

GCL #163 26 AUG 81 DIMAC RESOURCE CORP. GOTCHA, MAX 8am/13e 8am 13

TUNGSTEN CONCENTRATOR PLANT - R.A. Dickinson, president of Dimac Resources Corp., has reported CONSTRUCTION ON SCHEDULE that construction of a 110-ton per day capacity conventional gravity and flotation mill at their ope-pit tungsten mine located near Clearwater, B.C., is well advanced. Production is scheduled to begin 1 Nov 81 from the budgetted \$2,500,000 complex. Equipment is presently being installed. A majority of the deposit has been stripped of overburden and access roads are completed. F, R

Current reserves at the mine are 53,000 tons grading 1.47% WO_3 or 30 pounds of WO_3 per ton. The potential to expand reserves is considered excellent. Tungsten prices continue to remain stable with \$7.90 per pound quoted as the world market price. At the planned milling rate, of 15,000 tons per day, a pre-tax cash flow in excess of \$2,000,000 per year will be generated.

Adequate financing is available for the company's projects. Following the \$600,000 Nov. 1980 prospectus offering, a \$1,000,000 convertible loan agreement was completed with a private investor. This agreement allows for amounts drawn down to be converted into Dimac common shares at \$2.50 per share. To date, \$500,000 has been drawn down and converted. A further \$500,000 remains available if required. This month, a \$1,600,000 proposal to debt finance the final phase of construction at the tungsten mine was accepted from the Royal Bank of Canada.

Drilling is underway on the GJ property, located near the Stewart-Cassiar Highway, NW B.C. This property has excellent potential to host a copper-gold-silver stockwork-type deposit of substantial size. Canev Resources Inc. of Denver, Colorado, can earn 50% working interest in the property by making expenditures of \$250,000 this season. 104619 → 93D 19W

Drilling is also scheduled this fall on the Nifty property, a silver-lead-zinc-barite massive sulphide prospect located near Bella Coola, B.C. The property is being explored by Riocanex Ltd. which, by expending \$1,500,000, can earn 65% interest in the property. F