

G.N.L #163 26 AUG 81 DIMAC RESOURCE CORP. GOTCHA, MAX 82M13E 082M 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 open-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.

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Current reserves at the mine are 53,000 tons grading 1.47% WO₃ or 30 pounds of WO₃ 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.

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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.

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Scottie Gold Mines begins production at Summit Lake

Gold mine production has begun at Scottie Gold Mines Limited's Summit Lake mine and milling complex near Stewart, BC. The 200 ton/day concentrator is now operational and the company estimates production will be around 4500oz gold and 2800oz silver per month.

Development of the #2 shaft is now completed and work on the #2 and #3 levels is in progress. Diamond drilling to further define reserves is scheduled to begin in November 1981. Reserves now stand at 226,000 ton grading 0.65 oz/ton gold.

Scottie Gold anticipates that payback of the \$17-million project will be achieved within the first year. To assist in financing the final stages of construction and to provide working capital, a private placement with International Investors of New York recently netted \$1.2-million. In addition, subject to regulatory body approval, Northair Mines has offered to advance \$1.03-million if needed at prime plus 1% interest, in return for a 25,000 share bonus per year pro rata. Northair manages and is a 21.3% owner of Scottie Gold Mines.

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