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Dimac Resource Corp. reports construction of a 110-ton-per-day conventional gravity and flotation mill is well advanced at its open pit tungsten mine near Clearwater, B.C. The \$2.5-million mine-mill complex is scheduled to begin production Nov. 1, 1981.

According to R. A. Dickinson, president, the Royal Bank recently accepted a \$1.6-million proposal to debt finance the final phase of con-

struction at the Silence Lake project. In addition, a further \$500,000 in funds can be drawn through a \$1-million convertible loan agreement negotiated privately some time ago. These funds, if used, can be converted into Dimac common shares based on a share price of \$2.50.

Dimac estimates reserves at the mine are 53,000 tons grading 1.47% WO<sub>3</sub>, noting that the price of tung-

sten remains stable at \$7.90 per pound-quoted as the world market price. Based on this price they estimate that a 15,000-ton-per-year mill rate will result in a pre-tax cash flow of \$2 million annually.

Mr. Dickinson believes the potential to expand reserves is excellent and he points out twice the initial milling rate can be handled by its mill. Surface prospecting has led to the discovery of other tungsten occurrences in the area.