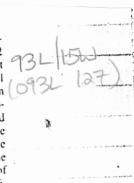
IMAR PART Hallmark Resources VSE-HKR

Hallmark is negotiating a joint venture agreement in which Hallmark will receive up to \$2 million to be used to bring its Cronin Mine at Smithers, B.C. into production. Hallmark will be the operators. Production can commence in 1985 from the known reserves outlined by Professional Engineer I. Borovic who has stated that Hallmark could proceed with a profitable mining operation. It is estimated that there are 142,000 tons of ore readily available to mine and mill with an additional 200,000 tons of octential high grade ore adjacent to level #6. Hallmark is also planning to custom mill ore from other silver-lead-zine mines in the Smithers area and have attracted a foreign purchaser to acquire the combined concentrate.



GOVL 755 19 MARCH 1995

PLANT

HALLMARK PRODUCERS LTD, (HKR-V) CRONIN PURCHASE OF CONCENTRATOR - Hallmark Resources Ltd. has agreed to acquire from Western Exploration Inc., of Spokane, CONTRACTED Washington, a 100/150 ton per day ore concentrator. The purchase price is \$250,000 payable \$70,000 on completion; \$125,000 on 31Dec85 and \$125,000 on 1Jun86. The two final payments

Hallmark expects to commence delivery of both a silver-gold-lead-copper concentrate and a may be in shares. silver-lead-zinc-cadmium concentrate before year end from the mine near Smithers. B.C. Hallmark last produced concentrates form the mine in 1974. With the new equipment, Hallmark expects to produce at least \$5,000,000 worth of concentrates in its first year of operation.

Hallmark management is negotiating a joint venture agreement for the purpose of acquiring \$2,000,000. The company expects to announce favourable completion of this agreement in the very near future. The agreements are subject to regulatory approvals.

25 APRIL 1985

HALLMARK RESOURCES LTD. (HKR-V) 93415W AMERICAN FIRM AGREES IN PRINCIPLE - Hallmark Resources Ltd. and Winchester Gold Corporation of Spokane, Washington, have reached agreement in principle whereby Winchester will finance to production TO FINANCE B.C. MINE TO PRODUCTION Hallmark's Cronin mine near Smithers in central B.C. Hallmark director H.John

Wilson says Winchester is to provide Hallmark with \$2,000,000 Cdn. to earn 50% interest in net proceeds from the sale of metal concentrates produced at the mine. The \$2,000,000 will be used to buy an ore processing mill, to pay mill construction costs, to buy additional surface and underground equipment, to continue exploration and to provide corporate capital and operating funds. (SEE GCNL 55(85) PAGE 2 FOR DETAIL OF AGREEMENT TO ACQUIRE A MILL.)

Mr. Wilson points out that mine development in previous years has blocked out the first year's ore supply which can be taken out without further mine preparation. About 10,000 feet of underground tunnelling exists. Thorough sampling of the workings indicates an average mineable ore value of 12.5 oz. per ton silver, 0.0165 oz. per ton gold, 7.11% lead, 8.12% zinc, 0.11% cadmium and 0.18% copper.

Additional development will be conducted in 1985 in conjunction with the mining and milling program. Areas targeted for diamond drilling and geophysical exploration are to the north and south of the present mine workings and include the downward extension of the proven ore zone on No.6 level. Assays from vein intersections drilled 100 feet down below the lowest working level (No.6 level) have returned ore grades of 12% lead, 18% zinc and 18 oz./ton silver.

#89 8 MAY 1985

IN 1985 PLANNED

HALLMARK RESOURCES LTD. (HKR-V)

PRODUCTION START - Hallmark Resources Ltd. has established a budget to bring the company's Cronin Mine at Smithers, B.C. to production within 1985, says director H.John Wilson. From a \$2,000,000 financing to be obtained from Hallmark's joint venture partner, Winchester Gold Corporation of Spokane, Washington,

Hallmark will begin drawing funds by early summer.

Details of the work program are now being refined in discussion amongst the engineers and staff of both Hallmark and Winchester. Completed exploration defined sufficient ore for the first 3 years production. The first year's ore supply is already prepared for extraction without further development expense. From this work to date the mine shows indicated reserves for 11.5 years production at 100 tons per day.

In the first phase of the work program, diamond drilling will resume from No.6 level within the mine workings. The drill target will be the known veins parallel to those already exposed as well as the downward extensions through the 700 to 1000 foot levels. The silver-gold-lead-zinc-cadmium-copper ore in the lower levels of the mine is indicated to be of higher grade than the \$250 (today's metal prices) per ton ore in the upper zones of the mine.