

Property Submission -  
Chalice

92F/16E  
92G/13W

826090



CHALICE NEWSLETTER No. 5  
Report on Company Activities

April 8, 1985

RECEIVED

APR 9 1985  
KERR ADDISON MINES LTD.

## CHALICE MINING INC.

Chalice Mining is pleased to announce that a significant <sup>PER</sup> drill ~~ABC~~ intersection of high-grade gold ore has been encountered at the JR Zone of the Chalice I property.

A 9 ft. section of core containing up to 60% sulphides was encountered in a moderately altered medium grain diorite. Assays returned values of .902 oz/t gold over 9 ft. or 1.244 oz/t of gold over 6 ft.:

<u>Footage</u>	<u>Gold</u> (oz/t)	<u>Silver</u> (oz/t)
28-29	.148	.05
29-30	.744	.30
30-31	1.544	.066
31-32	.632	.41
32-33	1.750	1.99
33-34	1.945	1.02
34-35	.846	.75
35-36	.386	.25
36-37	.127	.01

The structure appears to be widening at depth as the original vein at the surface was one and one-half feet. Further delineation of this zone to the south-west by electronic survey, IP, MAG or VLF is hindered by deep overburden, but one hundred meters further west and on strike with the JR zone we have an assay of .816 oz/ton Gold at the "hoser" showings. The projected shear of the JR zone to the north and east passes through two high IP anomalies and three gold showings.

1. The logging road showing .75 oz/t Au.
2. The 3V showing which assays 5.0 oz/t Au in heavy sulphides, 1.76 oz/t over approximately 3 feet. (Trench site).
3. and .22 oz/t at Trench II site.

Recent IP work has extended the 3V site another 80 meters to the north. Altogether this gives the JR zone an estimated 1,600 ft. in strike length."

1500-1176 W. Georgia St., Vancouver, B.C. V6E 4A2 Tel: (604) 688-3940

P. O. Box 2240, Sechelt, British Columbia, V0N 3A0 Telephone: (604) 885-5016

As reported in our February Newsletter, active negotiations are still in progress concerning Chalice participation in the Palm Springs real estate development announced earlier. Due to the magnitude and complexity of the contract negotiations (\$188,000,000 resort and residential project), it is anticipated that a complete package should be ready by approximately May 15, 1985 outlining financial benefits to Chalice which is projected to amount in general terms to 2% of gross sales over a period of 3 -5 years.



D. Schindelhauer  
President  
Chalice Mining Inc.

mh

This newsletter is submitted on behalf of the Board of Directors.

The Vancouver Stock Exchange neither approves or disapproves of the information contained herein.

CHALICE MINING INC. (CLG-V)

**PALM SPRINGS REAL ESTATE - Chalice Mining Inc.** has started negotiations with Peter Kontny, majority shareholder toward acquisition of 1,000 acres of prime undeveloped commercial and multi unit residential properties in the Palm Springs and surrounding areas, California. The company intends to acquire sufficient property to develop a 200 unit condominium complex for sale in western Canada. Terms of the acquisition of the property from Mr. Kontny are being finalized. The purchase price is anticipated to be paid in cash and shares. Final terms of the agreement will be subject to obtaining favourable tax opinions.

Two drill crews are continuing to work on the Chalice I property near Egmont, 40 miles north of Vancouver, and assay results should be available within two to three weeks. (See also GCNL No. 16, page 2 and map).

I called Diatar on Feb 8, 85 to say we were interested in their results when they are released. Diatar was out.

AC.

- I called again 8 Feb + 15 Feb
- Diatar called back 18 Feb + said release expected 19 Feb + he would call us re any developments -
- 25 Feb Diatar <sup>just returned from Calif.</sup> Rumor - "DMQ" 102 Au over 3 ft very close to surface showing
- I called + left msg for Steve Hodgson or Diatar to call me - 2pm 25/2/85
- Diatar called 26 Feb. results expected soon, 1P Next week would prefer no visit till after 10-Mar.
- No Announcement in GCNL between 25 Feb - 11 Mar
- Called Diatar - he would prefer next week (ie 18-22 Mar) but maybe Steve is available ~~on~~ this weekend. He'll call back - 12/3/85 10 AM. 8d hit 15ft mineral with 8ft of 102 Ag at 50ft below surface on JR zone. MacQuarrie did 1P last week.
- Not this week or weekend - I'll call next week to set up for Next weekend (23-24 Mar.) or next wk.
- 19/3/85 Diatar @ Egmont. I'll wed Pm, I called - no answer, 20/3 AM. No Ans
- 21/3 I called Diatar, He is going up next wed or Thurs Fri with Groves - results of previous + present work coming in by next wk late. He'll call me if he is avail. Monday 25th (Tues is Treat - Wed Thurs Ag con V, Fri Hort.) He suggested no rush - maybe wait till April.
- 22/3 Diatar called @ 12:45 - I was out. I called after 2nd arranged - he is out, Diatar or I busy next week - He'll call me next week to arrange April 2-16 trip.
- 27/3 Called Diatar - he didn't go to prop 1-6 Apr. I call 29 Apr - he may go up then.
- 9/4 Diatar out of Vancouver till Thurs. according to Vancouver. Sectolt says he's in launch - Diatar called.
- Solved for Fri 19 Apr 6:30 AM - he'll pick me up at BPP. Red Newsletter #5 (1-4?)
- 18/4 Diatar called office. F.C. Passed on msg to me that Diatar not avail - No trip.
- 18/4 Diatar Phone 10 PM Met in Sectolt. 19/4 to Prop - 6:30 AM.

# KERR ADDISON MINES LIMITED

(FOR INTER-OFFICE USE ONLY)

To..... R. A. Dujardin..... From..... A. D. Clendenan.....

Subject..... Chalice Property Submission 92F 16E, G 13W..... Date..... January 8, 1985.....

The Chalice property is located on the north end of the Sechelt Peninsula near Earls Cove, B.C., see Figures 1, 2, 5 and 6.

The property was submitted to R.A. Dujardin on 28 Dec, 1984 by Diatar Schindelbauer, director of Chalice Mining Inc. of 1500 - 1176 W. Georgia St., Vancouver, B.C. Phone 688 3940 or 885 5016 Sechelt.

E.W. Grove's June 1, 1983 report, 4 sampling maps and an EDS study by Vancouver Petrographics dated Feb . 12, 1983 were reviewed and I met A.D. Drummond who examined the property for Pegasus Gold in April 1982.

## Summary

The mineralization, which trends 060/75W, along the shore line has been explored since 1913 and consists of discontinuous narrow quartz- marcasite veinlets and pods which locally yield high gold values where associated with marcasite.

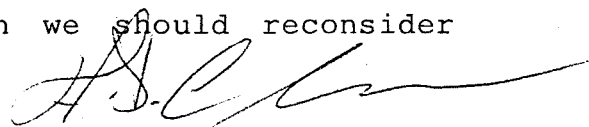
The mineralization in the "newly discovered" (pre 1982) North Lake Zone has the same trend and discontinuous nature as the shore zone. See Figure 3.

Given the narrow, discontinuous, lency nature of the mineralization reported by previous examiners I am surprised that the property is going to be drilled.

## Conclusion

Not worth a visit at this time.

If the drilling indicates the Au mineralization is more continuous and thicker at depth then we should reconsider this property.



Attached -  
4 maps.

A. D. Clendenan

17 / 11 / 85

Steve Hodgson & Dieter Schindelbauer of Chalice Mining came to Kerr's office to present a compilation map of all assay data, locations and widths of arranged. They had a field map with only some trench locations marked on, so I still don't know where and what all the high grade samples represent.

They are at present drilling the shoreline showings and the north lake showings.

All the showings still appear to be discontinuous PbO trending discontinuous erratic pods.

They will re-submit the property if they get an over reasonable widths and will prepare a compilation map showing where all the samples were taken, their thickness and grade & IP / EM16 trends and send it to us.

Until we get a map or until they call with good news from the drilling no further action is required.

JAC.

Lake zone.

4 ft

5-6 ft . - 5-16 02.

4 ft ~~5~~ . 43

Beach.

6 . 76

or 20 . 27

12/1. May

15 ft mineral 18 ft at 1 02

50 ft down

in middle of Prop JR

885 5016

RT.

Chalicé.

High grade very local pods.

No continuity seen

No indications of continuity

Delivered to Dieter Schindelhaner

June 85

JAC



# Chemex Labs Ltd.

Analytical Chemists • Geochemists • Registered Assayers

212 Brooksbank Ave.  
North Vancouver, B.C.  
Canada V7J 2C1

Telephone: (604) 984-0221  
Telex: 043-52597

## CERTIFICATE OF ASSAY

RECEIVED

TO : KERR ADDISON MINES LTD.  
(ATTN: RAY DUJARDIN)  
703 - 1112 W. PENDER ST.  
VANCOUVER, B.C.  
V6E 2S1

MAY 7 1985  
KERR ADDISON MINES LTD.

CERT. # : A8511716-001-A  
INVOICE # : I8511716  
DATE : 6-MAY-85  
P.O. # : NONE  
B02

ATTN: R. A. DUJARDIN & A. D. CLENDENAN

PER

chalice Prop

Sample description	Prep code	Cu %	Pb %	Zn %	Ag AA g/tonne	Au g/tonne
8501 Wally II area	207	0.09	<0.01	<0.01	30.5	1.19 60 cm Qz -
8502 Wally III area	207	0.30	<0.01	<0.01	20.5	1.68 120 cm Qz -
8503 DF area	207	0.01	<0.01	<0.01	67.0	53.61 15 cm Qz - pod
8504 DF area	207	0.01	<0.01	<0.01	4.4	2.38 100 cm Footwall shear
8505 JR showing	207	<0.01	<0.01	<0.01	0.5	2.24 62 cm Qz and Granodiorite

*[Signature]*

Registered Assayer, Province of British Columbia



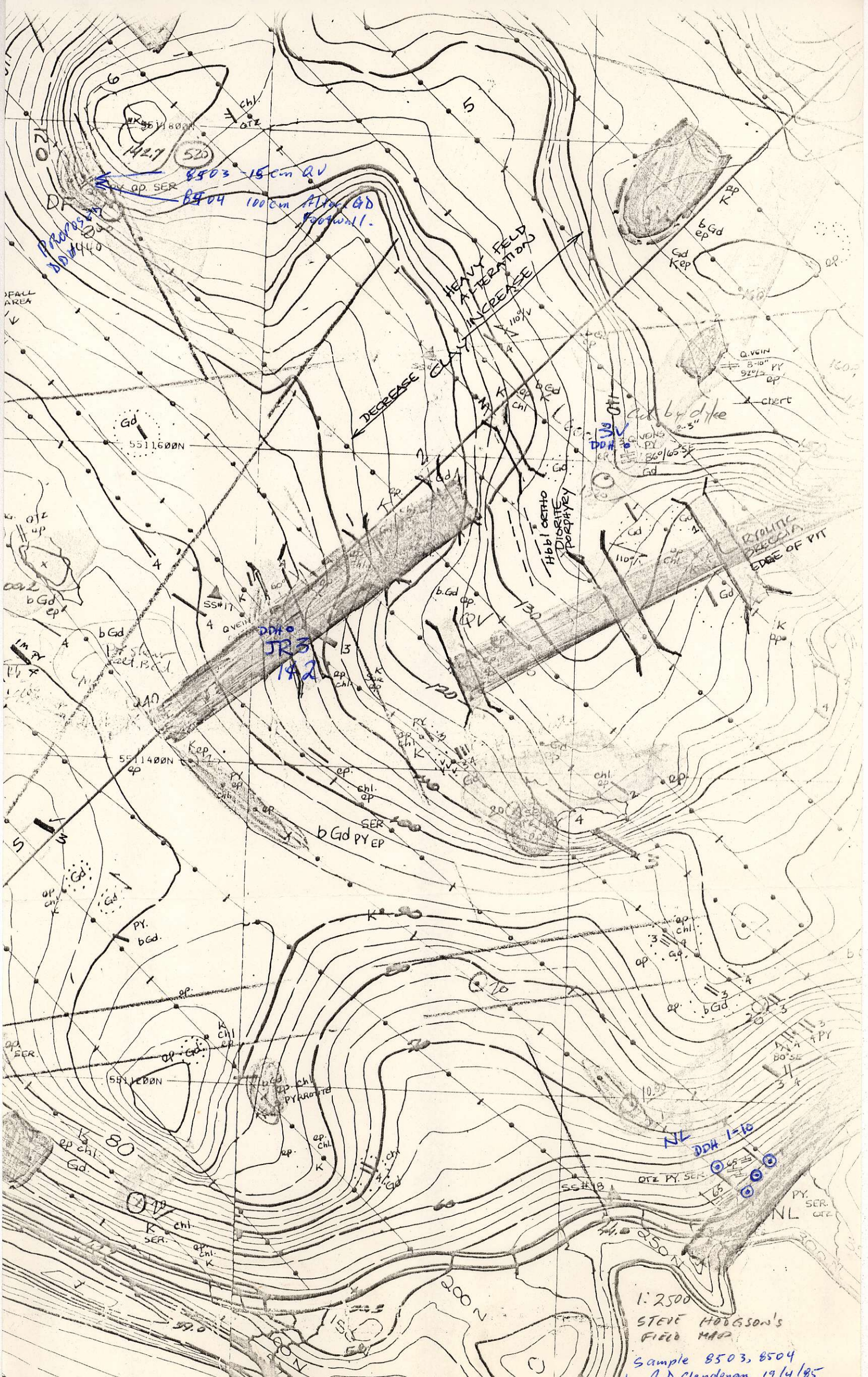








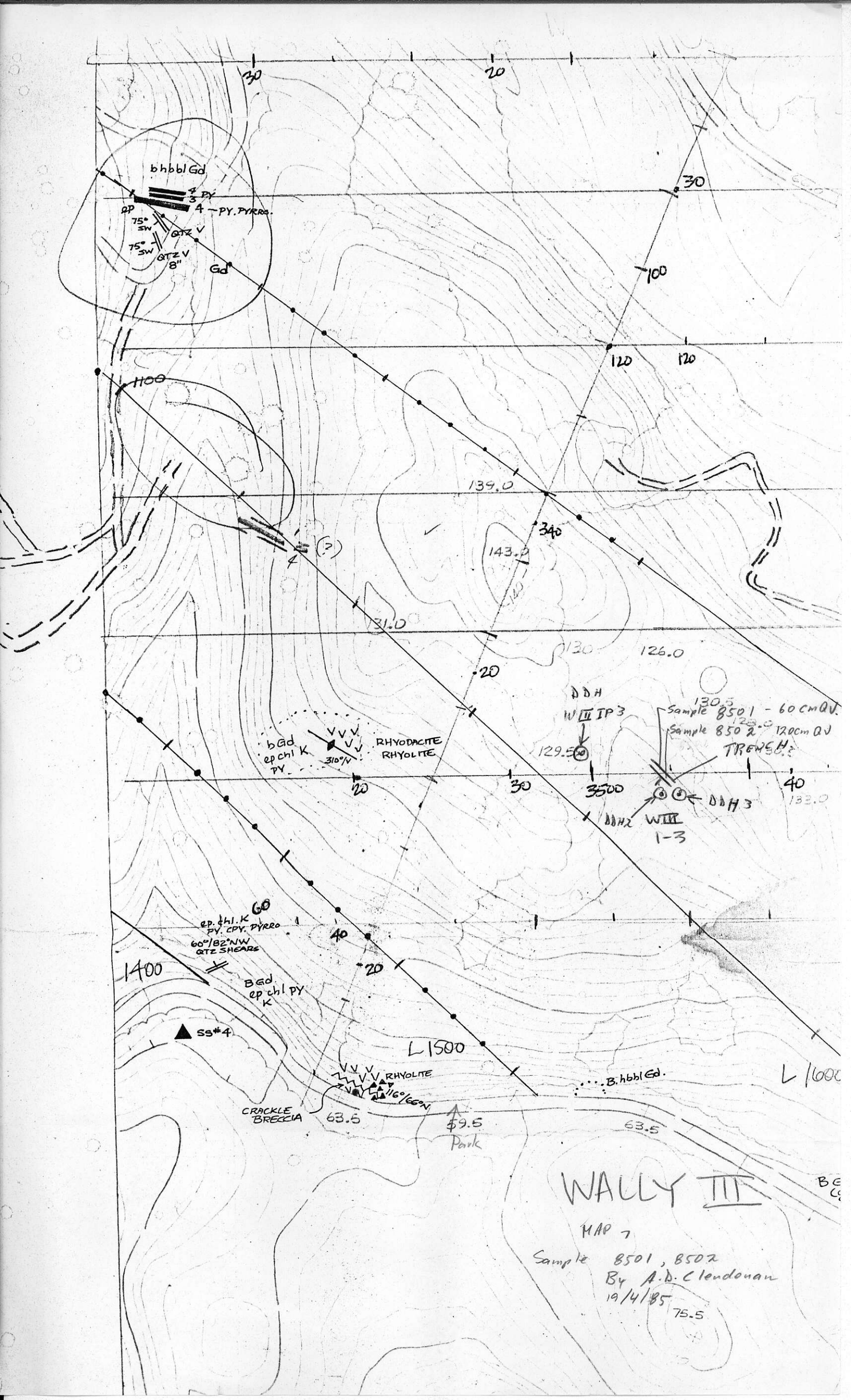












bhbbl Gd  
 4 PY  
 3  
 4 - PY. PYRRO.  
 75° SW  
 75° SW  
 QTZ V  
 8"  
 Gd

bGd  
 ep chl K  
 PY  
 VVV  
 310° V  
 RHYODACITE  
 RHYOLITE

60  
 ep. chl. K  
 PY. CPY. PYRRO.  
 60°/82° NW  
 QTE SHEARS

BGd  
 ep chl py  
 K

VVV  
 RHYOLITE  
 116°/60° NW

WALLY III

MAP 7

Sample 8501, 8502  
 By A.D. Clendonan  
 19/4/85

75.5

1400

L1500

L1600

59.5  
 Park

SS#4

CRACKLE  
 BRECCIA

63.5

63.5

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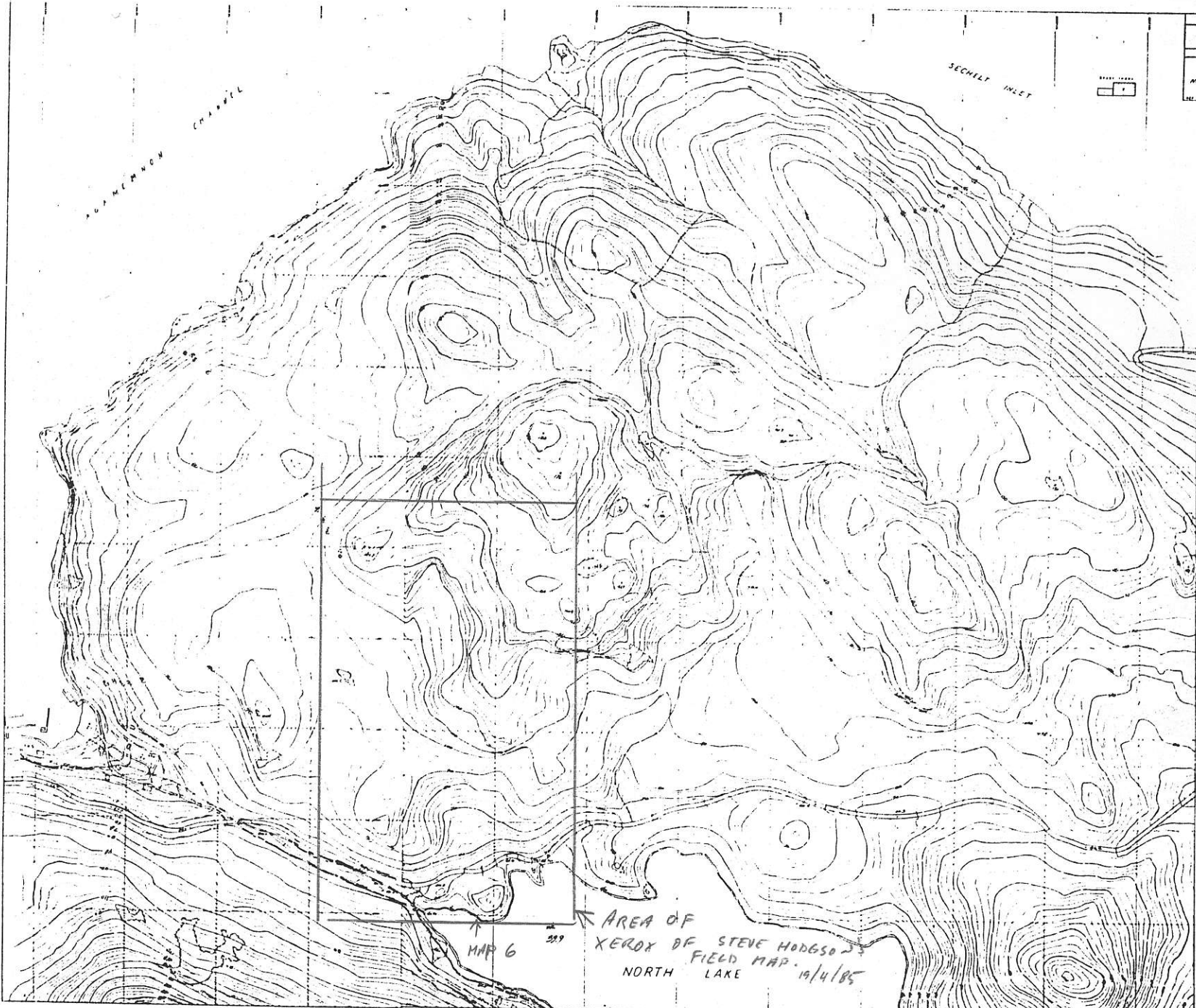
59.5  
 Park

SS#4

CRACKLE  
 BRECCIA

63.5

63.5



CHALICE BORNS INC	
CHALICE I CLAIMS	
PRELIMINARY RECONSTRUCTION TYPE BORNS	
	McKinnon Consulting & Engineering Ltd 1000 West Beaver Creek Road, Richmond Hill, Ontario L4B 1N2 Tel: (905) 882-1111 Fax: (905) 882-1112
	Project: 8000 Date: 1985 Scale: 1:10,000 Drawing No: 101

WALLY  
TIL  
AREA.

Rd Tie

MAP 7

AREA OF  
XEROX OF STEVE HODGSON  
NORTH LAKE FIELD MAP 19/4/85

MAP 6

299

MAP 5



# CHALICE MINING INC.

Au FA oz/to	Ag FA oz/to	Map No.	Name
0.796	1.18	1	Hoser I
0.816	1.00	2	Hoser II
0.356	0.34	3	Hoser III
0.342	0.46	4	"Y"
1.054	1.12	5	750N/750W
1.080	1.84	6	175N/150W
0.194	3.86	7	wally III
0.220	0.34	8	Trench II
1.994	1.86	9	"3V" Qtz & Gd
1.726	3.45	9	"3V" Stockwork
5.344	10.14	9	"3V" Massive Py
2.650	3.65	C1	Pit 1
5.158	4.39	C2	Pit 2
0.750	-	C3	Stockwork 2M Chip
1.364	-	C3	Stockwork Grab
4.290	1.53	C4	C4 Stockwork
1.240	1.53	C4A	C4A
0.489	0.61	C5	C5
3.560	5.5	C6	C6
0.010	0.016	C7	C7 Gd
1.648	1.80	C8	C8
8.800	10.6	NL	NL
0.034	0.05	NLX1	Stockwork Vein
1.410	2.15	NLX2	Stockwork Vein
0.170	0.31	NLX3	Stockwork Vein
0.190	0.21	NLX4	Stockwork Vein
1.470	1.59	NLX5	Stockwork Vein
1.100	1.57	NLX6	Stockwork Vein
0.204	5.12	TY	TY
2.024	-	DF	DF
1.162	-	10	1400N/1460E

○ old showing  
● new showing

