

## SCOTTIE GOLD MINES LTD. 104B/1E 104B 074

NEW FINANCING WOULD INCREASE - In a private financing that would net Scottie Gold Mines Ltd. FUNDS AVAILABLE TO \$3,586,000 \$1,750,000, Scottie would sell 350,000 Class A common shares at \$5 each, subject to regulatory approval, being 250,000 to TRV Minerals Corp. and 100,000 to Northair Mines Ltd. The shares are to be held for at least 1 year. TRV would thereby acquire 8.77% interest in Scottie. Northair would increase their interest to 18.6%.

GCNL #95 15-05-80

The \$1,750,000 net proceeds of that financing together with the \$836,000 of existing working capital plus, if required, \$1,000,000 by way of bank loan to be guaranteed by Northair brings the total capital available to Scottie to \$3,586,000. These funds would be used to initiate steps toward full production at Scottie's gold property near Stewart, B.C., on which all categories of reserves total an estimated 250,000 tons, diluted and cut, grading 0.633 ounce gold per ton. Negotiations for major funds continue.

## NORTHAIR MINES LTD. 922/3E 0922 W 012

FIVE OUTSIDE PROJECTS EMPHASIZES - Donald A. McLeod, president of Northair Mines Ltd., told AS ORE RESERVE END IN SIGHT the annual meeting that present ore reserves at the gold mine, 70 miles north of Vancouver, B.C., are good

GCNL #125 27-06-80

for ten months operation at the current rate of extraction. Ore reserves at the time of the annual report were 110,812 tons and since then in excess of \$500,000 has been spent seeking new reserves with negative results. Exploratory diamond drilling has been suspended due to lack of targets. Four programs are underway seeking new ore: an airborne magnetometer and electromagnetic survey will start in July; the 2800 level is being extended into the area of the Discovery Zone for mining and exploration purposes; 94,000 tons of mineralization is drill indicated below the 2800 level which could become economic to mine with higher metal prices; the agreement with Brandy Resources Inc. on the adjoining property may develop ore which can be trucked to the Northair concentrating plant and processed at a profit.

At present the company has some \$5,000,000 cash and receivables on hand and commitments for approximately \$1,000,000 of that. In addition the company owns the plant at the mine which has a considerable value for resale.

The four other outside projects of the company are: the Hawk claims with Newhawk; the Consolidated Silver Ridge property northeast of Stewart, B.C., the Bully Hill mine in California and the Scottie Gold Mines Ltd. property just north of Stewart, B.C., which is being developed to start mining and milling ore in June 1981.

Mr. McLeod told the meeting that the Scottie Gold Mine feasibility study shows that the property will be highly profitable. Financing groups will receive the report next week prior to negotiations for a production loan.

FOR THE RECORD

M.M. Jan. 17/80

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is still above 20 million cu. day.

gnificance, too, is the loca- the gas discovery well on the f an existing producing gas

Northern Miner gathers that to is preparing for a hook-up e area's gas transmission sys-

Calgary-based company is a ry of Wainoco Oil and Gas f Houston.

ainoco has arranged \$67 million lving credit and term loan ents with its banks, \$40 mil- ith the Bank of Montreal to), and \$27 million with First tional Bank (Houston).

les C. Vines, financial vice- nt, said both facilities have a ng period of 18 months, and to 6-year term loans. He hat the money will be used ind gas exploration and de- ent in Canada and the States.

redit agreements are sey the company's oil and gas es and certain other assets. es stated that the borrowing the credit facilities will be nined in April, 1980, based ges in Wainoco's oil and gas

Balfour sells assets  
to CNR for \$2 million

International Balfour Resources has agreed to sell its Crockett Cty., Texas, lease and site interests to Canadian Natural Resources for \$US2 million. CNR will now have a 56% working interest in these areas. Transfer of funds awaits only the formal approval of regulatory authorities.

Balfour's V. M. Seabrook explains that the funds will be used to pay off the company's outstanding debts; to carry out its water flood program on the Milton field (also known as the Charley's Creek Oil Field) in Cabell Cty., West Virginia. . . if circumstances warrant . . . and to participate in additional oil and gas investments in the U.S. and Canada on its own or with other partners.

## Shell has gas discovery

CALGARY — Shell Canada Resources has made a natural gas discovery in the foothills of Alberta, 130 km northwest of Calgary.

Shell et al Ricinus West 7-3-35-11 W5M was drilled to a total depth 4,686 m. Production tests of Mississippian carbonates flowed gas at rates of 175,000 cu. m per day and further testing is required to fully determine its potential. The well is located on acreage owned 60% by Shell Canada Resources and 20% each by Kaiser Oil Ltd. and Chieftain Development Co.

Scottie reserve picture improving  
exploration program delayed

VANCOUVER — Scottie Gold Mines has \$2,450,000 available for the next phase of an exploration program on its gold prospect at Summit Lake 32 miles north of Stewart, B.C. The company has also entered into an agreement with Northair Mines which will provide management and engineering at cost to assist the company in bringing the property into production. Northair owns 16% of Scottie and it will guarantee a \$1,000,000 bank loan as funds are required. In return for this guarantee Northair will receive 50,000 treasury shares proportional to the amount of the guarantee used.

The 1979 exploration and development program at the property increased reserves to 205,774 tons at 0.767 oz. gold per ton and Scottie's president D. A. McLeod says that "the present program is anticipated to increase reserves substantially and it will probably double the present level by mid-year."

An initial operating rate of 125 tons per day increasable to 200 tons is feasible, says Mr. McLeod, and metallurgical work done at Lakefield Research Ltd. has confirmed a 95% gold recovery rate by simple cyanidation.

The current exploration program will be delayed up to four months due to avalanche damage to the 3,000-ft. level portal facilities at the

mine. A new portal will be established in a safe area and following this a \$2,000,000 exploration program will commence. The program will include drifting, raising, sub-level development and 4,000 ft. of underground diamond drilling in 50-60 holes. In addition, construction will begin on an 800-ton ore bin, a mill site will be selected and first phase plant construction and the purchase of major mill components will commence.

Two raises were driven on the McLeod east zone in 1979 where 80% of the ore reserves are developed. One averaged 0.71 oz. gold per ton over 133 ft. while the other averaged 0.672 oz. over 70 ft. Drifting in this zone for 275 ft. encountered a section averaging 1.43 oz. gold over an average width of 6.76 ft. and the zone is still open to the west.

Four holes drilled between the 3,000 and 3,100 levels recorded values as high as 1.0 oz. gold over 14 ft. The drilling of four holes higher up in the zone intersected values of 0.917 oz. over 10.1 ft; 0.49 oz. over 4.5 ft; 0.176 oz. over 1.1 ft and 1.85 oz. over 8.9 ft.

Gypsum is the most common of the naturally occurring sulphate minerals. It is found in very extensive, bedded sedimentary deposits all over the world and is associated with limestones, shales and sandstones, marls and clays.