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Chrysotile Production

Subject: Cassiar increases chrysotile production (see also attached Annual Report)

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From: "David Goldrick" <davegold@iaa.com.au>

To: "Richard Meeran" <RMeeran@leighday.co.uk>,
"Laurie Kazan-Allen" <laurie@lkaz.demon.co.uk>,
"Jock McCulloch" <jock.mcculloch@rmit.edu.au>,
"Geoffrey Tweedale" <G.Tweedale@IXL.demon.co.uk>,
"D. Barry Castleman" <bcastle@bcpl.net>, "I David Egilman" <degilman2@yahoo.com>

CANADA NEWswire: CASSIAR MAGNESIUM INC. - SUCCESSFUL EXPANSION OF CHRYSOTILE FIBRE PRODUCTION - CHRYSOTILE FIBRE PRODUCT RANGE EXTENDED - MARKET UPDATE

99% match; Canada Newswire , 31-May-2000 12:00:00 am , 734 words

TSE SYMBOL (CIR)

TORONTO, May 31 /CNW/ -

Successful Completion of Expansion to the Chrysotile Fibre Plant

Cassiar Magnesium Inc. has successfully completed its first expansion of chrysotile fibre production capacity at its plant and facilities located at Cassiar in northern British Columbia. The expansion increases rated capacity at the Cassiar plant to 24,000 tonnes of high grade chrysotile fibres per year and also extends the product range from the existing AK, AX and AY with the addition of the new AZ product line. All of the fibre products are of the well known highest quality 'Cassiar' brand which have had an outstanding international reputation for forty years as the world's premium fibre products.

The construction and installation of the new equipment to increase the capacity of the plant was carried out during a one month period, as earlier announced. Production at the plant was halted temporarily to enable the new equipment and facilities to be installed. The expansion of capacity was completed on schedule and within budget. The expansion was accomplished at a capital cost of \$400,000. This is substantially below the cost projection for this expansion phase at the time the project was first planned and has been made possible due to our excellent operating experience during the initial production phase and the introduction of an innovative production approach in the Plant.

The Company will now continue with its ongoing plans to increase Chrysotile Fibre production capacity at the Cassiar Plant to 40,000 tonnes of fibre annually over the next three years. The production will be from a combination of high end quality products from the dry process and the additional fibre products from the wet process, to offer a full complement of quality lines to the market. All feed materials for the production of chrysotile fibres are taken from the existing surface stockpiles of fibre containing serpentine.

Marketing and Sales

Marketing and sales of the Cassiar chrysotile fibres has been and continues to be, very successful. The Cassiar Marketing and Sales team carries out a full time international sales effort and program. There is a high degree of market acceptance for the Cassiar brand fibre products, which have a long time international reputation for excellence in quality and economy in application.

The Cassiar brand chrysotile fibre products are unique and have the unusual and important quality of being free from the undesirable mineral tremolite. Tremolite is a hazardous substance; a sharp edged mineral crystal, which does occur in much of the competitive fibre products, produced around the world. The Cassiar brand fibre, is completely free from the tremolite mineral and is therefore particularly well regarded, and actually sought after, throughout the industry being well recognized as safe in application and use when properly handled. Customers increasingly specify that fibre products delivered to them be free from tremolite, a specification Cassiar meets and certifies.

Sales are being made to customers in India, Iran, Dubai, Japan, Sri Lanka, Indonesia, Malaysia. Penetration of the international marketplace continues as our sales and marketing team effort proceeds to supply and service our customers' world-wide.

The Cassiar brand chrysotile fibre products are widely used in industry and construction to increase the engineering qualities of cement products, including pipes and wall board.

The Cassiar Magnesium Resources and Plan

The magnesium resources, which the Company is presently developing at Cassiar, comprise stockpiles of some twenty million tonnes of serpentine mineral on surface that contain eight billion pounds of magnesium metal and 750,000 tonnes of high grade chrysotile fibres. The magnesium surface resource is sufficient to support a magnesium metal plant production of 150-200 million pounds of magnesium metal annually for fifty years, and a chrysotile fibre production at our presently planned rate of 40,000 tonnes annually for fifteen years. Additional serpentine resources are available from the mine reserves at Cassiar.

The ongoing plan of the Company is to develop and construct a magnesium large scale metal production plant and facility in the northern part of the Province with an annual capacity of 150 to 200 million pounds of magnesium metal. The total capital cost of the plant and facility will be in the order of U.S.\$600 million. First production under the development plan is scheduled for 2003. The development of the chrysotile fibre production is the first stage of the larger magnesium metal project development.

Magnesium metal is used in the automotive, beverage can and aeronautic industries. The average magnesium metal content of automobiles has increased from 2 kilograms to 8 kilograms per car in recent years and forecast to increase at a rate of 9.4% annually through 2000 and 5% annually after that. The growth is largely driven by continuing and increasing demand from the automotive sector.

THE TORONTO STOCK EXCHANGE HAS NOT REVIEWED AND DOES NOT ACCEPT

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/For further information: Ken Bates, Phone: (416) 204-1455/ 17:51 ET

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CANADA NEWswire: CASSIAR CHRYSOTILE FIBRE PRODUCT RESOURCE UPDATE - 3,518,871 TONNES OF FIBRE

97% match, Canada Newswire ; 07-Jun-2000 12:00:00 am , 508 words

View Recent Fibre Shipments at www.cassiar-magnesium.com

TSE SYMBOL (CIR)

TORONTO, June 7 /CNW/ - CASSIAR Magnesium Inc. announces the determination of its estimated total resource of recoverable chrysotile fibre from an independent review and report by ORCAN Mineral Consultants, Consulting Geologists, David R. Budinski. Total resources and reserves in all categories estimated from six surface stockpiles, the tailings, the underground and the separate Kutcheo Creek deposit total 3,518,871 tonnes of extractable chrysotile fibre of which an indicated 2,780,971 tonnes are at the CASSIAR facilities and the remainder are at Kutcheo Creek.

The six stockpiles on surface contain an estimated 282,931 tonnes of recoverable chrysotile fibre, and the tailings pile contains approximately 680,840 tonnes extractable. Estimates of the McDame Lens in-situ resource approximate 1,817,200 tonnes of recoverable chrysotile fibre, while the separate deposit, 125 km southeast of the existing operation, known as the Kutcheo Creek deposit, contains approximately 737,900 tonnes of recoverable fibre.

CASSIAR recommenced production in January with a rejuvenated plant rated at 18,000 tonnes per year of high

grade product in the AK, AX and AY grades. In April/May the plant was modified and improved to produce at the rate of 24,000 tonnes of fibre per year including the reintroduction of the AZ product line, which, while not yet operating, will come on stream by the end of June.

During the early months of this year various quantities of high quality AK, AX and AY grades were shipped to former CASSIAR customers and to new customers in the Middle East, India and in South-East Asia. Product acceptance has been excellent. CASSIAR is quickly repositioning itself in its traditional market areas based on its reputation for delivering well-known high quality CASSIAR brand products, which formerly established it as the world's premier fibre producer over 40 years.

CASSIAR has now commenced its summer mining program drawing from its surface stockpiles after beneficiating at the pit stockpile sites to produce an upgraded plant feed. An estimated 200,000 tonnes of upgraded ore, the result of the screening off of course serpentine rock, will be stockpiled for processing throughout the summer and winter months to May 31st, 2001.

CASSIAR plans, in addition, to carry out further testing of the wet mill circuitry to define the optimum level of production per year to be obtained from this large resource. CASSIAR has announced its intention to produce up to 30,000 tonnes per year from the dry circuit and up to 20,000 tonnes per year from the wet circuit. Preliminary indications point to these proportions as the optimum product mix for current market preferences.

CASSIAR's resource of surface serpentine rock after the removal of its contained chrysotile fibre is estimated at 20 million tonnes. CASSIAR projects that the cleaned serpentine will be sufficient to produce 200 million pounds magnesium metal annually for in excess of 50 years. CASSIAR's serpentine rock and chrysotile fibre are free of tremolite. The cleaned and washed serpentine rock will be readily and safely handled by normal trucking practices to its proposed northwest coast magnesium plant location.

CASSIAR invites people interested in the Company's operations to visit the CASSIAR website at www.cassiar-magnesium.com. Recent pictures posted include a full sequence showing the dry mill operations, shipping of fibre, as well as views of the ore resources available to the Company.

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