

MOLYBDENUM PRODUCTION AND RESERVE STATISTICS

MINE	% Ownership	Year	PRODUCTION				RESERVES ⁽¹⁾⁽²⁾	
			Production (thousand lbs./yr ⁽³⁾)	Millfeed (million tons)	Grade (%)	Recovery (%)	Ore (million tons)	Grade (%)
Endako Mine	100%	1991	14,289	10.5	0.082	82.9	142.3	0.082
		1990	14,312	10.7	0.080	83.0	147.4	0.083
		1989	12,859	10.2	0.076	82.9	153.8	0.088
Gibraltar Mine ⁽³⁾	68.1%	1991	808	*	*	*	165.8	0.009
		1990	1,463	*	*	*	180.4	0.009
		1989	1,196	*	*	*	184.1	0.009
Total		1991	15,097	*	*	*	*	*
		1990	15,775	*	*	*	*	*
		1989	14,055	*	*	*	*	*
The Corporation's Share		1991	14,840	*	*	*	*	*
		1990	15,309	*	*	*	*	*
		1989	13,674	*	*	*	*	*

(1) Figures represent 100% of results of mines.

(2) The Corporation's share of molybdenum contained in proven and probable reserves of operating mines, at year-end (thousands of pounds):
1991 - 253,700; 1990 - 267,300; 1989 - 293,700.

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

Report on Molybdenum

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

Molybdenum is produced both by primary mines such as Endako and as a by-product of copper mines such as Gibraltar. In 1991, primary mines produced 36% of total world supply.

Western world demand decreased in 1991 by 10% compared to the previous year, to 181 million pounds, reflecting depressed economic conditions in the United States and Europe. Cutbacks at some primary

mines reduced supply to 197 million pounds, but this fell well short of balancing the market.

The combined effect of lower demand and oversupply led to a significant build-up of producer stocks and sharply lower prices. The Metals Week free market price averaged \$2.35/lb. of molybdenum contained in molybdic oxide, compared to \$2.81/lb. in 1990.

At the **Endako Mine** (100% owned) in British Columbia, the concentrator operated at rated capacity, to produce 14.3 million lbs. of molybdenum in concentrate.

Productivity was improved and operating costs reduced in the mine with the addition of six new 190-ton haulage trucks and one new 19 cubic-yard electric mining shovel. The mining rate increased by 10%, reflecting the peak stripping development of the Endako pit south wall. For 1992, steps are being taken to reduce operating costs, improve productivity, minimize environmental impact and enhance quality control.

