility study will be carried out during 1982.

MINE SAFETY

With a strong support from management, unions and employees, Cassiar Resources has been the recipient of the top safety award for large open pit mines in British Columbia for the past two consecutive years.

Supplementary to this achievement, the Cassiar Operation's active mine rescue team went on to the Provincial Mine Rescue Competition held in Kamloops last June, to take first place in the open pit category.

COMMUNITY PROGRESS

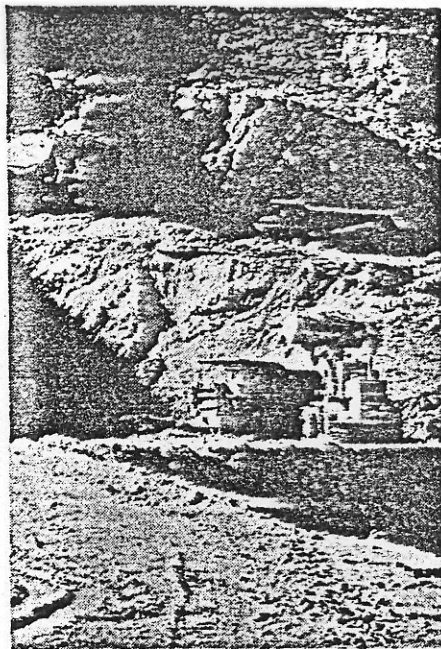
An extension to the company retail store was completed in November 1980, which doubled the space available for the dry goods department. This enabled the store to offer a greater variety of goods to the people of Cassiar and the surrounding area.

A new Government building was completed in January 1981, and it now houses the Government Agent, ICBC Office, the Liquor Store, the Department of Human Resources, and the Public Health Unit. In addition, School District 87 offices were moved from Fort St John to Cassiar in late 1980, and they are now housed in its own recently completed building.

The community's new theatre seats 300 and it shows first-run 35mm films. The Cassiar Concert Society also present live performances from the stage which adds to the cultural life of the community.

During recent years four new apartment type buildings have been completed, to upgrade the accommodation facilities for single persons.

During the past four years a modern sewage collection system and a central sewage treatment plant have been constructed to service the town of Cassiar and the plantsite. Approximately 12,000 feet of main trunk sanitary sewer



Cassiar Resources produces some of the finest quality asbestos fibre in the world. It represents some \$90-million in BC exports annually, and employs a work-force of 650 people.

lines and 15,000 feet of secondary lines have been installed.

MARKETING

Cassiar's Marketing Division continued to maintain its position despite a general decline in world-wide sales due to economic conditions and a marked reduction of activity in the construction industry. Marketing manager John Oughtred reported, however, that, "Asbestos prices generally have been weakening, but we have been able to stabilize our selling price".

Working directly through agents and personal sales contacts, Cassiar's Marketing Division is responsible for selling high quality asbestos fibre to some one-hundred customers in more than forty-five countries throughout the world.

The highest percentage of Cassiar sales in 1980 were made to Asian countries which purchased 27% of the mine's production. Continental Europe purchased 26%; North America, 23%; Australia, 17%; South America, 6%; and the Middle East, 1%.

Some 80% of Cassiar's fibre is used in the manufacture of asbestos cement products. The remaining 20% is used in the manufacture of building products, friction materials, fillers, and plastic reinforcements.

While world demand for asbestos weakened during 1980, Cassiar sold 105,431 tonnes of fibre, only 1800 tonnes less than its production for the year.

W/M



Cassiar mine on McDame Mountain in Northern BC's Cassiar range. Asbestos ore production averages 1,200,000 tonnes annually at 9% recoverable mine grade.



Cassiar Resources' mine, mill and townsite.

Concentrator Building now meets the standard 2 fibres/cc. This was achieved by enclosing all conveyors and modifying the building's ventilation system.

(5) To facilitate good housekeeping and cleaning without the use of brooms, vacuum systems have been installed in both the Tramline Loading and Discharge areas.

(6) The mine's primary jaw crusher and feed chutes have been totally enclosed and ventilated to capture dust.

(7) Two new techniques to reduce the use of shaker screens have been installed in the Cassiar mill. These consist of totally enclosed vibration-free units called 'fluid bed classifiers', and a second type of totally enclosed stationary screening unit known as a 'paddle trommel'. Current plans call for the installation of this mining dust emissions

control equipment in the mine's original mill which was built in 1954. When these installations have been completed the original mill (which was supplemented by a larger mill in 1970) will process and convey fibre within the standard 2 fibres/cc. Finally, to guarantee total control of dust emissions in the 1954 mill the original positive pressure air system is now being revamped by the installation of new air equipment which will be on stream by middle November, 1981.

MILLING

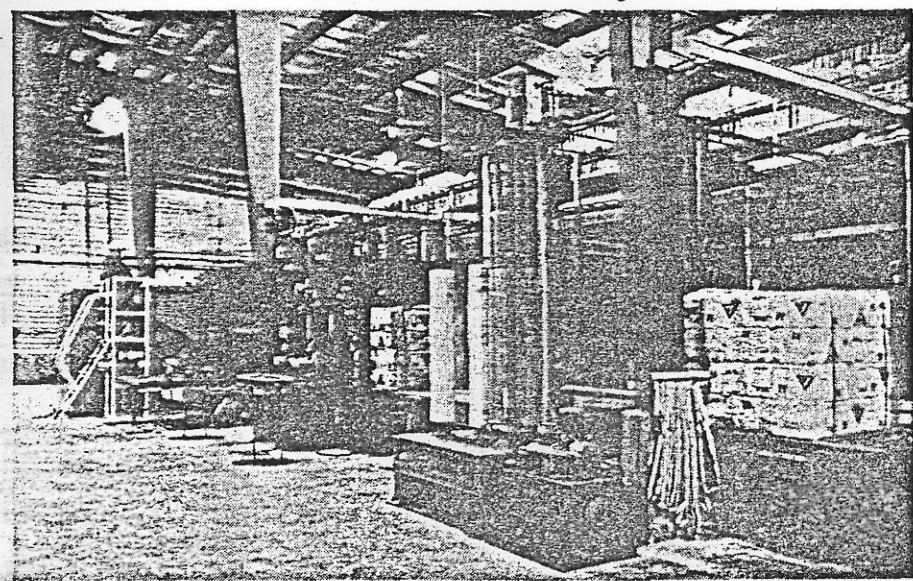
A \$4-million program is underway to further improve asbestos recovery circuits which, in addition to further raising the mill's environmental standards, will increase the recovery of the shorter grades of fibres.

A new Rotary Dryer has been installed at a cost of \$2.2-million, replacing two smaller dryer units. The new installation has moisture analysing capabilities and heat sensing devices which enable it to operate automatically despite fluctuations in the moisture content of the ore, which is delivered to the dryers by Tramline at a rate of 280 tonnes an hour. A project to provide a twenty percent saving in fuel used for drying ore will be completed by early 1982. This saving will be achieved by recovering the latent heat from the cooling water from Cassiar's electrical generating diesel plant.

One-hundred-thousand metric tonnes of asbestos fibre that Cassiar Resources produces yearly is packaged by automatic bag placers from nine pressure packers into polywoven bags. The open bags proceed along Mathew's conveyors through an automatic sewing machine to seal shut the bags. From the sewing machine these bags continue along the Mathew's conveyors into an area of the mill known as Shrinkwrap. Here an automatic scanner identifies the grade of fibre by a code stamped on the side of each bag and allocates each grade to a separate conveyor line. When sufficient bags have accumulated on a conveyor line to complete a pallet containing a metric tonne of fibre, it is palletized by an automatic palletizer. This palletizer uniformly places the sewn edge of the bag towards the centre of the pallet thereby reducing the possibility of contamination.

Once a pallet is complete it moves along a conveyor where it is wrapped on all six sides with four-mil plastic before entering an oven which shrinks the plastic — making a virtually air-tight one tonne package. When this process is complete a forklift transfers each plastic wrapped tonne of fibre to an 8000 tonne capacity warehouse where it is stored pending shipment to market.

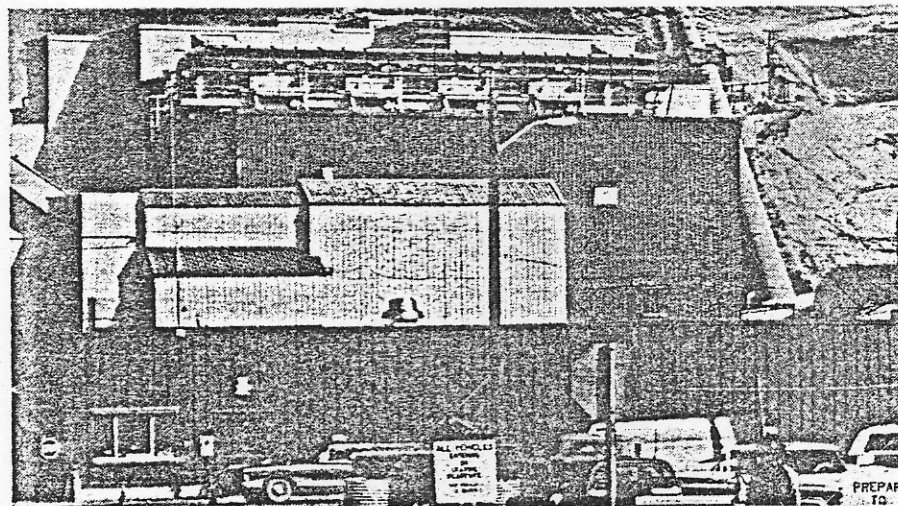
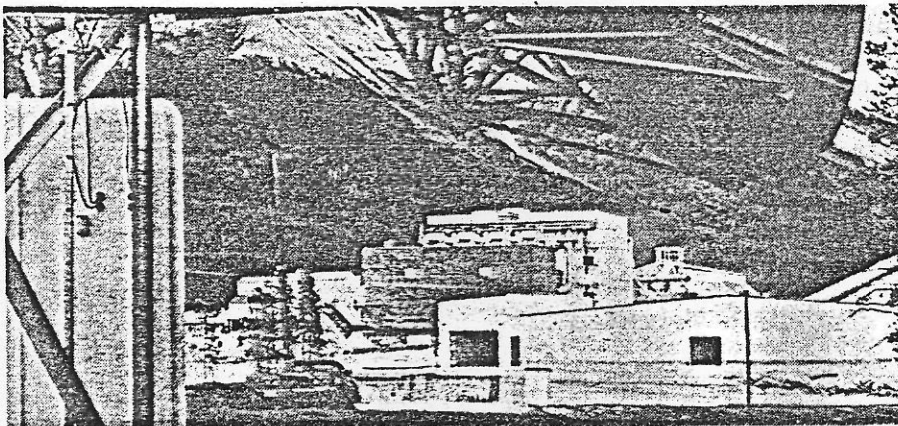
Cassiar's shrink-wrap equipment automatically seals one short ton pallet of asbestos fibre consisting of 20,45.5kg bags, creating a virtually air-tight package for shipment to some 100 customers in more than 45 countries throughout the world.



104P / 5W
104P 005

Cassiar Resources improves asbestos operations in British Columbia

Cassiar's milling complex receives raw ore from the mine via a 4700 metre tramline capable of delivering 300 t/h of ore. Since 1975 Cassiar has spent \$30-million on environmental control throughout its mine, mill, and transportation operations.



In August 1980 Brinco Limited of Toronto negotiated a six-month option to acquire 59% of the equity of Cassiar Resources Limited. In November it offered \$16.15 per share for all of Cassiar's outstanding shares — a transaction valued at \$89-million. By 31 December, 98% of Cassiar's stock had been delivered, and early in 1981 Cassiar was merged into the Brinco group of companies.

Cassiar Resources, which is now a division of Brinco Mining Limited of Vancouver, reports a two-year period of intense mining, milling and environmental control activities at its northern British Columbia Asbestos operation.

During the years 1980-81 the company has spent some \$10-million adding new environmental equipment to its operations and extending the use of previously adopted emission control technology. This \$10-million expenditure represents one-third of the \$30-million spent on environmental control programs since 1975.

The current environmental improvements include: (1) To further reduce dust emissions at the tailings discharge a third pugmill has been installed. This wet agglomeration system prevents dust from escaping into the atmosphere.

(2) Five baghouses, for a total volume of 100,000 cubic feet of air per minute were installed on the Dry Rock Storage Building. This system prevents asbestos fibre from escaping into the atmosphere.

(3) To meet Energy, Mines and Petroleum Resources requirements of 2 fibres per cubic centimetre, totally enclosed conveyors with drag scrapers have been installed in the Dryer Building. In addition, two baghouses with a total volume of 15,000 cubic feet of air per minute have been installed to "indraft" all equipment, and the conveyor galleries have been totally enclosed.

(4) The fibre count in the

WINNER NOV 1981

GCNL #214 7-Nov.-78 CASSIAR ASBESTOS CORPORATION LIMITED

Nine Months Ended Sept. 30,	1978	1977
Revenue	\$73,217,290	\$85,002,454
Net Income	13,147,848	16,500,662
Net Income Per Share	\$ 2.39	\$ 3.00

Fibre sales during the third quarter were 46,060 tons compared with 38,175 tons for the equivalent period in 1977 and also reflect an improvement in sales over each of the preceding quarters of 1978, the Cassiar Asbestos Corporation Limited nine months statement says.

At the time of the issue of the report the Cassiar operations are shut down due to strike action which began on Sept.15.

GCNL #163 23-8-79 CASSIAR ASBESTOS CORPORATION LIMITED

SIX MONTHS ENDED 30 JUNE	1979	1978
Asbestos Fibre Sales	\$42,576,726	\$44,581,567
Cost of Sales	24,769,633	24,296,669
Transport, Warehousing	5,378,409	5,081,218
Admin. General Expense	1,460,617	1,858,136
Explorations Expense	90,728	32,023
Interest Expense	362,320	256,388
Income Tax: Current	1,369,985	3,524,000
-Deferred	2,845,355	1,205,000
Net Income	\$6,299,679	\$8,328,133
-Per Share	\$1.15	\$1.51
Working Capital	\$15,720,375	\$20,771,621

J.D. Little, president, attributes the reduction in first half earnings of Cassiar Asbestos Corporation Limited this year compared with last to the lower sales volume of Clinton fibre from 41% of the tonnage sold in 1978 to only 24% this year. As of June 30, some 1,000 tons of Clinton fibre remain unsold. Cassiar Mine's contribution to total income before taxes was 91.4% in 1979, up from 64.0% a year before. The underground adit extending 3,455 feet was completed on July 19. The 20,000-foot diamond drilling program from the adit is progressing well with 14 holes totalling 6,514 feet drilled by the end of July. Initial results continue encouraging and indicate a downward extension of the existing orebody which appears to be larger in the horizontal section at the projected bottom of the present pit. Evaluation of this program will not be completed until early next year.

Cassiar are participating in 2 joint ventures in western Canada. The CUB, exploring for tungsten, has acquired 6 Yukon properties on 2 of which 3,000 feet of diamond drilling have been completed in 8 holes. Results have been discouraging. The other properties, which also have tungsten mineralization, are being further examined. The Teslin joint venture has staked 2 asbestos prospects.

In addition to that activity, Cassiar staked 513 claims in 4 areas of B.C. initiated by regional geochemical survey data released by the B.C. government.

Exploration of a molybdenum prospect in the Cassiar area is underway.

GCNL #61 26-03-80 CASSIAR ASBESTOS CORPORATION LIMITED

EARNINGS UNCHANGED - In reporting earnings of \$11,993,000 or \$2.18 per share compared with FRCM PREVIOUS YEAR \$11,825,000 or \$2.15 in the previous year, J.D. Little, president of Cassiar Asbestos Corporation Limited, stated that as a result of the improved financial position in the year ended Dec. 31, 1979 the bank loan was repaid. Revenue for the year was \$83,220,000 compared with \$80,775,000 in the 1978 year. Working capital at Dec. 31, 1979 was \$16,839,000 compared with \$12,152,000. The dividend rate was also increased from 55¢ in 1978 to 70¢ per share in 1979.

The fibre sales for the year were just over 126,000 tons. Of the total sales, 109,000 tons was fibre from the Cassiar mine and the balance represented inventory from the Clinton mine. Cassiar mine's production during 1979 was approximately 109,000 tons. Capital expenditures at Cassiar were \$9,500,000, a reduction of \$5,800,000 from the previous year. The cost of waste removal for 1979 was \$15,900,000 which exceeded the previous strike interrupted year.

GCNL #96 16-05-80 CASSIAR ASBESTOS CORPORATION LIMITED

3 MONTHS ENDED 31 MARCH	1980	1979
Asbestos Fibre Sales	\$19,840,000	\$22,819,000
Cost of Sales	10,422,000	13,821,000
Transport, Storage Costs	2,053,000	3,026,000
Admin., Selling Expense	893,000	1,355,000
Exploration Expense	42,000	24,000
Interest Expense	-	230,000
Income Tax: Current	1,993,000	567,000
-Deferred	1,672,000	1,178,000
Net Income	\$2,765,000	\$2,618,000
-Per Share	50¢	48¢
Cash Flow	\$10,266,000	\$7,341,000
Working Capital	\$21,231,000	\$14,687,000

EARNINGS ROSE 5 1/2% FROM ONLY 1 MINE'S PRODUCTION

In presenting comparative first quarter results of Cassiar Asbestos Corporation Limited, president J.D. Little notes that the overall tax rate for the current year has been increased to reflect the anticipated exhaustion of the earned depletion pool.

Sales of fibre, all from the mine at Cassiar, B.C., totalled 26,404 tons valued at \$19,840,000. In the 1979 first quarter, 23,800 tons of Cassiar fibre was sold for \$16,639,000 and 12,490 tons from Clinton in the Yukon for \$6,180,000.

Mine production in this year's first quarter was 28,552 tons of fibre from 408,464 tons of ore at a grade of 7.61%. Continuing about the same rate as in 1979, 1,725,692 cubic yards of waste were removed. The amortization rate is \$10 per ton of ore mined. Diamond drilling is still in progress from the existing adit. Drifting in the extension of the adit is almost completed.

6 MONTHS ENDED 30 JUNE

1978

24-Aug-78

1977

PROFIT DROPPED 35% -

Asbestos Fibre Sold, Tons	72,594	123,592
Asbestos Fibre Sales	\$44,581,567	\$61,335,714
Cost of Sales	24,296,669	31,320,818
Transportation to Vancouver & Warehousing	5,081,218	8,430,792
Admin., Interest, Gen. Exp.	2,114,524	1,812,147
Exploration, Develop. Exp.	32,023	210,568
Income Tax: Current	3,524,000	5,942,000
Deferred	1,205,000	913,000
Net Income	\$8,328,133	\$12,706,389
Per Share	\$1.51	\$2.31
Shares Outstanding	5,500,000	5,500,000
Working Capital	\$20,771,621	\$13,293,918

For Cassiar Asbestos Corporation, first half sales dropped 27% and profit 35% this year compared with last. Chairman N. Gritzuk and president P. Steen state that demand for both textile and asbestos cement grade fibres remains soft. With the cessation of production at the Clinton Creek mine in mid-August they expect that the high asbestos fibre inventory at mid-year will be reduced to a normal level by year-end. The exploration program at the Kutcho Creek property is proceeding with two diamond drills operating.

The new air system at the Cassiar mill was put into operation at the end of April. A substantial improvement in the quality of the air in the working environment has resulted.

The sources of first half earnings before taxes are shown in the following table:

	TOTAL	CASSIAR MINE	CLINTON MINE	SUBSIDIARY COMPANY
1978	\$13,057,133	\$8,298,478	\$4,726,437	\$32,218
1977	19,561,389	7,116,584	12,355,634	89,171

+ Interview With Resigning President Provides Some Interesting Mine Information

On Sept. 26, 1978, it was announced that Peter Steen had resigned as president and chief executive officer of Cassiar Asbestos Corporation Limited and, effective Nov. 1, 1978, he will become president, chief executive and a director of Inspiration Consolidated Copper Co. which is controlled by Hudson Bay Mining and Smelting Co. Limited and Anglo American Corp. of Canada Ltd. Inspiration's main operations are 80 miles east of Phoenix, Arizona.

The Cassiar Asbestos mine in north central B.C. is one of the few mines in the country where unit costs tend to be coming down in recent years as a result of larger equipment and increased throughput. Mr. Steen pointed out that in the past few years the company has been executing an accelerated waste removal program, now completed, and an intensive capital program to up-grade the pit, processing plant, working conditions and town site living conditions.

In the pit, the stripping ratio is now projected at approximately ten cubic yards of waste for each one yard of ore recovered, for the balance of the life of the open pit. As presently outlined, the open pit is projected to produce for a further 15 years with perhaps a few additional years available depending upon changing economic conditions and detail definition of the hanging and foot wall locations. The company is currently driving an adit level from which a diamond drilling program is to be carried out for the purposes of defining the ore body at depth. This work is expected to be completed in mid-1979 depending upon local conditions.

The first barge load of fiber using the new truck route to Stewart, B.C., and then to Vancouver by barge started in late August. The first shipment of 1,600 tons of fibre arrived in Vancouver Aug. 30, 1978. This new system is expected to produce substantial cost savings over the previous method, to Whitehorse by truck, Skagway by rail and to Vancouver by container ship.

(Continued on Page Two)

CASSIAR ASBESTOS CORPORATION LIMITED

CONTINUED FROM PAGE ONE

Among the plant facilities which have been upgraded in recent years are the fiber warehouse, the tram line with a new tower and other modifications to reduce rope wear and increase daily capacity to in excess of 7,000 tons per day, sewage treatment plant, power house, conveyor systems and environment control equipment and air building. The new air building has improved the quality of the air to well within the standards set by the Provincial Government in all areas. Improvement in accommodation has been emphasized. In recent years, housing for families has increased from 37% to 65% of that provided with the objective of 80% expected to be reached in the next few years. One of the benefits to be derived from the improved housing is a reduction in employee turnover from 257% a few years ago to an estimated 80% in the current year.

The current markets for fiber are relatively soft with fairly high user inventories. Markets are expected to improve toward the year end in anticipation of a price increase of 6 effective Jan. 1, 1979, as announced by Johns-Manville Corp. Cassiar Asbestos has not yet announced its 1979 pricing program, Mr. Steen stated.

The assumption of the company's own marketing of fiber started about a year ago has worked well with most of the customers retained and new ones added.

Cassiar Asbestos chairman N. Gritzuk stated that a new president for the company is being sought by a committee of the directors and that, while some progress has been made, an announcement is not expected immediately.

Cassiar Asbestos making progress in reaching current and future environmental goals

VANCOUVER — Cassiar Asbestos' objectives of improving efficiencies at the Cassiar mine and ensuring that it will meet the demands of the environmental standards that exist now and those that are likely to exist in the future, are close to being achieved.

President Peter Steen told shareholders at the company's annual meeting that improvements will continue to be made wherever it is "economically and technically possible to do so."

During 1977, the company completed the mine changehouse, and constructed new housing which has contributed to the reduction in turnover rate.

The new mill air building, designed to increase efficiency and improve working conditions, was due to be commissioned in 1977, but because of some construction problems, it is now scheduled to start up at the beginning of May, he said.

The total capital expenditure at the Cassiar mine in 1977 was \$12.8

million.

Mr. Steen said first quarter results for 1978 show net income of \$3.7 million dollars, or 68¢ a share, compared with \$6.1 million, or \$1.10 a share, for the same period of 1977. The company had record sales, production and profits in 1977 (N.M., April 13, 1978).

"Due to the price increase on asbestos cement grade fibres on Jan. 1, 1978, and our customers' inventory positions at year end, we anticipated a slow start for sales this year.

The indications are, however, that this situation will improve as the year progresses and we expect to meet our sales targets for 1978".

The workers at the Clinton Creek mine, scheduled to be shut down this summer due to exhaustion of ore, were congratulated for their efforts over the 10-year life of the operation. Mr. Steen said the company expects the mine will have realized a reasonable return on the original money invested by the time it closes.

Chairman N. Gritzuk told the shareholders that although the adverse publicity regarding alleged health hazards of asbestos, "at times unwarranted, may continue for a time, it is my opinion that the matter ... will be put into proper social perspective and will not be responsible for the demise of the asbestos industry".

Joining the company's board of directors are W. Douglas H. Gardiner, Ethol Higgins, Patrick M. Reynolds and David D. Thomas.

WESTERN CANADIAN INVESTMENTS
CASSIAR ASBESTOS CORPORATION LIMITED

YEAR ENDED 31 DECEMBER	1977	1976
Asbestos Fibre Sales	\$115,077,217	\$78,285,544
Other Sales	-	1,492,777
Total Revenue	\$115,077,217	\$79,778,321
Cost of Sales	63,153,448	45,188,114
Transport, Warehouse Costs	14,832,870	11,581,652
Admin., Selling Exp.	4,601,143	4,389,912
Exploration Expense	404,942	279,491
Interest Expense: Current	552,549	316,854
Long-term	360,869	1,026,878
Income Bef. Income Taxes	31,171,396	16,995,420
Income Tax: Current	9,042,451	1,791,864
Deferred	2,563,000	3,364,000
Net Income	19,565,945	11,839,556
Per Share	\$3.56	\$2.15
Working Capital	13,727,343	4,949,305
Long-Term Debt	\$ -	\$5,000,000
Shares Outstanding	5,500,000	5,500,000

PROFIT ROSE 66%
TO RECORD HIGH

Cassiar Asbestos Corporation set new financial records in 1977 in sales, that rose 85% over those in 1976, and in net income, up 66%. Fibre production for 1977 was at a record level of 212,284 tons while 212,711 tons were sold, the second highest on record. The mine at Cassiar, B.C., contributed 103,513 tons that sold for \$61,321,000. The mine at Clinton Creek, Yukon, contributed 109,198 tons that sold for \$53,756,000.

In reporting this, chairman Nicholas Gritzuk and president Peter Steen note that a price increase averaging 14% was introduced in mid-1977. Also, the

Clinton Creek mine is expected to close in mid-1978.

At 31 Dec 77, ore reserves mineable at the Cassiar mine by open pit methods were calculated at 16,277,000 tons. During 1977, 1,321,065 tons of ore were mined. Ore reserves were reduced by 424,935 tons based on the results of the diamond drilling carried out this year. Mineable ore reserves at Clinton Creek were 770,000 tons.

Plans, currently being developed, provide for the transport of Cassiar mine fibre to Vancouver via Stewart, B.C., a port at the head of the Portland Canal, 320 road miles from the Cassiar mine. With the anticipated closure of the Clinton Creek mine in mid-1978, the transport division, which has served since 1954, will be closed.

During 1977, \$475,195 was spent on exploration work related to the following: At Kutcho Creek, a diamond drilling program was carried out in the summer at an asbestos prospect in northern B.C. with results encouraging enough for directors to consider continuing the drilling program in 1978. At Grand Forks, a geochemical and soil sampling program was carried out on a uranium prospect in southern B.C. with encouraging results and in 1978 it is proposed to drill some of the anomalies outlined. Of various other prospects submitted for examination during the year, some will require follow-up in 1978. The company intend to remain active in diversified exploration.

Certain personal injury actions are continuing in the U.S. naming Cassiar Asbestos and others as defendants. The alleged injuries would have occurred after Cassiar had sold asbestos fibre in Canada, and had thereby relinquished all control to its customers, who then imported such fibre into the U.S. Cassiar's customers there are users with many years of experience in the handling and properties of asbestos and the manufacturing of commercial products containing asbestos. The company is defending these legal actions. Neither the existence of liability, nor the extent of any possible damages, has been determined at this time for any of the cases. Product liability insurance had been carried until 1975, but it has been unavailable since then. The current sales agreements provide that Cassiar's customers shall warn their employees, agents, and customers of the possible dangers involved in handling asbestos and shall provide them with safeguards against those dangers.

CASSIAR ASBESTOS CORPORATION LIMITED

Three Months Ended March 31,	1977	1976
Revenue	\$30,367,181	\$17,612,305
Net Income	6,067,025	2,091,639
Earnings Per Share	\$1.10	38¢

104015 W PROD

Both production and sales exceeded anticipated performance the shareholder of Cassiar Asbestos Corporation Limited were told at the annual meeting. This is in reference to performance during

the first quarter. The fibre shipments during the quarter amounted to approximately 30% of the total estimated sales for the year.

At the Cassiar mine the construction of the changehouse has been completed, and the new mill air system is expected to be operational by the end of this year. Some interruptions are expected in production while the new mill air system is being placed in service.

The report for the quarter states that fibre inventories increased during the period by approximately 5,000 tons and the customers will receive a continued supply of fibre from this excess inventory during the interruptions in production.

An adjustment increasing fibre prices by an average of 15% will become effective on July 1, 1977.

At the Cassiar mine, the backlog of waste has been removed and waste removal will continue at a reduced rate. This rate of waste removal will provide a continuous supply of ore in the future. The services of the contractor, who assisted in the accelerated waste removal program, were dispensed with at the end of March.

In his address to the annual meeting, Peter Steen, president, said in part, "I have said that we are serious about our environmental standards. We are. That is why we have embarked on this costly, but necessary program to reduce airborne fibre and dust within our mining, milling and transportation operations. We plan to continue this program over the next four years, at which time we expect that our working atmosphere will be well within the prevailing standards."

"The total cost of environmental improvements since 1973 has been roughly \$7,000,000, and we have planned to spend a further \$7,000,000 on environmental matters over the next four years,"

In dealing with the progress made and being made in another of the mine's problem areas he said, "In 1973 only 37% of our Cassiar Mine work force was housed in family accommodation. But families are the one element that provide a community with stability. It is recognized that a large single status workforce in remote locations such as Cassiar and Clinton Creek creates an abnormally high turnover rate. This, in turn, leads to lower productivity and higher costs - together with other problems that can be disruptive to the efficient operation of a mine."

"In 1974 our turnover rate at Cassiar Mine was 192%. This had dropped to 119% last year. There are several reasons for this drop. One - good management. Two - cleaner working conditions. Three - better equipment and improved facilities, and four - the fact that we now have 50% of our workforce housed in family accommodation. We aim to improve this percentage over the next few years through the provision of additional family accommodations."

Waste removal costs in 1975 were \$3.05 per cubic yard while for the past four months the average has been \$2.20 per cubic yard.

About the Clinton Creek mine, Mr. Steen said that it is operating at peak efficiency and is largely responsible for the healthy cash flow over the past two years. A re-assessment of the ore reserves at this mine indicates that the mine will close at the end of 1978, some six months later than last predicted.

He said the market for cement grade fibres remains strong and there appears to be a slight improvement in the market for spinning grades.

N. Gritzuk, chairman, spoke in some considerable detail about the current product liability litigation and the company's potential liabilities therefrom.

GCNL APR 29 1977

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George Cross News Letter

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APRIL 7, 1977

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WESTERN CANADIAN INVESTMENTS CASSIAR ASBESTOS CORPORATION LIMITED

YEAR ENDED 31 DECEMBER	1976	1975
Asbestos Fibre Sales	\$78,285,544	\$79,491,557
Other Sales	1,492,777	3,028,730
Total Sales	79,778,321	82,520,287
Cost of Sales	45,188,114	46,475,686
Transport. & Warehous.Exp.	11,581,652	11,983,151
Admin., Selling & Gen.Exp.	4,389,912	4,430,798
Exploration Expense	279,491	287,245
Interest Exp. on Borrowing	1,343,732	1,555,571
Taxes: Current	1,791,864	5,681,000
: Deferred	3,364,000	3,817,000
NET INCOME	\$11,839,556	\$ 8,289,836
Per Share	\$2.15	\$1.51
Working Capital	4,949,305	4,551,888
Waste Removal Expenditure	20,167,616	19,810,382
Capital Expenditures	10,870,960	9,081,078
Aver. Prices of Asbestos p/ton	\$446.17	\$398.64
Cassiar Mine		
Ore Mined, Tons	923,551	934,754
Fibre Produced, Tons	77,858	83,504
Waste Removed, Cubic Yards	6,726,374	5,400,868
Clinton Mine		
Ore Mined, Tons	1,866,619	1,947,078
Fibre Produced, Tons	113,559	113,928
Waste Removed, Cubic Yards	580,279	2,038,296

104P/50

Fibre production and sales of Cassiar Asbestos Corporation Limited for the year ended 31Dec76 were adversely affected by a strike in July and August at the Cassiar mine in northern B.C. The disruptive effect of the strike and a reduced demand for textile grade fibres were responsible for a 12% reduction in sales volume compared to 1975. Increases of 8% and 15% in the selling price of asbestos became effective 1Jan76, and 1Dec76, respectively. These increases offset the reduction in tons of fibre sold.

The annual report discloses that major capital expenditures in 1976 were \$2,252,000 on townsite, cafeteria and hospital improvements; \$1,309,000 on an employee change house and \$3,776,000 on the new mill air system.

During the past 3 years, cash flow, from which dividends are paid, has been adversely influenced by the need to accelerate the waste removal program at Cassiar, the construction of a new tramline and concentrating plant, and

improvement and modernization of other plant facilities and the townsite. In addition, major capital expenditure commitments have been undertaken to meet the new and more stringent environmental standards with respect to asbestos.

Together, these programs have imposed a heavy drain on the annual cash flow and only a portion of the cost incurred in any year is applied in calculating net profit. In addition, year end inventories at cost were \$9,000,000 higher than at the end of 1975. The cash deficiency accounts for the increased bank indebtedness and is the reason that dividends have not been paid since early 1974. Subsequent to the printing of the annual report, the company declared a dividend of 10¢ per share payable 29Apr77, record 15Apr77. The report states that the directors expect that the financial position of the company will improve upon the completion of the development and capital expenditure programs currently underway.

At the Cassiar mine, year end inventory of Cassiar fibre increased by approximately 14,000 tons. This increased inventory will ensure regular shipments of fibre during 1977, when normal operations in the mill will be disrupted by the installation of equipment and modifications to the plant, for environmental and process improvements. About waste removal at the Cassiar mine, the report states: the waste backlog on the hangingwall side of the pit is nearing completion; the footwall stabilization program which involved changing the angle of slope is due for completion early in 1977; the new pit access road has been completed and re-development of the pit incorporating wider roads and catchments is proceeding on schedule. As of 31Dec76 ore reserves mineable by open pit methods are calculated to be 18,023,000 tons. In establishing these reserves a 3% grade was used as the cut-off rather than the 1.5% as in the past. The 3% cut-off grade conforms to the present economics of mining ore at Cassiar.

Ore reserves at the Clinton Creek mine are expected to be exhausted during 1978.

In exploration, a number of asbestos deposits were examined in the U.S. and Canada, none of which, in management's opinion, warranted further work. It is proposed to spend about \$200,000 on a drilling program to further assess the Kutcho Creek property in northern B.C. during 1977. The company's annual meeting will be held at 10:00 a.m. on 28Apr77 in the Four Seasons Hotel, Vancouver.

Profitable year for Cassiar on higher asbestos prices

Cassiar Asbestos Corp. in 1975 had a net income of \$8,289,836 or \$1.51 per share. This is a marked improvement over 1974 in which a net loss of \$2,145,780 was sustained after a non-recurring write-off of \$3,303,410, the annual report states.

The improved performance was attributed to an increase in the quantity of asbestos fibre sold and in the average selling price.

The company's net income takes into consideration \$9,498,000 for taxes and royalties which includes \$3,949,237 for the 1975 British Columbia mineral land tax. The mineral land tax paid relative to 1974 was \$256,763.

Asbestos sales

During 1975, Cassiar sold 199,404 tons of asbestos valued at \$79,491,557 compared with 183,982 tons of fibre valued at \$53,187,426 in 1974. Of the total value of the fibre sold \$40,900,412 was attributable to the Cassiar Mine and \$38,591,145 to the Clinton Mine.

The increased amount realized per ton of fibre in 1975 reflects the effect of two price increases on all Cassiar and Clinton grades, the first of 20% effective Jan. 1, 1975 and the second of 8% effective Aug. 1, 1975.

Cassiar mine

During the year 934,754 tons of ore were mined at Cassiar, British Columbia. Of this total 134,778 tons were rejected in the primary concentration plant leaving 799,976 tons for refinery processing. The recoverable grade of ore mined was 8.93% compared with 8.11% in 1974.

During the year 798,149 tons of concentrate were treated to produce 83,504 tons of fibre. The new concentrator was commissioned in the fall of 1975. Unusually wet ore from the mine during the ensuing few months made it difficult to achieve the improved efficiencies anticipated.

The cost of removing 12,151,953 tons of waste during 1975 was \$16,482,253, the rate of amortization which was \$5.00 per ton of ore mined in 1974, was increased to \$7.50 per ton.

Clinton mine

During the year 1,947,078 tons of ore were mined at Clinton Creek in the Yukon Territory. Of this total 1,083,160 tons came from the Porcupine orebody and 863,918 tons came from the Snowshoe orebody. From the ore mined, 539,625 tons were rejected to tailings in the primary concentration plant, leaving 1,407,453 tons of concentrate for mill processing. The recoverable grade of ore mined in 1975 was 5.85% compared with 4.37% in 1974.

During the year Clinton mine produced 113,928 tons of fibre after

treating 1,385,648 tons of concentrate. A total of 4,586,165 tons of waste were removed at the Clinton mine at a cost of \$3,328,129. Of this total 3,757,015 tons were removed from Porcupine Hill and 829,150 tons from Snowshoe Hill. Waste charges against ore mined during 1975 averaged \$1.92 per ton compared to \$2.47 in 1974. The difference is attributable to the higher percentage of Snowshoe ore mined in 1975 which carried a low waste to ore ratio.

Ore reserves

The ore reserves at Clinton mine as at Dec. 31, 1975, totalled 4,773,000 tons probable and 928,931 tons possible.

Current assets at Dec. 31, 1975, stood at \$23,556,119 against current liabilities of \$19,004,231.

YEAR ENDED DECEMBER 31,	1975	1974
Asbestos Fibre Sales	\$79,491,557	\$53,187,426
Other Sales	3,028,730	894,564
Total Sales	\$82,520,287	\$54,081,990
Cost of Sales	46,475,686	40,450,016
Transport, Warehousing	11,983,151	10,153,591
Admin., Selling Expenses	4,430,798	3,107,701
Exploration	287,245	1,121,580
Interest Expense	1,555,571	1,434,882
Gov't. Levies: Current	5,681,000	500,000
Deferred	3,817,000	(540,000)
Net Income (Loss)	\$8,289,836	\$(2,145,780)
Per Share	\$1.51	(39¢)
Shares Issued	5,500,000	5,500,000
Working Capital (Deficit)	\$4,551,888	\$(2,007,210)
Term Bank Loan	\$7,000,000	\$2,000,000

RESULTS IMPROVED SHARPLY

Sale of more asbestos fibre at higher prices brought a marked improvement in 1975 results over those in 1974 for Cassiar Asbestos Corporation, say chairman J.D. Christian and president Peter Steen in their annual report. They note government levies in taxes and royalties totalled \$9,498,000. This included \$3,949,237 for the 1975 B.C. Mineral Land Tax vs \$256,763 in 1974. Capital and deferred expenditures for the year are summarized as follows: At the mine at Cassiar, B.C., totalled \$25,137,525; at the mine at Clinton, Yukon, were \$3,624,252 and at company facilities in Vancouver and Whitehorse were \$284,452. The Cassiar expenditures included nearly \$16,500,000 for waste removal and \$8,500,000 for plant and equipment. This included almost \$4,000,000 for a 15,370-foot tramline whose cables travel at 600 feet per minute conveying 140 buckets that automatically load and deliver 300 tons of ore per hour from mine to mill.

The company sold 199,404 tons of asbestos valued at \$79,491,557 compared with 183,982 tons at \$53,187,426 in 1974. The market, particularly for the asbestos cement pipe grades, is strong, and should continue through 1976.