



G M RESOURCES LIMITED

SUITE 311, 1115 SIXTH AVENUE S.W.  
CALGARY, ALBERTA  
T2P 0T4

TEL (403) 260 7961  
TELEX 40 820949

September 22, 1980

W. Nywening  
Box 147, R.R. 6  
Edmonton, Alberta  
T5B 4K3

Dear Mr. Nywening:

Thank you for the data concerning the Kalamalka Mine near Vernon, B.C. We have reviewed all the information available and are of the opinion that the ore potential does not quite meet our standards.

I regret being so long in responding to your letter of July 28th and wish you well with the property.

Yours truly,

G M RESOURCES LIMITED

W.G. Hainsworth, P.Eng.  
Consulting Geologist

WGH:cm  
Encl.

KALAMALKA MINE

W. Nywening  
Box. 147 R.R. 6  
Edmonton. T5B 4K3  
Ph. 403-973-5360  
evgs. 973-3736.

Edmonton, June 26, 1980.

Dear Sir:

Enclosed the information about our property in the Vernon area, which you requested.

Also a few "snap shots" we took a few years ago while we were camping at the Mine site.

Hopefully this will give you some idea about the potential of bringing this mine back into production.

Due to partnership difficulties we prefer to sell outright and are open to reasonable offers. (We are asking \$395,000)

If you wish further information and like to inspect the property, please contact us at your convenience.

Yours truly,



(Bill Nywening)

Partner: Walter Bakker.  
Ph. 403.452-4176,

W.Nywening  
Box 147 R.R.6  
Edmonton. Alta  
T5B 4K3.

July, 28 1980.

Re: KALAMALKA MINE.

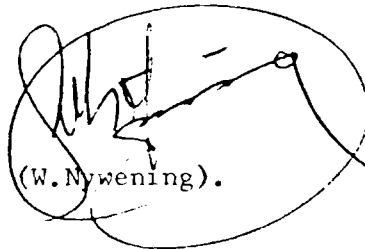
Dear Sir,

Further to our letter of June 26 we like to add that the former owner, Mr. A.S.Ponney of 2109 - 32 Ave, VERNON. B.C. V1T 2K1. Ph.604-545 1694 would be able to give additional information in regards to the 1967 testdrilling on the kalamalka property.

Due to circumstances we are anxious to sell this property and are open to any reasonable offers.

If you are not interested would you be so kind to return photo's and information material to us, together with your comments.

Yours truly,



(W.Nywening).

# **GOLD MINE**

**(Kalamalka)**

**Near Vernon, B.C.**

**Produced:**

— 2,898 ounces of gold — 3,474 ounces of silver  
— 458 lbs. of copper — 926 lbs. of zinc

out of 7,267 tons of ore between 1935 and 1944

(mine presently not in operation)

There is at least 90,000 tons of ore left.

Price only \$395,000 including 100 acres of beautiful  
B.C., forest with creek running through property.

**TOURIST ATTRACTION POTENTIAL WHEN  
GOLD RUNS OUT**

For further information call:

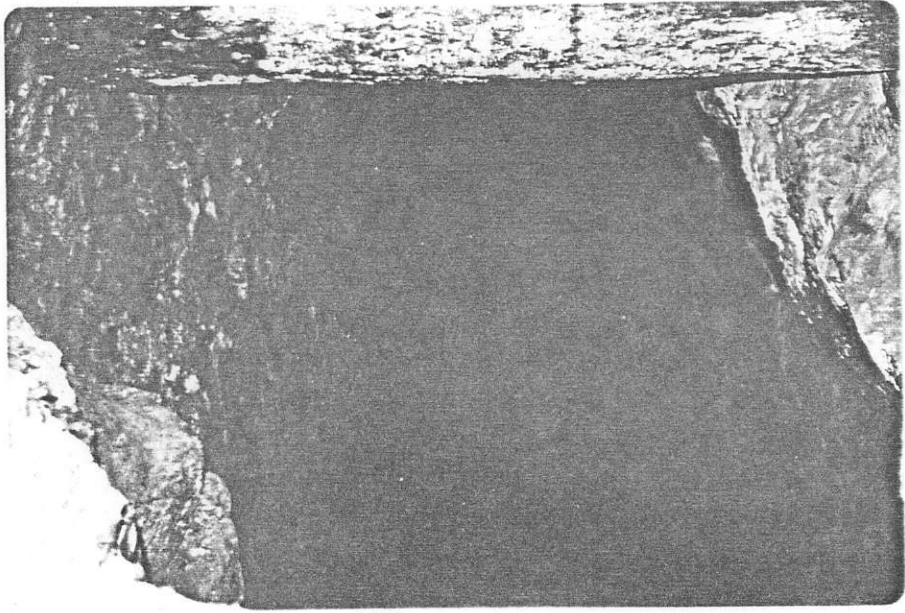
**OWNERS: 1-403-973-5360 1-403-452-4176**

or write: W. Nywening, Box 147, RR 6

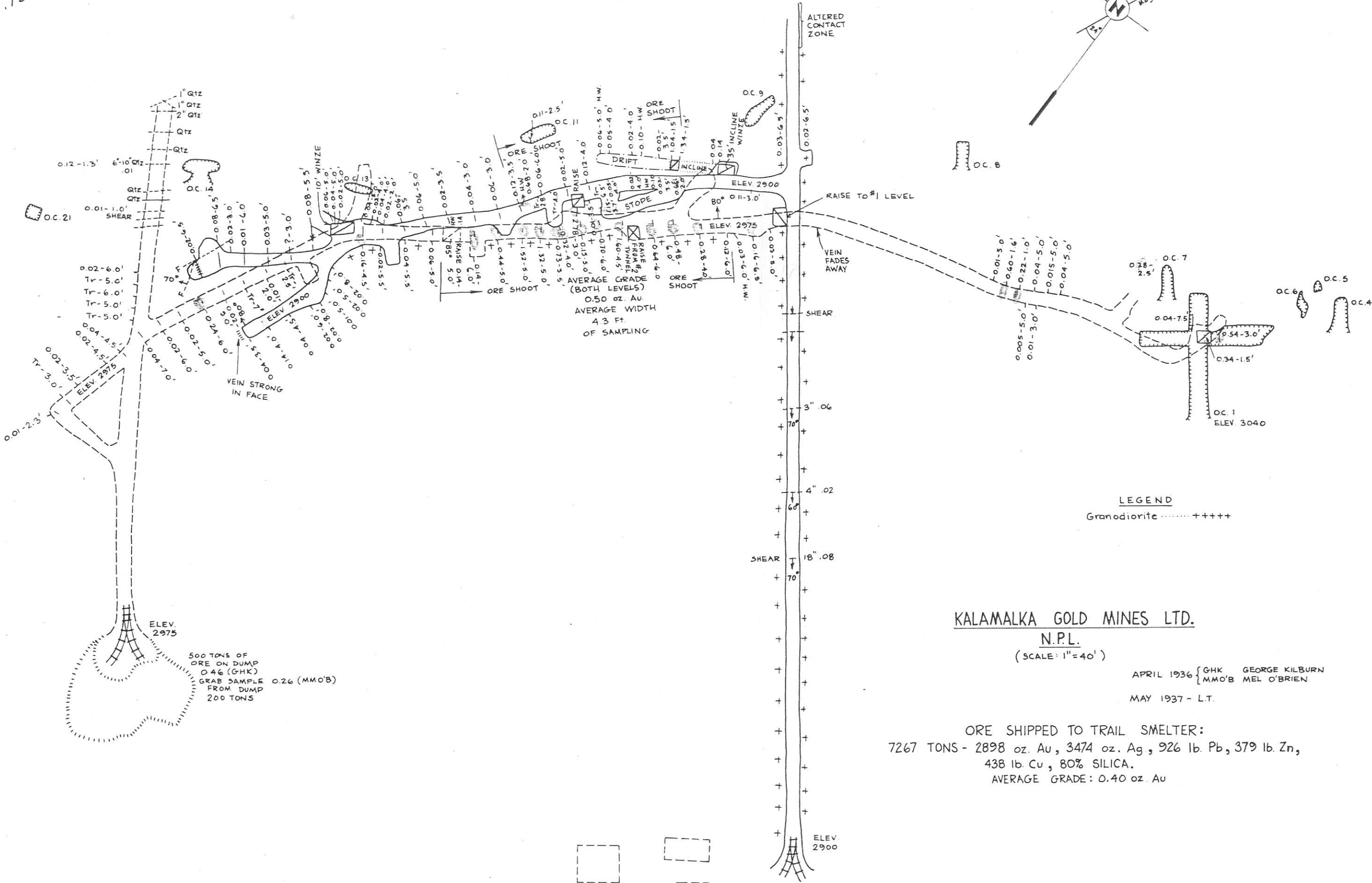
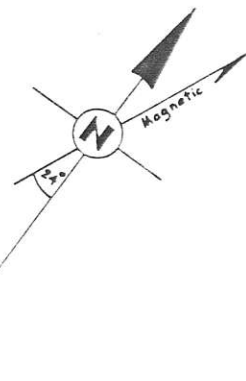
**EDMONTON, Alta. T5B 4K3**







.15 on better



LEGEND  
Granodiorite .....+++++

### KALAMALKA GOLD MINES LTD.

N.P.L.  
(SCALE: 1"=40')

APRIL 1936 { GHK GEORGE KILBURN  
                  MMO'B MEL O'BRIEN  
MAY 1937 - L.T.

ORE SHIPPED TO TRAIL SMELTER:  
7267 TONS - 2898 oz. Au, 3474 oz. Ag, 926 lb. Pb, 379 lb. Zn,  
438 lb. Cu, 80% SILICA.  
AVERAGE GRADE: 0.40 oz. Au



1980 04 16

Mr. Bill Nywening  
Box 147  
R. R. 6,  
Edmonton, Alberta

Dear Mr. Nywening:

Re: Mineral Claim 5393 Craster Creek, Vernon Mining Division 82L/3E

As originally discussed with you and Mr. Bakker, we have assembled all the information available on the Kalamalka Gold Mine in order to find the new ore shoots required to resume production. This has taken quite a while because of the length of time to receive replies from government offices. Here is what we have done:

1. Photocopied all the information published from the B.C. Annual Reports and Bulletins, and from one G.S.C. Memoir (copies appended).
2. Inquired to the Gold Commissioner in Victoria for all pertinent data in their files.
3. Ordered and obtained aerial photographs.
4. Inquired about the 1967 drilling.
5. Studied the mine plans in order to learn the structure and estimate any remaining reserves.

Results

1. The published reports provided further documentation of data mostly already available from other sources including:
  - a) location of the deposit,
  - b) type of deposit, that is "quartz veins near the contact of a small diorite plug with argillaceous sedimentary rocks of the Cache Creek group",
  - c) the extent of the zone: veins are up to "4 feet in width but are lenticular and discontinuous, owing to numerous faults that cut them at small angles", in an area "about 1000 feet long and 100 feet wide",
  - d) mineralization: pyrite, pyrrhotite, galena, free gold
  - e) surface and underground work that has been done and which is readily available from the mine plans, except for the surface diamond drilling of 1967.
2. According to the Gold Commissioner in Victoria, claim 5393 has not been surveyed. In addition, he included the following:
  - a) Table from the B.C. Department of Mines and Bureau of Economics and Statistics stating the yearly tonnage and gross content in gold, silver, copper, lead and zinc produced from the Kalamalka Mine. A copy of this table is included with this letter. Average grade has been added.
  - b) A paper from the Canada Department of Mines and Resources (1935) dealing with ore dressing and metallurgical investigation of the gold ore from the Kalamalka Mine. Tests were made on 150 pounds of ore from the 1935 shipment. Microscopic description of the ore minerals is given

along with their occurrence, and the following assay results:

gold .....	0.545 oz./ton
silver .....	0.28 oz./ton
copper .....	0.02 per cent
iron .....	7.90 per cent
sulphur .....	5.61 per cent
arsenic .....	nil

They finally describe the various methods by which gold could be extracted and conclude that the ore should be treated by cyanidation for best results.

3. It is doubtful that the results of the drilling by Coin Canyon in 1967 have been recorded with the Mining Recorder's office in Vernon since only an affidavit not the technical results were required then. We contacted a) Coseka Resources in Calgary, b) Wharf Resources in Vancouver, c) Mr. Gutrath in Vancouver, a geologist who previously worked with Coin Canyon, and d) Mr. E. A. Scholz, now deceased but involved in a venture with Coseka in March 1980. None of them have the 1967 drilling information. Hearsay information on the 1967 drilling by Coin Canyon indicates that gold values of less than ½ oz. were intersected at about 450 feet in one hole. If this information can be confirmed and the location, bearing, and inclination of the drillhole learned, some drilling costs can be saved by not duplicating drilling already done.
4. A study of the mine plans and of the assay results reported indicates a possible reserve at the bottom of the mine of perhaps 360 tons with a possible grade of 0.2 oz./ton Au and a possible gross recovery of perhaps 70 ounces of gold. A sketch of the mine is included and shows the assumptions made. The grade of 0.2 oz./ton Au is only tentatively used and could in fact be as low as 0.1 oz./ton Au, which would bring the gross recovery of gold to about 35 ounces only.

As the costs for mining and milling should not be expected to be much less than \$100/ton, it is obvious that other ore shoots or a larger extension of the previously mined ore shoot must be found by geological exploration, mapping and sampling, and/or drilling.

We know from the mine plan that the structure controlling the ore body has a direction of about N 45° E (NE-SW) with a dip of about 70° NW. Careful geological mapping of the ore structure in the underground workings and in the trenches and outcrops may extend the ore zone and/or enable us to predict where ore shoots of profitable size could be found.

Geological mapping will also be very important in spotting drillholes. It is common engineering practice to spot drillholes that will intersect the zone of interest as close as possible to right angles so that the actual width and grade of the zone is accurately obtained. But in this case, because of the erratic values that may be expected, and also because this kind of drilling would require long holes with only short intersections of the favorable zone, it appears preferable to drill shorter holes along the plane of the veins in order to get longer intersections of the favorable zone and hence better chances of extending or finding new ore shoots. The disadvantage of this method is that the width of the vein is uncertain.

If more surface drilling is considered necessary, it would probably require perhaps 3 or 4 holes of up to 300 feet in length. This would basically test for new ore shoots at depth.

Drilling of shorter holes along the plane of readily accessible quartz veins is recommended to extend the already known ore shoot and also to test marginal grades obtained elsewhere in the mine and in the surrounding trenches and outcrops. This may require perhaps 20 holes of up to 80 feet in length.

The following is a proposed program by which more reserves might be developed at the Kalamalka Gold Mine and its estimated costs broken down in various stages -

Stage 1:

Study of the drilling information, if and when available, coupled with an analysis of the aerial photographs. This may give some answers about where the ore shoot could be extended and whether exploration in the immediate vicinity of the mine could lead to an ore shoot of profitable grade and size.

Estimated costs ..... \$ 200.00

Stage 2:

Reconnaissance trip to the mine to evaluate on site the possible reserve left from the previous mining, and to better assess the conditions under which Stages 3 and 4 can be undertaken. Some sampling and assaying could be done at this stage to confirm the recorded values.

Estimated costs:

Transportation Edmonton to Vernon and return, truck rental, accomodation .....	\$ 350
Personnel .....	\$ 300
Assays, express, supplies, contingency .....	\$ 350
	<hr/>
	\$1000

Stage 3:

Geological mapping of the mine itself and of the surrounding trenches and outcrops on the property, combined with detailed sampling and assaying. Staking of additional claims.

Estimated costs:

Personnel, geologist and assistant, 14 days(max.)..	\$4200
Transportation:	
Return air ticket to Kelowna, truck rental, mileage, gas .....	\$1000
Food and accomodation, 2 men, 14 days .....	\$1000
Assays .....	\$1000
Report preparation, time, drafting, typing .....	\$1000
Contingency .....	\$1800
	<hr/>
	\$10 000

Stage 4:

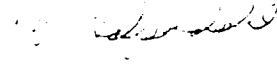
Drilling of the property: Costs cannot be realistically estimated before completing the previous stages which will show the number and length of drill-holes needed.

As you can see from the foregoing, our priority is to find ore shoots along known veins which have been partly explored underground.

1980 04 16

We will be pleased to answer any of your questions regarding the study submitted or the proposed program.

Yours very truly,



L. B. Halferdahl, Ph.D., P.Eng.

LBH/gd  
Encls.

BRITISH COLUMBIA DEPARTMENT OF MINES AND PETROLEUM RESOURCES  
MINERAL DEPOSIT INVENTORY

Property No. 4045 Metal  Industrial Mineral  Placer  Coal  Lapidary

Name: Current \_\_\_\_\_ Previous KALAMALKA; CHANCE

C.G. and No. \_\_\_\_\_

Operator/Yr. \_\_\_\_\_

Claim KALAMALKA (8 claims) Owner A.S. Penney

Operator Coin Canyon M.L., 540 Burr and, Vancouver Year 1967

Claim HOMESTAKE, JOLLY JACK, BLACK SPIDER, EVERIDE STAR Owner Murphy, Brewer & Assoc.

Operator Kalamalka mines Year 1934-42

Claim CHANCE Owner T.S. Wolcott, D.G. Skea et al.

Operator \_\_\_\_\_ Year 1897

Location: Map No. S2-L/SW-50 N.T.S. S2L/3E Lat. 50° 11.9', Long. 119° 06.3'

M.D. VERNON In park \_\_\_\_\_ E. & N.  El. \_\_\_\_\_

Location plotted Approx. centre KALAMALKA claims, from sketch Precision 2

Status: Producer  Active  Inactive  L+  L  M  S  S-

Non-producer  Pot. prod.  Under exploration  Prospect  Occurrence

Reserves: L+  L  M  S  S-  Tons \_\_\_\_\_ Grade \_\_\_\_\_

Est. potential: L+  L  M  S  S-  Grade \_\_\_\_\_

Development: Surface Open cuts, trenches (pre 1934)

Underground adit & drift (pre 1934) Adit 50' (1934)

Drilling 596 dia 1967

Surveys: Geochem. 1917-20's Geophys. \_\_\_\_\_ Geol. \_\_\_\_\_

References: M.M.A.R. 1934 D-32, 1940-71, 1941-60, 1942-59, 1967-222

Dept. expl. forms 1967 see

Asses. rept.: Geol. \_\_\_\_\_ Geophys. \_\_\_\_\_ Geochem. \_\_\_\_\_

Geological and maps BC Bull 20, Pt. 3-24, GSC Mem 296-145, Mines Br Ottawa Rept 771, p.81-86

Recorded by Oct/70 Revised by Aug 6/71 McC 11/74 Lib. Res. Comp. GF 1173

Summary description Angular to sub-angular ironstone in diorite along contact & within diorite. Numerous parallel shear zones filled with quartz & country rock have been uncovered.

Attitude of deposit: Strike \_\_\_\_\_ Dip \_\_\_\_\_ Azimuth \_\_\_\_\_ Plunge \_\_\_\_\_

Size: Length \_\_\_\_\_ Width \_\_\_\_\_ Depth \_\_\_\_\_

Mineralogy: Major Pyrite, galena, free gold

Significant \_\_\_\_\_

Minor \_\_\_\_\_

Significant minor elements: \_\_\_\_\_

Assays: \_\_\_\_\_

Production: Tons 1935 to 1944 7,267 Tons 2898oz 3474oz 458lbs 926lbs 371lbs

Grade: Au. 40 oz/1000 48 oz/1000 Pb 0.003% Zn 0.006%

Others \_\_\_\_\_

Remarks \_\_\_\_\_

Product(s) Ag, Cu, Pb, Zn

Property No. 4045

GOLD - SILVER - LEAD

 DEPARTMENT OF MINES  
 and  
 BUREAU OF ECONOMICS & STATISTICS

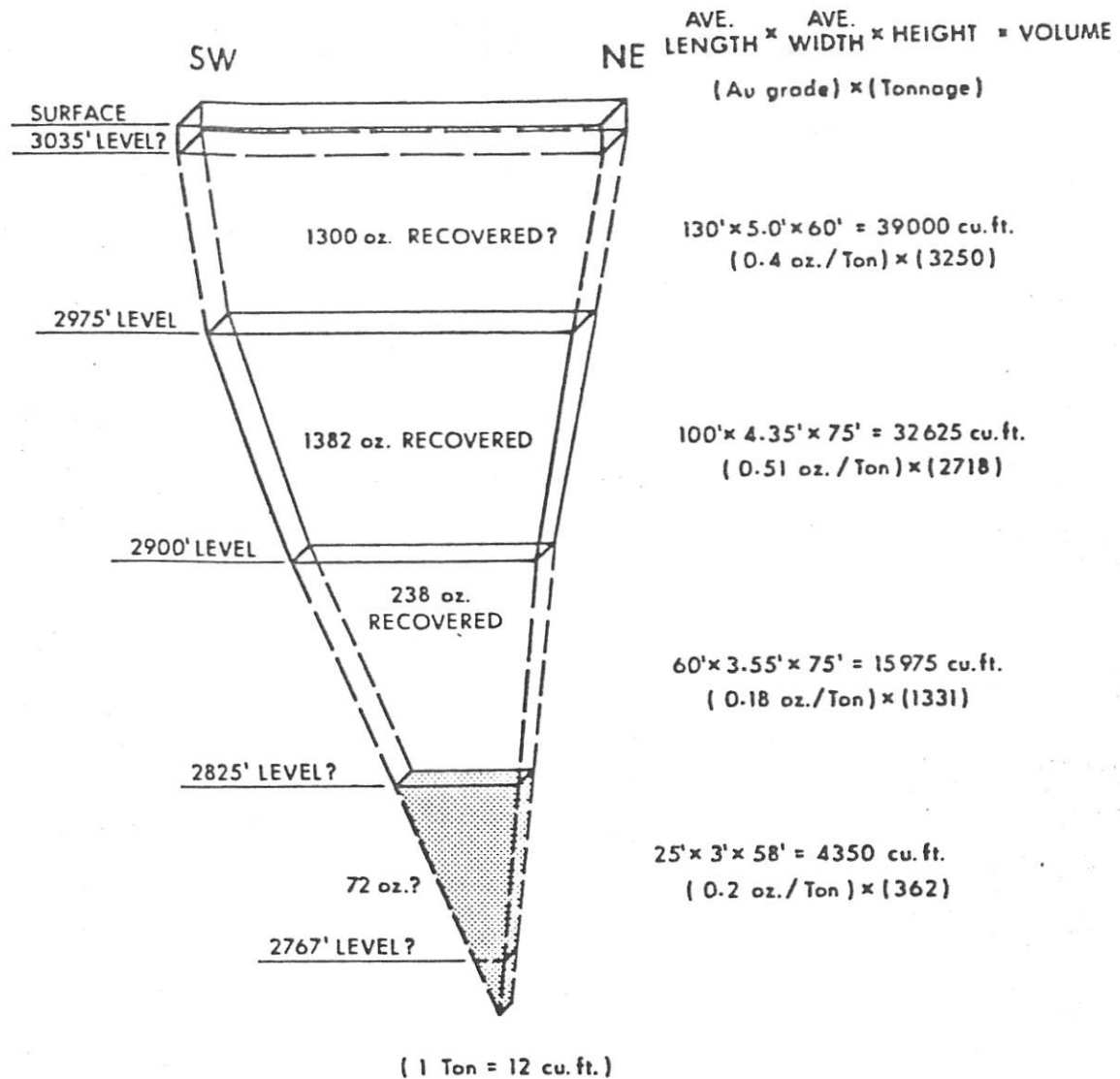
VICTORIA, B.C.

Mine:- KALAMINA

Mining Division:- V

GROSS CONTENTS

YEAR	TONNAGE		GOLD Oz.	SILVER Oz.	COPPER Lb.	LEAD Lb.	ZINC Lb.	MISCELLANEOUS	
	Mined	Milled						Lb.	Lb.
1935	30	-	30	36	398	-	-		
1936	39	-	46	23	60	-	-		
1937	2,816	-	1,171	1,067	-	-	-		
1938	1,277	-	378	1,300	-	926	379		
1939	1,175	-	441	393	-	-	-		
1940	511	-	168	185	-	-	-		
1941	917	-	502	252	-	-	-		
1942	433	-	142	173	-	-	-		
1943	38	-	10	6	-	-	-		
1944	32	-	10	32	-	-	-		
	<u>7,267</u>		<u>2,898</u>	<u>3,474</u>	<u>458</u>	<u>926</u>	<u>379</u>		
		<u>AVERAGE GRADE</u>	<u>0.399 oz/ton</u>	<u>0.478 oz/ton</u>					



	Estimated	Actual
Total gold recovered (oz.)	2920	2898
Tonnage mined	7299	7267
Average grade (oz./ton)	0.428	0.399

Mined ore zone from mine plan data .....

Mined ore zone interpreted .....

Possible remaining reserves .....

14

18

Brewer Creek

TP. 6

TP. 3

163A

161A

13

18° 55' N 80° 00' W  
18° 55' N 80° 00' W  
18° 55' N 80° 00' W

87° 45' 12" N 51° 18' 12" W  
(1877-1881)

18° 55' N 80° 00' W  
18° 55' N 80° 00' W  
18° 55' N 80° 00' W

18° 55' N 80° 00' W  
18° 55' N 80° 00' W  
18° 55' N 80° 00' W

80.9A

CABIN

80.6A

89° 58' W  
89° 58' W  
89° 58' W

(N.J. B... 1877-1881)  
87° 10' 00" N 80° 00' W  
(1877-1881)

11

87° 40' 00" N 80° 00' W  
87° 40' 00" N 80° 00' W  
87° 40' 00" N 80° 00' W

1877-1881  
(1877-1881)

87° 40' 00" N 80° 00' W  
87° 40' 00" N 80° 00' W  
87° 40' 00" N 80° 00' W

87° 40' 00" N 80° 00' W  
87° 40' 00" N 80° 00' W  
87° 40' 00" N 80° 00' W

L. 4171

76.6A

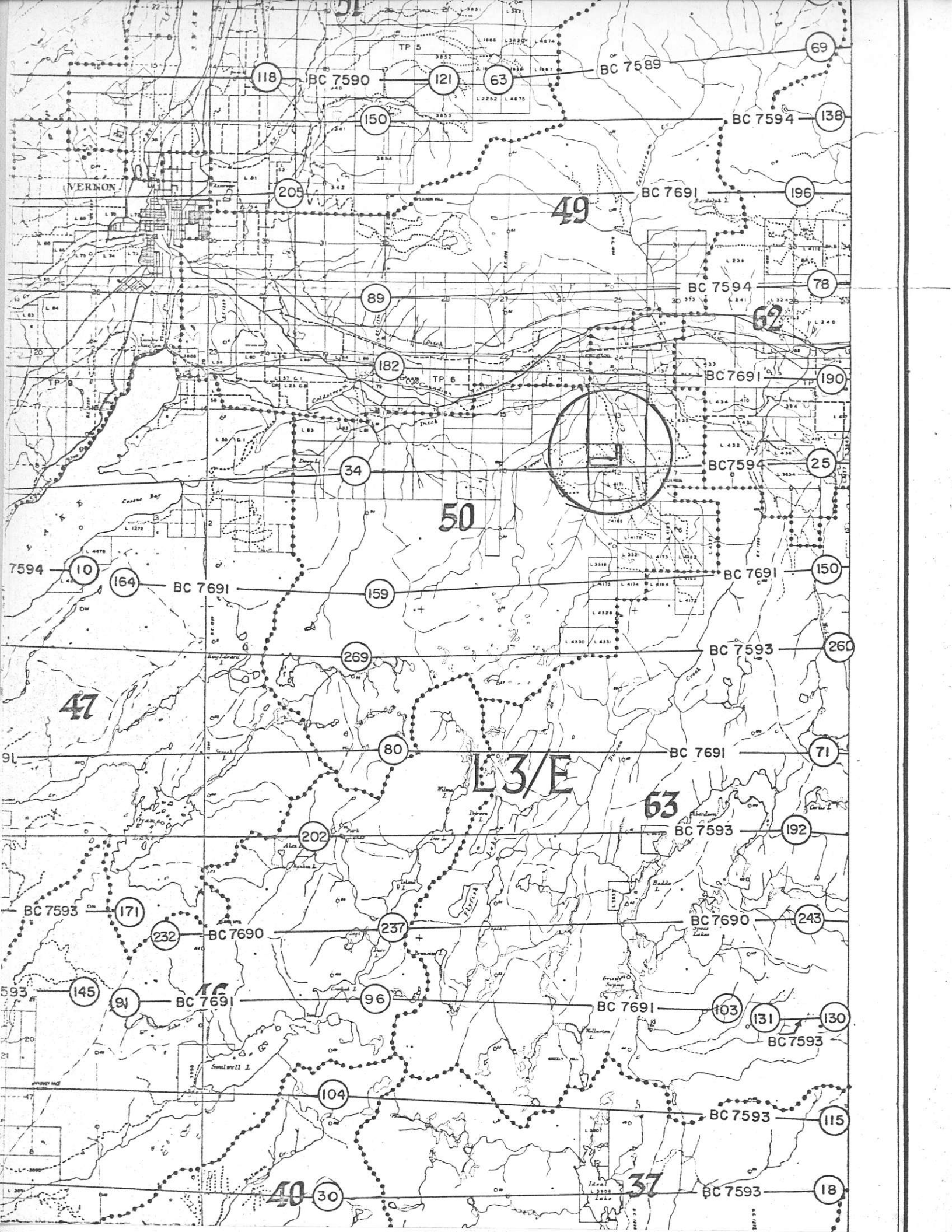
87° 40' 00" N 80° 00' W  
87° 40' 00" N 80° 00' W  
87° 40' 00" N 80° 00' W

L. 4166

2

6





VERNON

47

49

50

L3/E

63

118

121

63

69

150

205

138

196

89

BC 7594

78

62

182

BC 7691

190

34

BC 7594

25



7594

10

164

BC 7691

159

BC 7691

150

BC 7593

260

269

80

BC 7691

71

202

L3/E

63

BC 7593

192

BC 7593

171

232

BC 7690

237

BC 7690

243

593

145

91

BC 7691

96

BC 7691

103

131

130

BC 7593

104

BC 7593

115

40

30

37

BC 7593

18