

82 F/SW-200, 203, 205
NTS 82 F/SW

GCNL#209 Oct. 31/75

SHALMAR RESOURCES LIMITED

DRILLING STARTS ON - Shalmar Resources Limited report that tenders have been called on a minimum 1600 feet of diamond drilling for their Rest Creek gold property near Salmo, B.C. The report says 23 miles of line with soil sampling and VLF-EM surveying defined two large, overburden-covered gold-lead soil anomalies which C.M. Armstrong, P.Eng., believes could reflect gold-bearing bedrock mineralization potentially exploitable by open pit technique.

GEORGE CROSS NEWS LETTER

ROYALTY REVENUE REPORT
FROM LESSOR AT ROYALTY

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ARLINGTON, CANADIAN KING MTS 82 F/3W

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DECEMBER 24, 1975

SHALMAR RESOURCES LIMITED 82 F/SW - 200, 203, 205

PROGRESS AT GOLD PROPERTY - F. Michael P. Warren, director, reports that Shalmar Resources NEAR SALMO SUMMARIZED Limited recently completed 1228 feet of BC wireline diamond drilling in 5 widely spaced vertical drill holes on the Rest Creek gold property near Salmo, B.C. The best intersection was 7.1 feet, from 74.5 to 81.6 feet deep in the hole averaging 0.11 ounce gold per ton in hole R75-2. Other intersections in strong quartz veining varying from a few inches to 10 feet yielded only very low gold values. A second vein zone was intersected approximately 40 feet below the flattish vein partially mined in the past, and from which 75,000 tons averaging 0.6 ounce gold per ton were mined and shipped. An additional 75,000 tons averaging about 0.1 ounce gold per ton occur on dumps and in stope backfill. In the opinion of C.M. Armstrong, P. Eng., consulting engineer, the wide, 400-foot spacing of the drill holes does not preclude the possibility of the occurrence of other similar ore pods.

The 800 foot by 600 foot lead-gold soil anomaly centered at 10N/4W pinpointed the flat-lying No.1 zone and the new No.2 zone under a thin mantle of overburden. The lead-gold soil anomaly at 8S/15E, some 2500 feet to the southeast, has similar dimensions, but was not tested because of deteriorating winter weather conditions and the problem of locating an alternative water supply.

The relatively small dimensions of individual ore shoots, which contain from a few thousand to 25,000 tons, dictate that much closer grid drilling is required to locate the shoots. Because the shallow depth might permit low cost open pitting of some ore pods, Mr. Armstrong recommends that the anomalous areas be grid drilled on 200-foot centers employing a truck-mounted drill. With encouraging results, 6000 feet of drilling is indicated, at a total cost in the order of \$100,000.

Because of the proven applicability of soil sampling in locating overburden-covered gold mineralization in the area, Mr. Armstrong also recommends that preliminary exploration of the recently staked 72-unit claim group be undertaken. Also, a 900-foot wide zone of anomalous soil values several thousand feet to the east warrants further detailing. All inclusive cost for 25 miles of line at 1600 foot spacings and 100 foot soil sample intervals is estimated to be \$20,000.

REST 1-4 CLAIMS.

Shalmar is acquiring the property indirectly through acquisition of Rest Creek Gold Mines Ltd. for 600,000 shares that are subject to release from escrow according to a formula related to production and for assumption of Rest Creek's various obligations. Rest Creek's chief obligation is to Erie Mines Ltd. pursuant to a 29Nov74 agreement providing for sale of the property to Rest Creek for payment of \$300,000 by 31Jan82.

now on KENA 5, 7 claims
Assess Rpt 5665.

COTTONWOOD MINE

4 miles S of Nelson.

Au.

Ref. GSC Annual Rpt 1888-89 V IV G.M. Dawson

close to Silver King mine. (2 mi west)

Producer: 1889-1948

15 mill p. Au

4.5 mill of Ag

280 oz Au.

NTS 82 F/SW

-card has been made up.