

1115 93L

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

93L/NE

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.

93L/