

GCNL #196

11 OCT 84

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

DEVELOPMENT WORK GENERATED - On 21 Sep 84, 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 Silverton 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. 1 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.

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.

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Sovereign, No. 1

### WINTER 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.

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.

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