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Northair nine-month profit up 42%

VANCOUVER — In an interim report, Northair Mines' President Donald A. McLeod says earnings for the 9-month period ended Nov. 30, 1980, were up 42% over the corresponding period last year. These earnings totalled \$2,101,466 or 38¢ per share while cash flow amounted to \$3.0 million. Working capital stood at \$5,731,650, an increase of 50% over 1979.

Higher gold prices (averaging \$707.31), improved recoveries and a more efficiently run operation all contributed to the improved earnings picture, states Mr. McLeod. He notes the average price of producing an ounce of gold was \$354.53 which compares favorably with South African gold producers.

Only 83,000 tons of reserves remained at the end of the period, however, "several avenues are being examined to keep the Brandywine operation viable," he says.

A feasibility study on 94,000 tons of mineralized material below the 2,800 level concluded that a higher gold price would be required to mine the block. At the Silver Tusk property being developed by Brandy Resources (25% Northair) sufficient reserves have not been found to warrant a production decision.

Work is progressing satisfactorily, although slightly behind schedule, on Scottie Gold Mines' (18.6% Northair) Summit Lake property

north of Stewart, B.C. The mine is slated to be in production late this summer. Reserves at Scottie comprise 205,744 tons averaging 0.767 oz. gold per ton.

Geophysical work is planned on Northair's SNO claims near Kamloops; a Newhawk Gold Mines. Financing is presently being arranged and Northair will manage the program.

The first phase of a \$500,000 program on Northair's 97%-owned Bully Hill property near Redding, Calif., will begin soon, says Mr. McLeod. This phase involves drilling, metallurgical testing and engineering studies. The company's wholly-owned subsidiary Northcal Gold will manage the project.

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