

and 13.32 oz. silver/t. Newha
 joint venture with Northair, ad
 major company exploration negotiations.

GENL #107 3 JUNE 1983

SCOTTIE GOLD MINES LTD.

104 B 34

SIX MONTHS ENDED 31 MARCH 1983			SIX MONTHS ENDED 31 MARCH 1982			SIX MONTHS ENDED 31 MARCH 1983			Percent Change		
Production Revenue	\$9,955,386	\$4,471,880	Tons Milled	33,089	19,882	+66.4%					
Exploration Expense	123,855	87,234	Gold Produced, Oz.	18,084	9,605	+88.3%					
Mining Expense	2,727,750	2,240,878	Grade, Oz./Ton	0.611	0.661	- 7.7%					
Milling Expense	1,561,095	1,373,159	Recovery	89.87%	73%	+23.1%					
Pollution Control Exp.	578,832	147,414	Direct Cost/Ton	\$180.23	\$230.54	-21.8%					
Depl'n. Deprec'n.	4,192,798	3,173,746	Direct Cost/Oz.	\$329.77	\$447.21	-30.1%					
Interest & Finance Exp.	1,636,894	1,632,433	Gold Price	Received, \$Cdn/Oz	\$550.02	\$463.56	+18.7%				
Admin, Other Exp.	972,038	734,962	FIRST PROFIT BY YEAR								
Net Loss	1,837,876	4,917,946	END IS NOW POSSIBLE								
-Per Share, Basic	53¢	\$1.55	104 B / I E, W								
Diluted	43¢	\$1.15	A significant turnaround in the operations								
Working Capital	\$8,963,527	\$18,206,790	of Scottie Gold Mines Ltd. evolved their fiscal year's first half ended 31 Mar 83. Donald A								

of Scottie Gold Mines Ltd. evolved their fiscal year's first half ended 31 Mar 83. Donald A McLeod, president, says their Summit Lake gold complex near Stewart, B.C., saw consistent production near the rated mill capacity of 200 tons per day with recoveries averaging 90% and a near doubling of ounces of gold produced. This steady performance meant, for the first time, a positive cash flow from operations approximately \$4,000,000. Due to high depletion and depreciation allowances, however, a loss from operations of \$200,000 was recorded. This, coupled with interest and financing expenses, resulted in a loss of \$1,800,000. But, bank debt was reduced by over \$2,000,000 and the working capital deficit was halved.

Installation in mid-March of a new drum filter for the mill has improved recoveries by over 3%. The INCO cyanide destruction process has greatly enhanced environmental control. Diamond drilling to outline reserves in the main zone between the 3670 level and surface, expected to contain substantial tonnage of average mine grade, has begun. Also, several promising mineralized zones will be drilled.

Mr. McLeod says that, with continued improved production, Scottie Gold could report their first profit by year-end 1983.

GENL #176

13 SEPT 1983

104B 034

SCOTTIE GOLD MINES LTD.

104B/IE,W

Hole No.	Interval	Width	Oz. Gold/T.
U-533	192-194	9ft.	5.19
including	195-201	6	7.72
	197-201	4	11.36
	192-194	2	0.176
	194-195	1	0.008
	195-197	2	0.448
	197-199	2	10.694
	199-201	2	12.020
U-526	- -	8	1.09
S-83-7	- -	5.5	1.00
S-83-5	- -	8.7	.75

EXPLORATION DIAMOND DRILLING
YIELDED HIGHGRADE GOLD ASSAYS

New underground drilling has returned the best results yet obtained on the Summit Lake property of Scottie Gold Mines Ltd., 30 miles north of Stewart, B.C. To date, 2,654 feet of diamond drilling in eight holes has been completed from the 3,600 level. All eight holes encountered mineralization in the previously untested "O" zone. The best hole, U-533, drilled at a bearing of 351° and -20° dip for 310 feet returned the following section 480 feet below surface.

Another hole U-526, drilled flat at a bearing of 350° intersected the same zone. All these results from holes U-533 and U-526 were produced by fire assay and rechecked twice by an independent Vancouver laboratory.

A small heading driven in the 1930's failed to hit the "O" zone by 70 ft. and crews are now slashing and drifting from this heading to intercept the zone. Production from this zone is expected to commence within the month. Meanwhile, underground drilling continues on the 3,000 ft. level and plans are to test the downdip extension of the "O" zone as well as numerous other zones. The surface diamond drilling, to verify the conformity of the "M" zone (where all present mining is taking place), the "O" zone, and to test numerous other surface targets, is also producing encouraging results. To date, 2,800 ft. in 13 holes have been completed. The first seven holes were drilled in the "M" zone; some of the best results include: S-83-7, S-83-5 in table.

Hole 83-10 in D zone is in for assay. Holes 83-11, 83-12 and 83-13 were drilled on the O zone and assays are pending.

MINER

15 SEPT 1983

Scottie Gold's renewed exploration returning encouraging results

VANCOUVER — Scottie Gold Mines is meeting with encouragement in the stepped up exploration-development program at its Summit Lake gold mine, financed by the recent purchase of 200,000 units by Goldcorp Investments which netted the company an initial \$1,350,000.

To date, 2,654 ft. of drilling in eight holes has been completed from the 3,600 level. All eight holes encountered mineralization in the previously untested "O" zone. The best hole, U-533, drilled at a bearing of 351° and -20° dip for 310 ft. returned the following section 480 ft. below surface.

From	To	Width (Ft.)	oz./ton
192	194	2	0.176
194	195	1	0.008
195	197	2	0.448
197	199	2	10.694
199	201	2	12.020

This 9-ft. section from 192-201 averaged 5.19 oz./ton gold, with the 6-ft. section 195-201 running 7.72 oz. and the 4-ft. 197-201 section running 11.36 oz.

Another hole, U-526, drilled flat at a bearing of 350° intersected the same zone and returned 1.09 oz. over 8 ft.

A small heading driven in the 1930's failed to hit this "O" zone by

70 ft. Crews are now slashing and drifting from this heading to intercept the zone.

Production from this zone is expected to commence within the month, says President Donald McLeod. Meanwhile, underground drilling continues on the 3,000-ft. level and plans are to test the downdip extension of the zone.

Surface drilling, to verify the conformity of the "M" zone (where all present mining is taking place), the "O" zone, and to test numerous other surface targets, is also producing encouraging results, Mr. McLeod says. To date, 2,800 ft. in 13 holes have been completed. The first seven holes were drilled in the "M" zone, one of which returned 5.5 ft. grading 1.0 oz. and another running 0.75 oz. per ton across 8.7 ft.

The Scottie exploration program, funded by the Goldcorp placement, also includes geological mapping and sampling, geochemical surveys and ground and airborne (e.m. and mag) geophysics.

The ground work to date has picked up zones similar to those of the Scottie mine. Numerous targets in the vicinity of the mine have been delineated by both ground and airborne survey. Several other targets outside the mine area have also been indicated by approximately 150 km of airborne geophysics which has been carried out over the entire claim group.

Prospecting and surface mapping has located numerous pyrrhotite boulders 4,000 ft. west of the mine area, the best assay received thus far being 3.80 oz./ton gold and 46.25 oz. silver. Work will continue in this area as long as weather permits.

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