

GCNL #214 05-11-80

NORTH AIR MINES LTD.

CONTINUED FROM PAGE ONE - Regardless of the study's findings, a Northair/Brandy Resources joint venture in the milling of Brandy's ore would keep the Northair complex viable. Prospects of such an arrangement appear good as Brandy, which is managed and 21.3% owned by Northair, has received interesting results from exploration to date, especially from the Silver Tunnel Zone where the diamond drilling program has entered its final (\$300,000) phase. For financing this work, Northair earn one Brandy share for every \$1.50 spent up to \$450,000 or 300,000 shares.

Mr. McLeod says the most exciting news of the past three months for Northair has been the decision to put the Scottie Gold Mines property near Stewart, B.C. into production by June 1981. (See GCNL 178(80) for much detail). Northair manage Scottie Gold Mines and currently hold 18.6% interest.

Preliminary results are very encouraging from the Consolidated Silver Ridge Mines drilling on the Red Dog claims at Nuttlude Lake, B.C., in which Northair hold 30% working interest. Northair's \$236,000 commitment has been augmented by \$450,000 Silver Ridge raised through a recent underwriting. They will receive \$250,000 more if related options are exercised. Also at Nuttlude Lake, Northair's work on the Hawk claims in a 50-50 joint venture with Newhawk Gold Mines, has been halted. This past summer's drilling produced interesting grades, but the Hawk vein was severely fractured, a situation not indicated from surface work. However, Newhawk has optioned the 63-unit Sno group, a new gold/copper/molybdenum/tungsten discovery near Snohoosh Lake, B.C., 50 km NW of Kamloops, for which J.W. MacLeod, P.Eng., has recommended a \$50,000 Phase I program.

Early 1981 is the target date to begin the \$500,000 Phase I drilling, metallurgical testing and engineering required to confirm earlier work on Northair's Bully Hill gold-silver-base metals property near Redding, California.

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DIMAC RESOURCE CORP.

FIRST TUNGSTEN PRODUCTION SCHEDULED - Dimac Resource Corp. shares will be listed on the Vancouver Stock Exchange, Resource Section on 16 Mar 81, symbol DIR. The company was formed to acquire, explore and develop resource properties, and has considerably expanded its asset base in the first year of operations. It controls six mineral projects and option negotiations are underway on a further two properties. Oil and gas management expertise is being sought for a recently incorporated subsidiary company. Dimac received \$600,000 from its recent prospectus offering, and a five-year debenture allowing the company to draw down up to \$1,000,000 is being finalized with a private investor. Under the terms of the debenture, half of any amount repayable can be converted into Dimac common shares at prices which ranged from \$2 to \$5 per share.

The company's most advanced project is the Silence Lake Tungsten Mine located near Clearwater, B.C., where a production decision has been reached. Current proven and probable reserves are 50,000 tons grading 1.65% WO₃, having a gross value of over \$12,000,000. The potential to expand reserves is considered excellent. The deposit is unique in that it consists of coarse grained scheelite in skarn material with no sulphides present. A detailed project submission has been presented to the B.C. Ministry of Energy Mines and Petroleum Resources for approval. Mill site preparation is planned to commence during April 1981, followed by construction of a 110 ton per day conventional gravity and flotation tungsten concentrator. Metallurgical studies undertaken by Bacon Donaldson and Associates Ltd. indicate that a gravity concentrate assaying better than 60% WO₃ at a recovery of approximately 70% of the plant feed and a low grade flotation concentrate at a recovery of 20% of the plant feed can be produced. Tune-up of the concentrator is scheduled by November 1981. Last season the deposit was stripped and benched for open pit production. Access roads have been completed and approximately 7,000 tons of ore is stockpiled. The budgeted cost for plant, equipment and operating capital is \$2,500,000.

The Nifty property, located near Bella Coola, B.C., is being explored for volcanogenic, silver, lead and zinc massive sulphides. It has been optioned to RioCanex (Rio Tinto Canadian Explorations), which can earn a 65% interest in the property by expending \$1,500,000 on its exploration and development. Geological and geophysical studies were undertaken last season and a diamond drill program of the main showing area is planned for this year.

The GJ property, located near Kinaskan Lake in the Stikine region of B.C. has excellent potential to host a cooper-gold-silver stockwork type deposit of substantial size. Diamond drilling on the property by past operators intersected significant copper and associated gold and silver mineralization. Assays from cored sections reach a maximum grade of 2.16% copper over 10 feet. Several other sections carry copper grades in excess of 1% over 10-foot intervals. More commonly, copper grades range from 0.2% to 0.7% over intervals of 200 to 300 feet within the stockwork zone. Gold values range from 0.02 to 0.07 ounces per ton. This property has been optioned by Canev Resources, Inc. of Denver, Colorado, which can earn a 50% working interest in the claims by making expenditures of \$250,000 by 12 Feb 82. A drill program is planned for 1981. The Diex Joint Venture is a joint venture between Dimac and Energex Minerals Ltd. to explore for bulk tonnage silver and gold deposits within southern B.C.

The WC property, located near Lac la Hache, B.C., has been acquired by staking to cover three skarn-type copper showings. The Mass property, acquired by staking, south of Prince Rupert, B.C., covers a massive sulphide horizon up to 20 feet wide, consisting of pyrite, sphalerite and chalcopyrite over a 1,200 foot length.

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