

NAME ..... CHAMBERS

SUBJECT ..... CLIPPINGS

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82FNW032-03

PROPERTY FILE

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NMTNER 21 MARCH 1985

## Knie to explore Silvex ground

VANCOUVER — Underground development and further drilling are scheduled later this year for Knie Resources' Reco project near New Denver, B.C., acquired two years ago from Silvex Resources. In 1980-81 Silvex spent more than \$2 million to rehabilitate and prepare for production two of the 12 former producers located on the property.

Half of Knie's 70% net interest was vended to a private company, New Alster Energy. The two companies carried out an underground exploration and development program on the Chambers and No. 1 mines last season. This produced

1,900 tons of high grade silver-lead-zinc ore grading 7.7 oz. silver, 4.9% lead and 14.7% zinc per ton. Almost 600 tons of this high grade material was sold to Cominco for \$450,000, they say. 82F/114E

This year's program will attempt to determine the extent of the ore-bearing horizon in the Chambers mine by underground drifting and diamond drilling. Also, underground drilling is planned between the second and third levels of the Slocan-Sovereign mine and above and laterally ahead of the second level of the No. 1 mine.

Extensions to existing zones up and down dip will be tested in the Noble 5 mine. The program is estimated to cost around \$400,000 and work could get under way by mid-May.

82F/114E  
(082FNW036)

GCNL #103 29MAY84

KNIE RESOURCES INC. (KNE-V)

NEW ALSTER ENERGY LTD. (NAY-V)

82F/14E (82F NW 032)

FIRST ORE IS SHIPPED FROM - The first 200 tons of ore, grading about 11.42 ounces of silver per ton, 5.89% lead and 15.69% zinc have been shipped from the Upper Level of the Chambers Mine, Cody, B.C., elevation 4780 feet, and stockpiled on the property of the Ainsworth mill at Kaslo. In announcing this progress in the joint venture of Knie Resources Inc. and New Alster Energy Ltd., Richard P. Knie, a director of both companies, says the face of the present raise has been advanced to the primary target area and a further 200 tons have been stockpiled in the stope/chute grading as high as 4.85 oz. silver/t, 2.66% lead and 46.77% zinc over a true width of 5.14 feet. An additional 1.54 feet true width near the hanging wall averages 31.74 oz. silver/t, 17.40% lead and 8.84% zinc.

A second raise has been started to intercept this ore zone and, thus, create a second working face to increase ore production.

While the up-dip and down-dip extensions of this ore zone have not been determined, management now feel confident that, as a minimum, the ore reserve projections of Norman Stacey, geologist will be confirmed. His 18Feb84 estimate is of 4,182 tons having a weighted average grade of 15.61 oz. silver/t, 11.79% lead and 24.63% zinc valued at today's prices at about \$2,300,000.

Underground mining/development contractor is Ste. Clair Mining Co. Ltd. Mr. Knie also announces the award of a mining/development contract to B.J. Industries, Bill Wingert of Kaslo, B.C., to raise up-dip on an ore showing in No.16 tunnel of No.1 Mine, elevation 5316 feet, to test the downward extension of the orebody which was stoped for 240 feet on No.3 level, 80 feet above. His operations are expected to start by 4Jun84.

GCNL #196 11OCT84

KNIE RESOURCES INC. (KNE-V) NEW ALSTER ENERGY LTD. (NAY-V)

(82F NW 032) 82F/14E

DEVELOPMENT WORK GENERATED - On 21Sep84, Knie Resources Inc. and New Alster Energy Ltd. concluded the two \$450,000 IN CONCENTRATE SOLD exploration/development programs of their 1984 field season in the Chambers and No.1 mines near Cody, midway between Kaslo and Silvertown in SE B.C. They were completed on time within budget. In total president Richard P. Knie reports that 1,900 tons of silver/lead/zinc ore were mined from which 590 tons of silver/lead/zinc concentrate were produced and sold to Cominco Ltd. for about \$450,000.

In addition, says Mr. Knie, the companies gained valuable geological data and pin pointed exploration targets of maximum potential for the 1985 field season. Work should include: underground drifting and surface diamond drilling to determine the extent of the Chambers ore body; underground drilling to determine the ore tonnage between No.2 and No.3 levels of the Slocan-Sovereign mine; work to ascertain the ore potential in and above the second level of the No 1 mine; and underground diamond drilling on the 18 level of the Noble 5 mine to explore the presence of 7 potential up/down extensions of existing ore structures. These exploration efforts are designed to prove up from 50,000 to 100,000 tons of ore having a value of \$20,000,000 to \$40,000,000.

Cost of these programs is estimated at about \$400,000. Detailed planning will be conducted during the winter.

82F/14E (82F NW 036)

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INT. PROS. + DEV.  
 NOV / DEC 1984  
 Knie Resources VSE-KNE  
 New Alster Energy VSE-NAY  
 Knie and New Alster have concluded the two exploration-development programs of the 1984 season in the Chambers and No. 1 Mine on Reco Mountain near Sandon, B.C. in the Slocan Mining District. Knie Director Richard Knie says that all work was completed on time and on budget, and a total of 1,900 tons of silver-lead-zinc ore was produced and 590 tons of concentrate was sold to Cominco for about \$450,000. Knie also reports that valuable geological data was acquired and has enabled the companies to pin point targets for the 1985 exploration season.

82F/14E (82F NW 032)

GCNL #120 22 JUNE 1983

KNIE RESOURCES INC.

**OIL/GAS & MINING PROJECTS REVIEWED** - While noting that audited financial statements for the year ended 30Apr83 will not be completed for another 4 weeks, president Richard Paul Knie says he is able to report that listed assets have increased by about 60% from \$186,150 in 1982 to \$667,800 during 1983 and oil/gas revenue rose by about 300% \$11,985 in 1982 to \$45,015 in 1983. A further rise is projected to about \$100,000 in oil/gas revenue alone in the current fiscal year.

Mr. Knie reports that, with regulatory approval, strong share positions in the company have been taken by U.S. and European investors which now provide the company with a strong, broad base for future growth, support and financial assistance.

Mr. Knie reviews exploration and development projects planned for 1983. First is off-set drilling of at least 2 more wells on the Barnsdale prospect, Osage county, Oklahoma, in which Knie can earn 12.8% net revenue interest by paying \$25,000 for the completion only of these and subsequent wells.

On the Red Cap gold, copper, molybdenum prospect in northern B.C., a drilling program, on a joint venture basis with Omni Resources Inc. and Berglynn Resources Inc. is scheduled to start within the next 4 weeks. Knie Resources can earn up to 25% working interest.

On the formerly producing Centennial Mine gold property at Wawa, Ontario (see map in GCNL 25(83), Phase 1 of a 4-phase exploration/development program started in May consisting of line cutting, magnetic and electromagnetic surveys, mapping and trenching. The prospect had been recommended and the field work is being supervised by geologist Chester J. Kuryliw. The company have 50% working and net revenue interest in this prospect, having sold the other 50% to a private company, First Canadian Energy, for \$28,000 cash and \$75,000 towards Phase 1 and 2 of the work program. Subsequent costs are to be shared 50% each.

In the Slocan area, B.C., near New Denver subject to approvals of regulatory bodies and the creditors of Silvex Resources Corporation, Knie Resources will acquire 100% title interest in all the properties owned or optioned by Silvex for payment of \$500,000 and a 30% net profit interest. The properties include 20 former producers. More recently, almost \$3,000,000 has been spent there between 1980 and 1982, restoring primarily the Chambers and Reco mines. Current plans call for the immediate production and shipment of silver-lead-zinc ore from the Chambers mine at an initial rate of 1,000 tons per month to mill and smelter. Revenue expected from this start-up program will partly be applied as a return on invested capital and partly to fund a more ambitious exploration/development program in 1984.

82F114E (082FNU032)

GCNL #40 27 Feb 84 (82F114E) 082FNU032

KNIE RESOURCES INC. (KNE-V) NEW ALSTER ENERGY LTD. (NAY-V) SILVEX RESOURCES CORPORATION (SXR-V-Suspended)

**ENCOURAGING SILVER VALUES RETURNED FROM DRILL HOLES ON SLOCAN B.C., PROPERTY** - Richard Paul Knie, president of Knie Resources Inc. has reported assay results from a series of diamond drill holes on the Chambers Mine, located at Cody, near Sandon, in the Slocan silver area of B.C. Eight holes were drilled from underground to test the area between an underground raise face which assayed 26.5 oz. silver/t, 23% lead, 22% zinc over a 5 foot 2 inch width and a surface outcrop which assayed 51.9 oz. silver per ton, 39% lead, 4% zinc across 2 ft. 6 inches. The best intersection from the holes was in No. 5 hole which assayed: 10.05 oz silver per ton, 5.83 % lead, 39.25% zinc across 14 feet from 108 to 122 ft.

Norm Stacey, consulting geologist has reported indicated developed ore reserve estimated at 4,182 tons grading 15.61 oz. silver/t, 11.79% lead, 24.63% zinc in one block which is 87.5 ft. long, 100 feet high with a width of 5.54 ft., using a factor of 9.5 cu.ft. per ton. At current metal prices this represents a gross value of about \$560 per ton or \$2,341,920 It is estimated that the material can be mined and processed for \$173 per ton or \$723,486 for an operating profit of \$1,518,434. If and when realized this operating profit would be divided 35% to Knie Resources; 35% to New Alster Energy Ltd. and 30% to Silvex Resources Corporation.

It is forecast that all of the contracts will be in place to permit the start of production about April 1, 1984 with the ore to be mined at about 1,000 tons per month over four months. A portion of the proceeds will be used to explore other ore potential in the Chambers mine as well as other properties.

By a January 1983 agreement Knie Resources optioned from Silvex Resources a 100% working interest, subject to a 20% net profits interest to payout then 30% net profits interest after payout, in the Chambers Mine. Knie agreed to pay \$500,000 of which \$250,000 has been paid to Silvex and the balance of \$250,000 is due in five monthly installments of \$50,000 each payable at 30 day intervals starting 45 days from the start of production. Knie has \$400,000 in free working capital with which to continue the property program.

After the agreement with Silvex was completed Knie made an agreement to sell 50% of its interest in the Chambers Mine to New Alster Energy Ltd. for \$350,000 cash payment. The payment by New Alster is subject to completion of a public financing which is now in registration.

Silvex Resources by a rights offering, which ended Jan. 6, 1984, raised \$160,000, selling 400,000 shares at 40¢ each, with A warrants attached. Each one A warrant will be exercisable to buy one share at 60¢ each until June 5, 1984. The \$250,000 paid by Knie for the Chambers mine was paid to the Silvex creditors. Silvex is applying for the re-listing of its shares on the Vancouver Stock Exchange. Silvex now has offices at suite 607-602 West Hastings St., Vancouver, B.C. V6B 1P2, telephone 682-1306