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Hallmark Resources Ltd. VSE - MKR

MAR/APR 1983 93L/15W

Hallmark announced that the first installment of the \$5 million financing agreement with Silver Ledge Inc. has been received. The Hallmark silver-lead-zinc mine near Smithers B.C. will now undergo pre-production work and broken ore on the property will be processed to initiate early cash flow. Hallmark President Len Taylor reports that the property is also showing good values in gold, copper and cadmium.

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GEORGE CROSS NEWS LETTER LTD. NO.123(1976) (Page Three)

JUNE 28,1976

HALLMARK RESOURCES LTD.

GOOD GRADE CUT IN - Diamond drilling from a working level 600 feet below surface has intersected ore across 7 feet true width containing 16.8 oz. silver, 17.4% lead, and 17.2% zinc per ton on the property of Hallmark Resources Ltd. located near Smithers, B.C. This intersection is located 40 feet southeast and 90 feet below the declined shaft at the 500 foot level in the mine.

Earlier the company announced ore in the declined shaft as 20.6 oz. silver, 10.6% lead and 18.4% zinc per ton. This represents a dollar value of approximately \$285 per ton. A hole drilled horizontally into the wall rock at the bottom of the declined shaft on No.2 vein adjacent to where an 11 foot wide sample of 18 oz. silver, 12.9% lead and 44% zinc was obtained - graded 5 feet of 2.30 oz. silver, 1.57% lead and 3.15% zinc. The next 5 feet assayed 1.09 oz. silver, 0.36% lead and 0.52% zinc. The following 43 feet assayed trace quantities of silver, lead and zinc.

A nearby crosscut through the vein has exposed 53 feet of visible mineralization which suggests ore of higher grade than that obtained in the drill sample. Lower grade from drill samples is considered normal when drilling this type of densely fractured porphyry rhyolite ore host rock.

Drilling is continuing from the No.5 level in the direction of the downward extension of No.2 vein and toward a parallel new vein estimated to be about 100 feet from No.2 vein. (See GCNL No.110, page 3 for previous story).

HALLMARK RESOURCES LTD.

93L

ENCOURAGING DRILL HOLES REPORTED - Hallmark Resources Ltd. has reported that diamond drilling at 640 and 680 foot depths in the Cronin Mine, near Smithers, B.C., has intersected significant grades and widths of silver-lead-zinc ore. At 640 feet on No.2 vein, 3.5 feet of ore assayed 10.9 oz. silver p/t, 1.2% lead and 20.2% zinc. At 680 feet on the same vein the last 7 feet of core assayed 4.6 oz. silver, 1.4% lead and 9.9% zinc. This hole was discontinued in ore because shattered rock conditions prevented useful core recovery. Another hole drilled horizontally in the mine at the 500 foot working level has substantiated mineralization in a parallel vein 100 feet to the west of No.2 vein. Six feet of core assayed 0.94 oz. silver, 0.79% lead and 0.89% zinc. The grade and structure in this new vein is considered sufficiently encouraging to plan an underground bulk sampling program for the fall and winter months.

HALLMARK RESOURCES LTD.

PROD

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NEW FUNDS TO HELP - H. John Wilson, president of Hallmark Resources Ltd., has reported that TOWARDS PRODUCTION the \$120,000 received from the recent financing (see detail in GCNL 67(77)), will be used to begin the initial phase of property work which is designed to bring the Cronin Silver-lead-zinc mine near Smithers, B.C., to production.

He reports that work is in progress on the property. Snow and ice have been removed from the portals of the two upper workings and all the underground mining machinery is in place. The first work will be to drive a raise up from the No.1 level through ore. On completion of this work, raises will be driven up from the No.3 level through two ore shoots. Mining will commence when the raises have been established. Sufficient ore will be mined to maintain a 100 ton-per-day mill.

Hallmark management is endeavoring to attain production in 1977.

The underground program continues on Hallmark's Cronin silver-lead-zinc mine near Smithers, B.C., and additional ore reserves are being established by drifting and a series of raises. A detail report on this project is expected in the near future.

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Hallmark Resources Ltd. annual meeting convened on 31Dec75 and adjourned to 15Jan76 at 10 a.m. at 2050-200 Granville St., Vancouver. H. John Wilson, president, said he expects that details would be available at the adjourned meeting concerning results of drilling on Hallmark's old Cronin mine, 3 1/4 miles NE of Smithers, B.C., by Congdon & Carey Ltd. They spent some \$200,000 before withdrawing from the property agreement prior to the change of the B.C. government. NTS 92 L M ??

N. Miner, March 1976

Hallmark plans work to confirm reserves

VANCOUVER - Hallmark Resources will use \$40,000 from a unit offering designed to raise \$100,000 to continue drifting and diamond drilling on its Cronin mine property, near Smithers, B.C.

The program is intended to confirm reserve estimates, which have been calculated to be 46,752 tons of indicated, and 129,506 tons of inferred ore, with an average grade of 12.52 oz. silver per ton, 7.11% lead and 8.12% zinc, according to the consulting geologist. The grades are based upon smelter returns from the mine which produced about 25,000 tons of ore between 1952 and 1967, and minor amounts during 1973 and 1974 (N.M., Jan. 16, 1975).

The consultant states that the estimated reserves, if confirmed, would support a 100-ton-per-day operation for about five years. In addition to silver-lead-zinc potential, there are significant gold values in some of the largely unexplored veins, he said.

Recommended is 2,175 ft. of surface drilling, 1,100 ft. of underground drilling, and 100 ft. of extension to No. 120 drift.

The company will use remaining funds from its unit offering to meet property payments and outstanding accounts. Current assets at Jan. 31, 1976, were \$32,216, and current liabilities \$106,739.

HALLMARK RESOURCES LIMITED

PROPERTY PROGRAM AND RESULTS REVIEWED - Hallmark Resources Limited is now evaluating the possibility of production at the company's silver-lead-zinc mine near Smithers, B.C. The recently announced changes in provincial mining legislation is considered fair.

An underground drilling program is underway to confirm the continuity of ore in the downward extension of veins exposed on the surface and indicated at 500 feet by drilling in 1975. The initial diamond drilling is for 1,100 feet with targets directed to parallel ore structures on either side of the existing mine workings.

Several geologists have confirmed the mine, as developed, to contain 50,000 tons of proven ore and 500,000 tons of possible ore. Many years of small scale milling has confirmed the average grade of ore to be 12.5 oz. silver, 7% lead and 8% zinc and paying values of copper, cadmium and gold. This years drilling and subsequent drifting is expected to add tonnage to mineable ore reserves. Drifting on No.2 vein ore in the first level will continue about mid-month. To date 65 feet of ore has been exposed in this drift averaging 10 feet wide with an average grade of 15 oz. silver, 6% lead and 7% zinc. This vein has been stripped on surface for 600 feet.

Surface drilling will resume as soon as snow conditions permit. Hopefully, this will be before the end of June. The target is to be the extension of the aforementioned No.2 vein and a parallel vein known as the Wardell vein. This vein has been stripped for 2,000 feet and has been previously drilled in one place which confirmed ore to 500 feet depth. Six parallel veins are proven to exist to 500 feet in this working area. Sampling of the Wardell vein by Hallmark in 1973 returned 109.6 oz. silver across 12 feet. Two major mining companies in 1974 sampled across the Wardell vein and returned assays in excess of 322 ounces of silver per ton. Late summer and winter work will continue underground in this area.