

019292

SKYLINE EXPLORATIONS LTD.

PROGRESS REPORT

ON THE

REG GROUP

104-B-11-E/2, Liard M.D., B.C.

PART I

CLOUTIER, PICK-AXE AND MCFADDEN ZONES

TABLE OF CONTENTS

	<u>PAGE</u>
<u>PART I</u>	
GENERAL	1
SURVEYING AND PICKETING	2
PROSPECTING	3
GEOLOGY	4
GEOPHYSICS	6
CORE-HOLE DRILLING	7
SOURCES OF FLOAT	10
ORE-GENESIS ...:.....	11

TABLES AND ILLUSTRATIONS

TABLE I	Surface Sampling on Figure 4
TABLE II	Float Assays in the McFadden Zone
TABLE III	Assays in Trench R-19
FIGURE 1	Volcanic belt in NW, B.C.
FIGURE 2	Resource Development Map, Iskut Area
FIGURE 3	Claim Map of Reg and Inel Groups
FIGURE 4	Map of Cloutier -Pick-Axe- McFadden Zones
FIGURE 5	Plan of Pick-Axe Trench, P-1
FIGURE 6	Plan of P-13 Trench
FIGURE 7	Plan of P-10 Area Trenching
FIGURE 8	Plan of P-12 Trench and Core-holes
FIGURE 9	Drill Section 81-1 and 81-2, P-1
FIGURE 10	Drill Sections, 81-3 to 81-7, P-12

PART I

CLOUTIER, PICK-AXE AND MCFADDEN ZONES

GENERAL

The property, 100% owned by Skyline Explorations Ltd., consists of 172 units in 9 claims (Figure 3).

The 1981 field program started July 15, 1981 and was terminated September 21st. Weather conditions were good to excellent until late August, but turned unusually stormy at that time, with very mild temperatures, heavy rain and very strong winds all through September. Many of the larger permanent icy patches on northerly slopes melted completely, and the local glaciers above the showing areas remained in rapid retreat.

Access was maintained during the season from Terrace via the Snippaker airstrip, but at the end of August forest fires elsewhere cut down on the available aircraft, which condition continued during September due to the unusually poor weather conditions.

This report includes a map, showing the location of the Reg Group and other Skyline properties within the Northern B.C. Upper Triassic-Lower Jurassic volcanic belt (Figure 1), where the company has carried out mineral exploration since 1968, as well as a map showing proposed development in the Iskut-Stikine area taken from a large 1:500,000 map produced by the Kitimat-Stikine Regional District, 1981 printing, relating to Resource Development.

Figure 3 is an accurate claim map of Skyline's

holdings in the Johnny Mountain area, also showing the holdings of Cominco Ltd. and of Dupont of Canada, who have recently tied on claims respectively to the northwest of the Reg Group and to the east of the Inel Group of Skyline Explorations Ltd.

Both these companies carried out programs on these nearby holdings in 1981 and are contemplating significant further action in 1982.

Figure 4 summarizes the most important information gathered by Skyline Explorations near the central area of its Reg Group.

This report is prepared without the benefit of the final reports of the company's geological and geophysical consultants, and is an endeavor to summarize the most important discoveries without entering into detailed discussions.

SURVEYING AND PICKETING

At the start of the season, about 26 km (16 miles) of base and grid lines were flagged at 50 meter spacing, lines at 100 m spacing.

The baseline was selected to start on a long shallow ridge between the two main glacial basins, about parallel to the assumed northwest strike of some of the main showings.

Geophysical work and the discovery by trenching of the southwesterly extension of P-12 indicated, however, more nearly northeasterly strikes of the mineral occurrences and most of the surveying was conducted along northwesterly lines parallel to the baseline.

The baseline and lines 0-0 and 300N were picketed with short metal B.C. Land surveyor pickets at 50 m spacing for permanency.

As shown on the map lines 0-0, 300N and 500S are accurately positioned in relation to prominent topographical features, using a 1:5000 base map prepared from government air photographs, taken in 1965 and 1974, by Integrated Resources Photography of Vancouver, B.C. in May of 1981.

By the end of the field program, all permanent snow and ice patches on the map area of Figure 4 had melted, exposing much new outcrop, both on the southwest side of this map and beyond its southwest border. Ice on Johnny Glacier in the southeast corner of the map was rapidly melting.

PROSPECTING

A total of 58 field samples located by prospecting were assayed; a number of these assays were not available till after completion of the field work.

Most attention in sampling was concentrated on pyrite showings and float in the belief that copper and gold were directly related to the amount of pyrite. This was proven to be not true, as some silicified volcanics with perhaps 2 or 3% pyrite can carry up to about 0.15 Oz/T Au with insignificant copper. In fact, all possible combinations were found between the grade in pyrite, the grade in copper and the grade in gold, although a definite tendency of the gold to follow copper was noted.

Drilling suggests that in the overall picture, gold may form a type of pathfinder halo for copper.

Therefore, even altered rocks with very little pyrite encountered in prospecting should be assayed and recorded.

Any assay over .01 Oz/T Au is significant, and even assays as low as .005 - .009 Oz/T Au could be indicative of higher concentrations of gold or copper nearby.

No gold values exceeding .005 Oz/T Au were found south of a line running approximately west-east from about P-6,7 to a point on the baseline at 725S (some 200 m southeast of the map border).

This line is about parallel to the strike of the formations and is believed to be significant.

A well defined area about 70 m by 240 meters was outlined where 10 samples of coarse float of massive pyrite averaged 1.38% Cu, 1.14 Oz/T Ag and 2.660 Oz/T Au. It was named the McFadden Zone after the prospector who is believed to be the first to have located high grade float in this area in 1954.

GEOLOGY

In the area marked "Glacial Debris" on Figure 4 outcrops may constitute 2-4% of the surface. The debris consists of angular boulders, but does not exceed about 1-2 m in depth, except under the morainic ridges, which may be up to 20 or more meters thick in places.

A narrow (1-2 m) lensy finely re-crystallized argillaceous limestone is an important marker, separating mostly argillaceous and silty beds to the south from tuffs, breccias and associated rhyolite and dacite flows to the north. The main foliation in these volcanics is parallel to the sedimentary bedding, which strikes about N80°W with a 40° dip to the north, locally varying down to 20° and up to 70°. East of the main moraine, as well as in the P-14 area, nearly flat foliation has been observed.

The tuffs often carry 1-3 mm feldspar phenocrysts and may grade into lapilli-tuffs or fine-grained breccias; many of the breccias carry a jumble of fragments up to 10 cm (4"). At other times, especially to the west, the fragments are quite isolated and elongated, perhaps because they were deposited in an aqueous environment, or because of early internal deformation.

Thin section studies will be required for a more adequate study.

Little is as yet known about the rhyolite and dacite flows, which could also have formed as sills.

The copper-gold-pyrite mineralization in place has so far been found mainly along and near the contact of the rhyolite with the breccias and tuffs.

Two significant NNW striking faults have been observed, as shown on the map, joined by a north-south fault cutting the original Pick-Axe showing.

The position of the latter fault is definite and

based on 1981 drilling by Skyline, as well as on some 1962 EX drilling by HBM & S.

GEOPHYSICS

EM surveys with a Max-Min instrument were conducted with coil spacings of 25, 50 and 100 m, mostly at a frequency of 3555 Hz. Northeast grid lines were quickly abandoned when it became apparent that strikes of mineral zones were in the northeast quadrant, and northwest lines were then used. The 100 m coil separation results, portrayed on Figure 4, are the most demonstrative. At this spacing, measurements are believed to reflect conductivity prevailing at a depth of some 50-60 m (about 200'). Out-of-phase anomalies were mostly stronger than in-phase anomalies, and sharper, suggesting zones averaging around perhaps 20% sulphides, except on Section 200W, where a greater percentage sulphides may be expected.

In the Cloutier Zone, 25 m and 100 m coil spacing produced significant anomalies with weaker reactions at 50 m spacing, and well defined narrow anomalies at 25 m spacing.

Drilling confirmed a near-vertical zone gradually increasing in width with depth from around 5 m to around 10 m between near-surface and 30 m depth. The most attractive profile is the one on Line 200 W, with the best in-phase readings. At depth the anomalies suggest a substantial width of some 50 m.

The Pick-Axe Zone showed a continuous relatively weak anomaly, with the best anomaly located on Line 100 E, down-

dip from the P-13 showing and near a substantial rhyolite outcrop.

Further EM surveying was planned for the area east and southeast of the Big Moraine, but the geophysicists could not return due to problems elsewhere.

In 1974, Texas Gulf ran three IP lines about parallel to the present Skyline baseline, at approximately 50E, 80W and 180W. This outlined a very strong chargeability anomaly of about 80-100 milliseconds over a background of about 20 milliseconds, and about 250-300 meters wide.

This anomaly, not further investigated at the time, is about centered on the Pick-Axe EM anomaly, and is now taking on considerable significance.

R-19 is an important showing and undoubtedly part of the Pick-Axe showing.

Other showings have been reported east and northeast of showing R-20, but have not yet been examined.

Extensive prospecting, mapping and EM surveying are planned for 1982 in the area east of the Big Moraine.

CORE-HOLE DRILLING

A Hydra-core drill was used on one shift, drilling BQ core. Eight holes were drilled for a total footage of 1148'.

In the latter part of the season, time was lost due to engine failure and difficulty in obtaining required parts because of exceedingly bad weather.

Core recoveries were excellent, with only minor losses experienced in massive sulfide zones.

Two holes were drilled near point P-1 on the Pick-Axe showing, locating two separate zones and a major fault (81-1 and 81-2). See Figure 9.

The main zone lying west of the fault is the copper-gold zone exposed in the trench; east of the fault a zinc zone with minor gold was cut, both with probable shallow dip as follows:

<u>TRUE WIDTH METERS</u>	<u>% Cu</u>	<u>% Pb</u>	<u>% Zn</u>	<u>Oz/T Ag</u>	<u>Oz/T Au</u>
5.2	3.37	-	-	2.69	.138
5.8	.61	.03	4.02	.35	.015

As the fault required further geological and geophysical investigation, drilling was switched to the newly discovered P-12 trench on the Cloutier Zone, where five holes were completed from the main drilling station at 291N - 296W. See Figure 10.

From SW to NE, the upper tier holes intersected overlapping copper and gold zones as follows:

	<u>WIDTH METERS</u>	<u>% Cu</u>	<u>Oz/T Au</u>	<u>WIDTH METERS</u>	<u>% Cu</u>	<u>Oz/T Au</u>
81-5	3.1	2.30	.065	4.6	1.68	.068
81-4	4.4	2.38	.263	5.8	1.80	.265
81-6	.8	3.54	.164	18.5	.19	.128

All widths represent about true widths. Silver averages about 0.5 Oz/T.

Details are shown on Figure 10.

Holes 81-3 and 81-7 showed diminishing values at lower levels in a widening zone on Section 296W.

Based on scant surface information and good drill data, the structure is interpreted as an isolated anticlinal fold with a near-vertical axial plane and a moderate northeast plunge related to the manner in which this fold is connected to the foliation (= "bedding") which strikes nearly east-west with a 40° dip.

The substantial increase in the width of the gold zone in the most northeasterly hole 81-6, the presence of significant gold values in small pyrite zones (P-20, 97 and 96) for another 300 meters in this direction and the increase in conductivity on Section 200W augur well for the potential in this direction.

Low grade values in Showing P-23 at 430W suggest that another mineral shoot could lie to the southwest.

Alteration associated with the mineralization consists of silicification and black chloritization.

It must be remembered that the gold tenor cannot be estimated visually and that assays are not available until well after a core hole has been completed.

The sections show clearly where some additional assaying is justified at the start and the end of several of the assayed sections. In general, no assaying was done where the tenor in pyrite was estimated at less than 3%.

Also, drilling was started on the basis of a trenched showing; to drill the deeper anomaly adequately, core holes would

have to be spotted around 320N between 500 W and 150W.

The length of the drill-proven zone along its southeast wall is only about 25 m out of a total length of interest of 500 meters. (1600 ft.)

Hole 81-8 was drilled at 430W and 5N to explore a cross section with several low sulphide zones, but had to be stopped at 165' before reaching its objective, due to engine failure.

A substantial amount of drilling is proposed for 1982 in the Cloutier Zone, as well as in the Pick-Axe Zone between about 150W and 150E.

SOURCES OF FLOAT

Much thought has been given to the source of the high grade McFadden float area.

Up ice, this float stops at 500S, and on the baseline ridge some pyrite float with minor gold values has been found associated with abundant rubble of typical volcanics, to 725S (off Figure 4), where the rubble changes to a different formation.

The direction of the McFadden float train points up slope towards this easily accessible ridge, and its most likely source is believed to be in this area.

There is also a considerable float train associated with the Pick-Axe outcrop area, extending some 200 meters below it, mixed with both local volcanics as well as with the angular andesite having a source some 1500 meters up slope.

In other words, the ice did partly break down the

old Pick-Axe outcrop, but did not move a large portion of the coarse sulphide rubble very far. Also, the overlying hard rhyolite clearly presented a resistant obstacle, as it did in P-13 to R-32 area, contributing to an outcrop remaining in inter-glacial periods.

Intensive prospecting and geophysical surveying of the suspected source area of the high grade McFadden float area is therefore planned for the 1982 season.

Oxidation in mineral outcrops is only minimal.

ORE-GENESIS

Mineralization encountered so far may be termed of a bedded type, along the contact of tuffs and breccias with inter-bedded rhyolite bodies. There are definitely several preferred "horizons".

This type of volcanogenic mineralization may form many differently shaped bodies of significant size, from extensive regular sheets to large pinching and swelling shoots, all related to the actual mode of original deposition and possible subsequent remobilization.

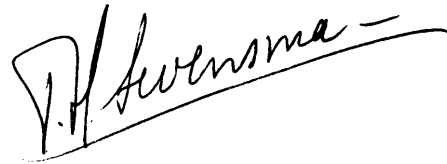
Some ore deposition elsewhere is even known to be restricted to valleys filled with rhyolite flows.

The most important guides to ore on this property are at present showings, gold "halos" and geophysics. Excessive speculation on the actual mode of genesis is still premature.

Gold and silver increase in grade from west to east. Ore shoot plunges are no doubt northeastward, related to the mode

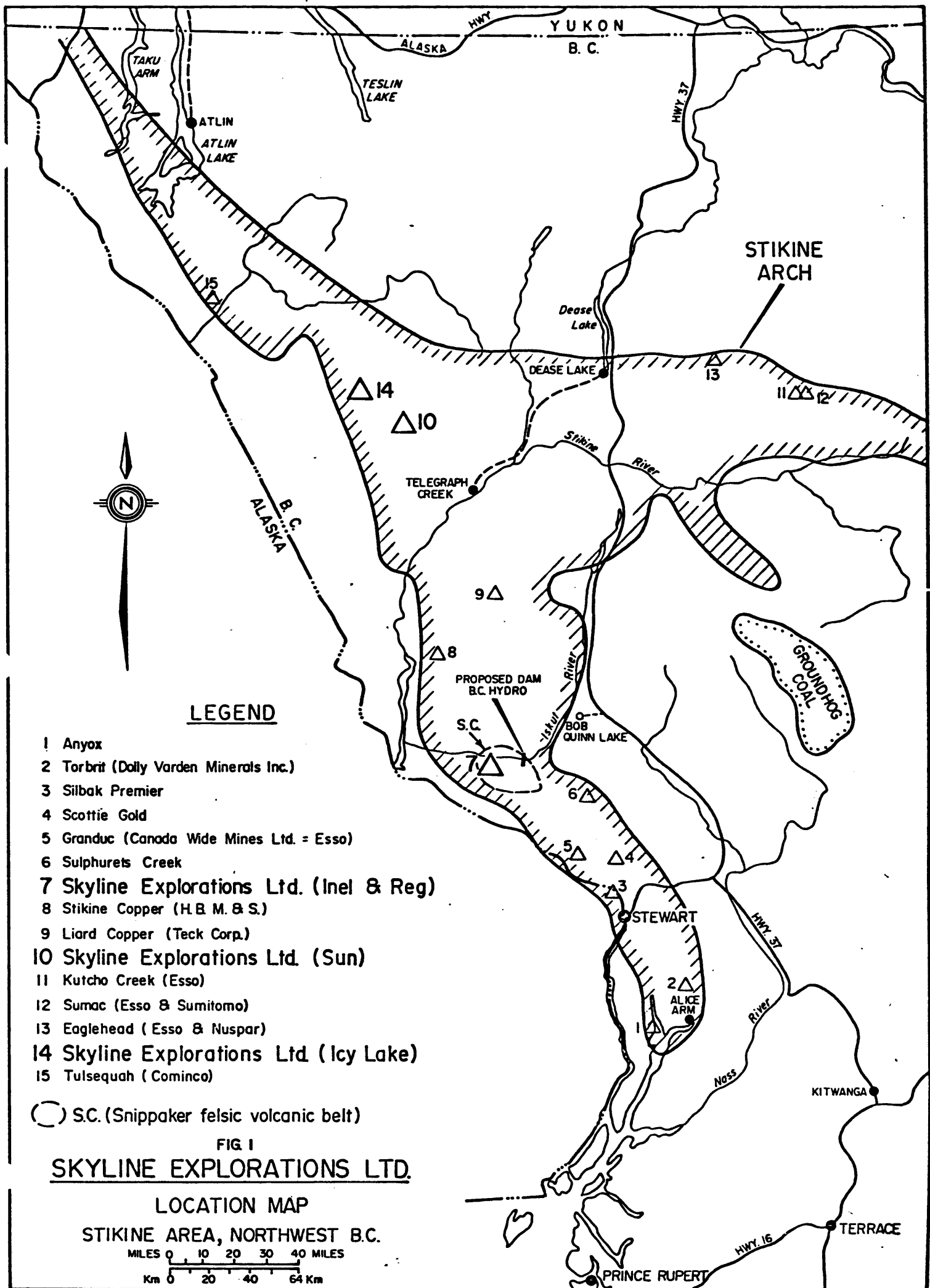
of intersection of the two main zones with the regional bedding.

It is now a matter of additional drilling, justified by the combination of economic mineralization supported by significant electro-magnetic anomalies and hi-grade float.

A handwritten signature in black ink, reading "P.H. Sevensma" with a horizontal line underneath.

P.H. Sevensma, Ph.D., P.Eng.,
Director, Skyline Explorations Ltd.

Dated: 13 November 1981



LEGEND

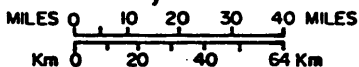
- 1 Anyox
- 2 Torbrit (Dolly Varden Minerals Inc.)
- 3 Silbak Premier
- 4 Scottie Gold
- 5 Granduc (Canada Wide Mines Ltd. = Esso)
- 6 Sulphurets Creek
- 7 Skyline Explorations Ltd. (Inel & Reg)
- 8 Stikine Copper (H.B.M. & S.)
- 9 Liard Copper (Teck Corp.)
- 10 Skyline Explorations Ltd. (Sun)
- 11 Kutcho Creek (Esso)
- 12 Sumac (Esso & Sumitomo)
- 13 Eaglehead (Esso & Nuspar)
- 14 Skyline Explorations Ltd (Icy Lake)
- 15 Tulsequah (Cominco)

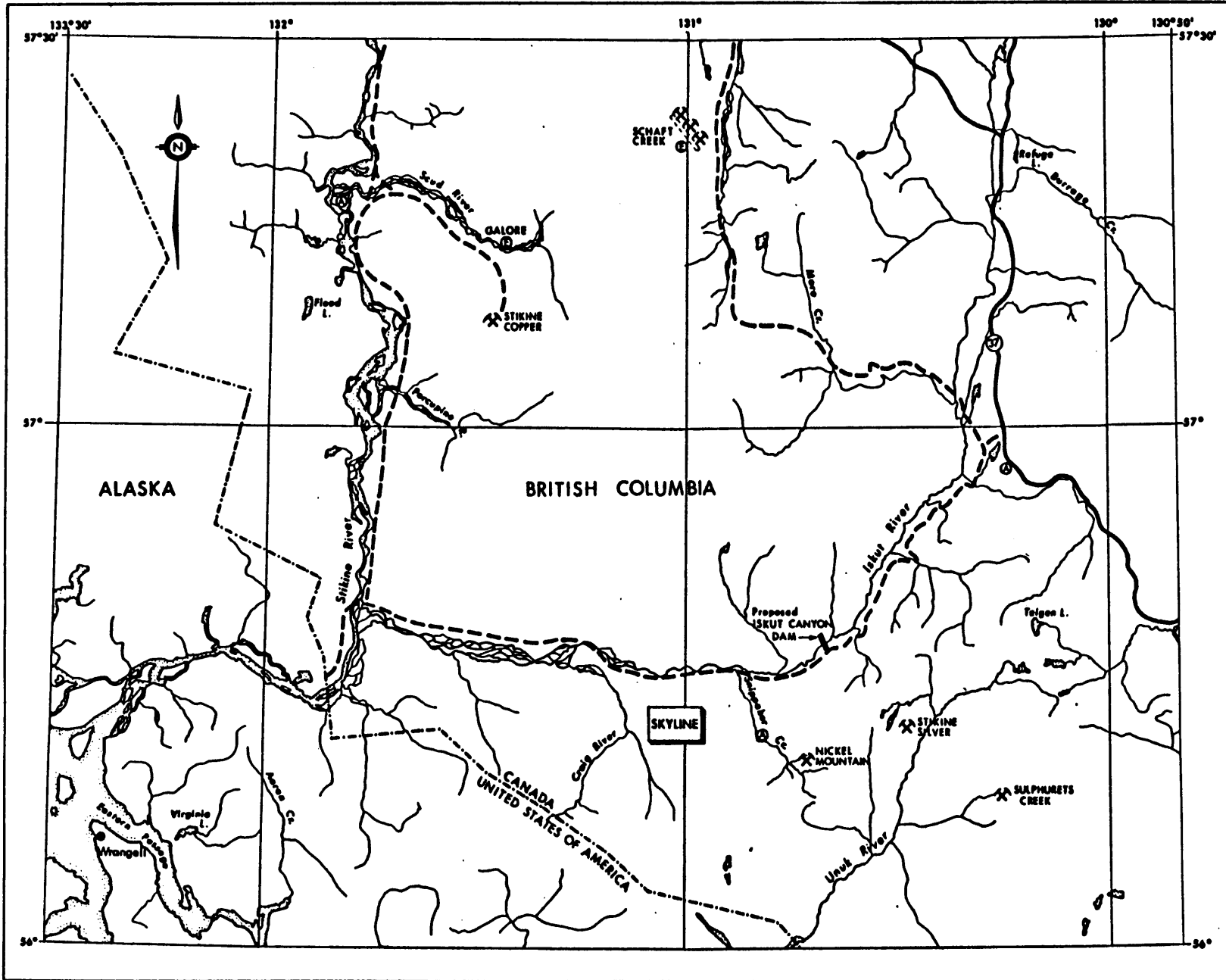
(○) S.C. (Snippaker felsic volcanic belt)

FIG 1
SKYLINE EXPLORATIONS LTD.

LOCATION MAP

STIKINE AREA, NORTHWEST B.C.





LEGEND

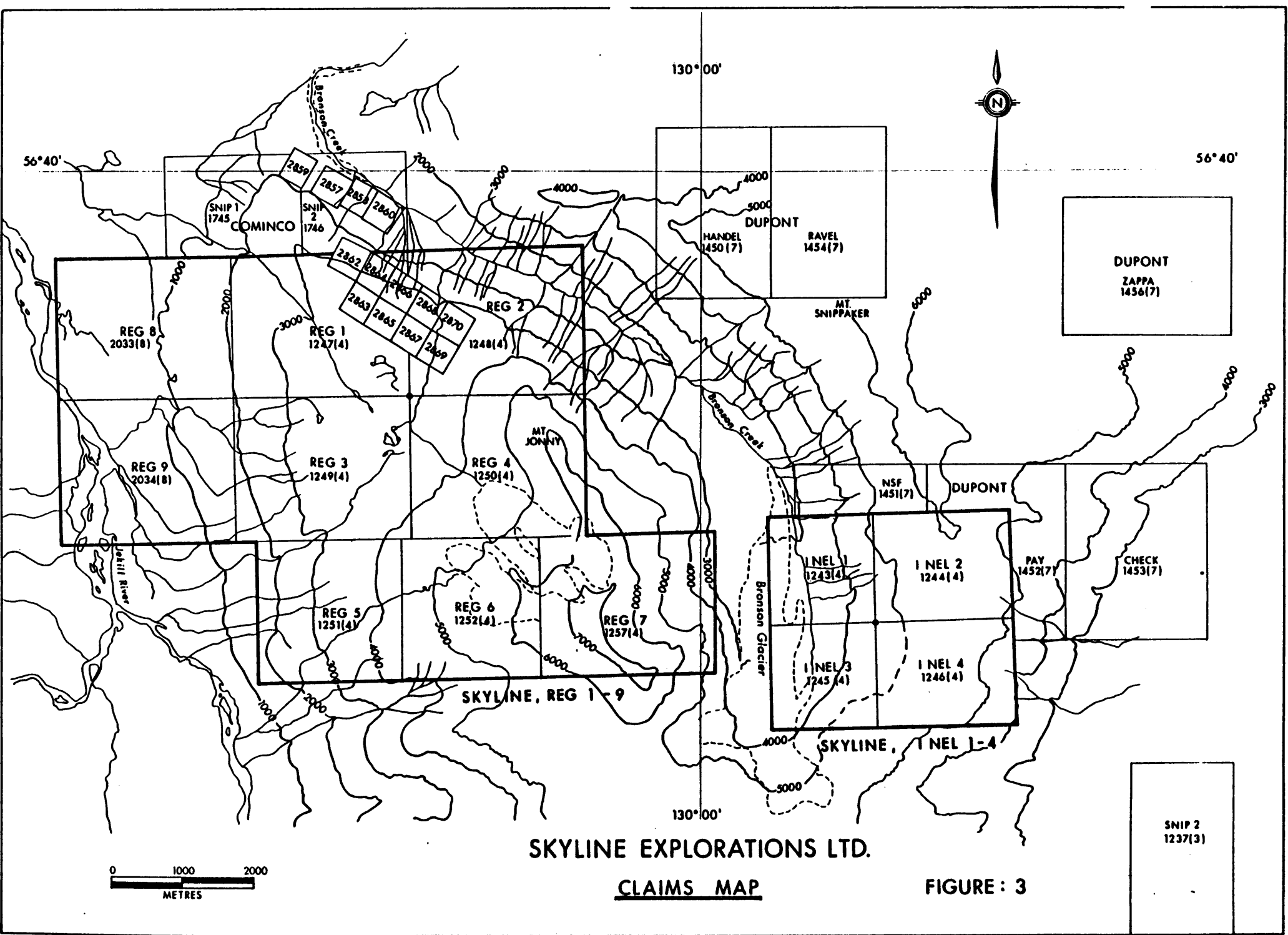
- ✕ Prospect
- ⊙ Landing Strip with or without facilities
- ⊙ Emergency Landing Strip
- ⊙ Major Road
- Settlement

FIGURE: 2

SCALE



**SKYLINE EXPLORATIONS LTD.
LOCATION MAP**



SKYLINE EXPLORATIONS LTD.

CLAIMS MAP

FIGURE : 3

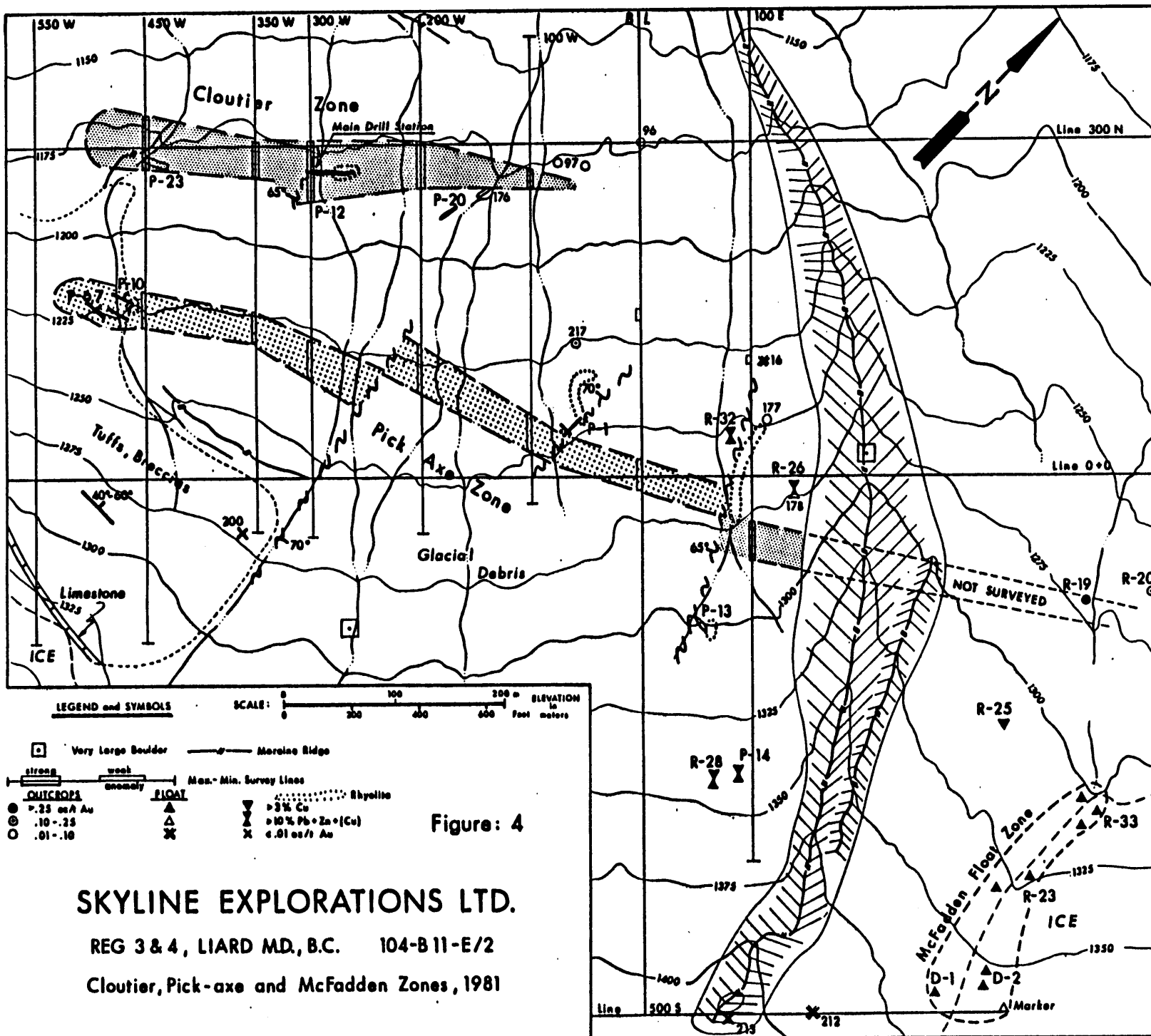
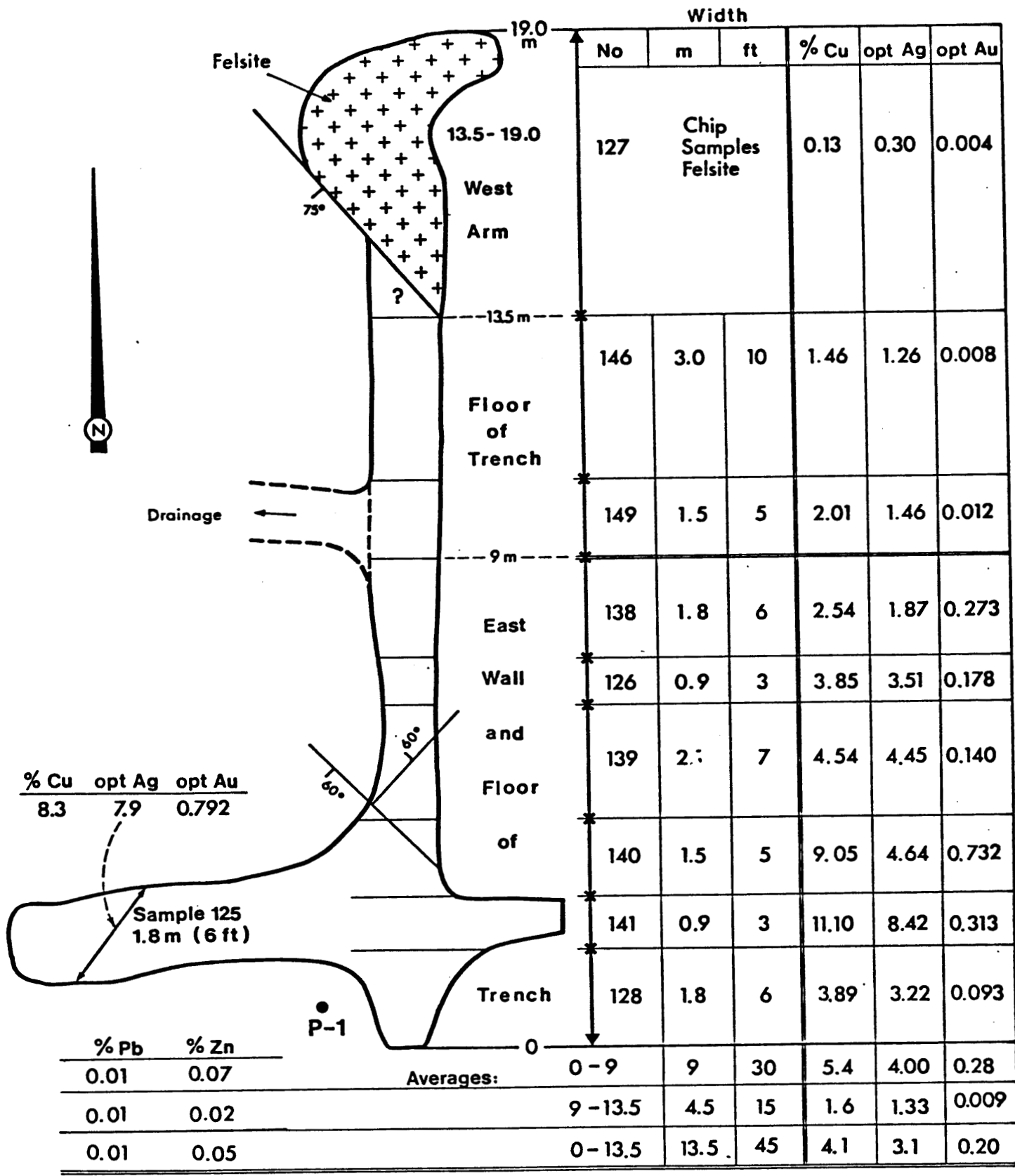


Figure: 4

SKYLINE EXPLORATIONS LTD.

REG 3 & 4, LIARD MD, B.C. 104-B11-E/2

Cloutier, Pick-axe and McFadden Zones, 1981



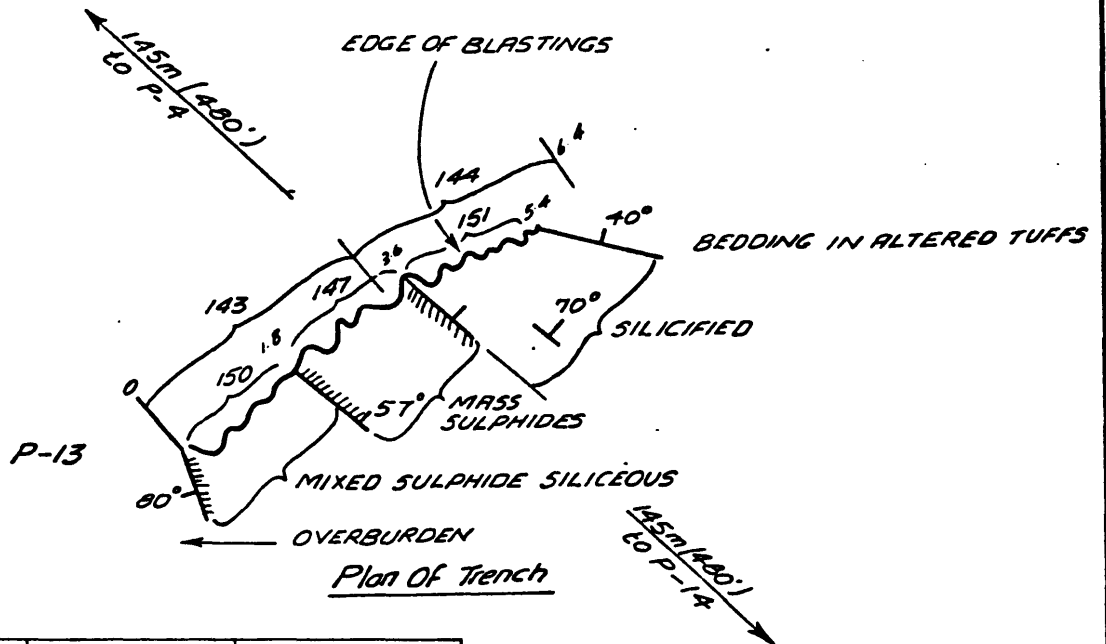
Trench up to 1.2 m (4 ft) deep
 Massive pyrite + increasing siliceous material to the north.

FIG. 5
 SKYLINE EXPLORATIONS Ltd.

REG 4 Plan of Pick Axe Trench P-1

1:100
 1" = 8.3'





SAMPLE NUMBER	DISTANCE m	WIDTH		DESCRIPTION
		m	ft	
HAND TRENCHING, JULY 1980				
143	0-3.4	3.4	11'	
144	3.4-6.4	3.0	10'	
AFTER DRILLING AND BLASTING				
150	0-1.8	1.8	6'	MIXED
147	1.8-3.6	1.8	6'	MASSIVE SULFIDES
151	3.6-5.4	1.8	6'	SILICIFIED
	0-3.6	3.6	12'	MAIN SULFIDE ZONE

% Cu	Ag	Au
1.02	.88	.009
.36	.54	.011
AFTER DRILLING & BLASTING		
85	44	.007
1.25	.65	.012
.23	.35	.008
1.05	.54	.009

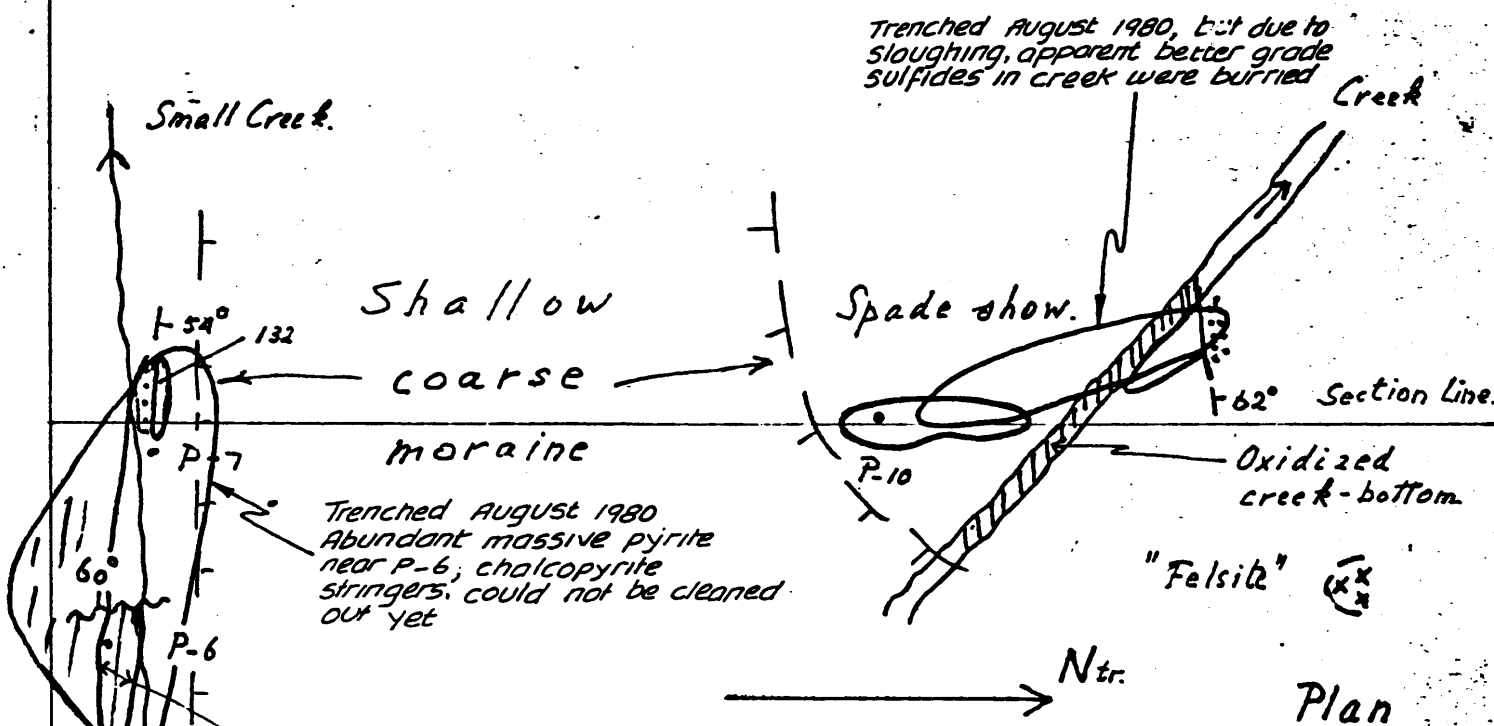
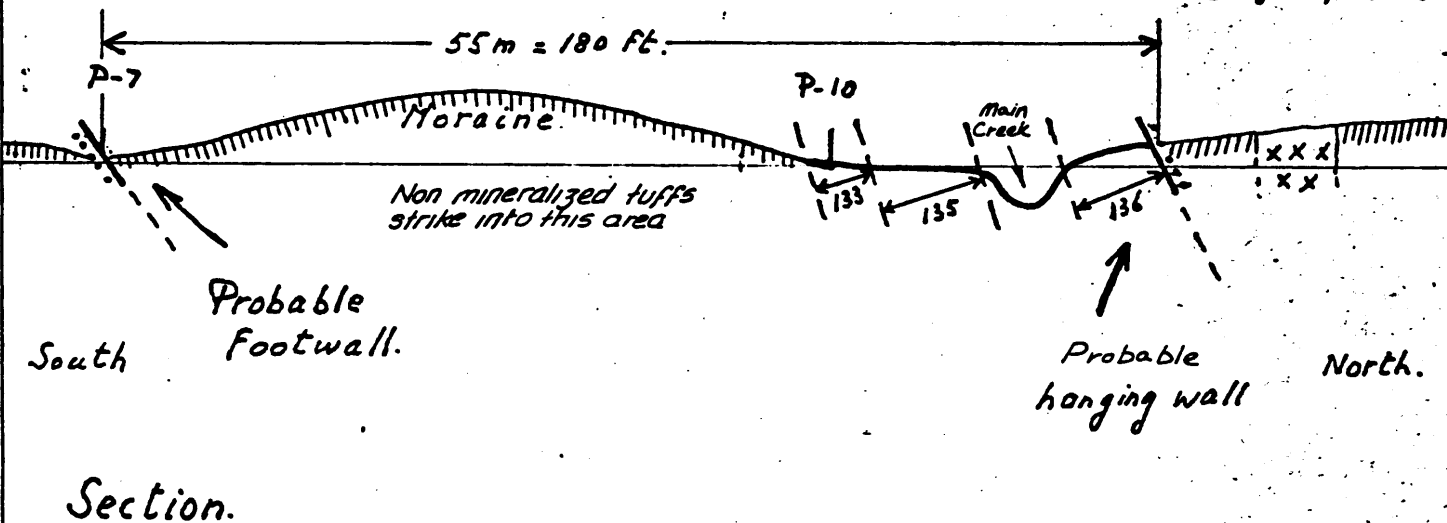
SAMPLED BY P.H. SEVENSMA
 ASSAYED BY ACME LABORATORIES, REPORTS 80-673 AND 80-1013.
 TRENCH CUT INTO NOSE OF GENTLE HILL RISING TO SOUTHEAST

SCALE 1:100
 (1" = 8'3")

SKYLINE EXPLORATIONS LTD.	
REG 4 TRENCHING OF MOIL SHOW P-13	
Peter H. Sevensma Consultants Ltd., Vancouver, B.C.	
104B-11/E	Fig. 6

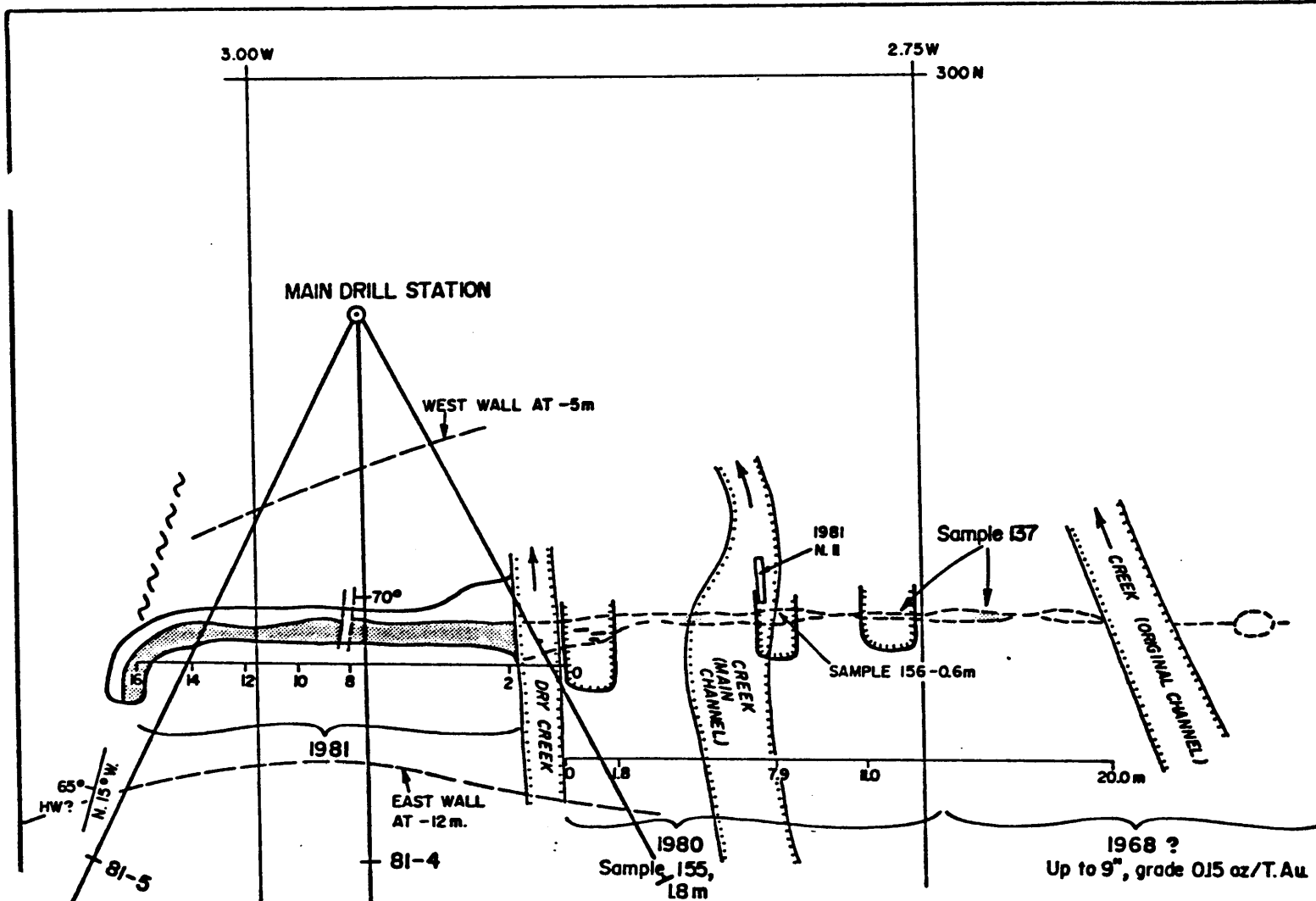
Sample #	Location	Width (m)	%Cu	oz/t Ag	oz/t Au	%Pb	%Zn	%Fe
131	P-6	1.0	.38	.46	.003	.08	.03	
132	P-7	0.3	.04	.28	.003	.07	.02	
133	P-10	3.0	.35	.33	.004	.03	.06	
135	P-10	6.0	.95	.53	.003	.01	.10	
136	P-10	3.6	.21	.28	.001	.01	.06	
132-135 Average		12.6	.60	.41	.003	.01	.07	
134	Floet, 30 m W of P-10		.41	.39	.003	.03	.07	

Sampled: P.H. Sevensma, PhD, P.Eng. July 20, 1980. Assays: Acme An. Lab., Rep. 80-673, July 28, 1980.



Scale: 1:400
(1" = 33.3')

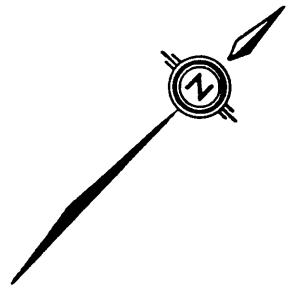
SKYLINE EXPLORATIONS LTD.	
REG 3 GP - SPADE SHOWING TRENCHING (P-10)	
Peter H. Sevensma Consultants Ltd., Vancouver, B.C.	
104B-11/E	Scale: 0 10m Fig: 7



ASSAYS

SAMPLE No.	Width (m)	% Cu	oz./T. Ag	oz./T. Au
ORIGINAL SHOWING 137	.22	.50	.40	.152
1980 TRENCHING 155	1.8	2.95	.91	.063
156	.6	3.02	1.28	.325
1981 TRENCHING 4	2.5	4.45	1.49	.512
6	1.8	2.85	.92	.394
7	1.8	3.16	.88	.084
8	2.5	2.54	1.18	.536
9	2.5	4.80	1.64	.076
(CROSS-VEIN) 5	.20	12.50	3.92	1.200
SILICIFIED TUFF 11	2.0	1.01	.40	.140
ALONG FAULT 53	2.5	2.75	1.12	.071

SAMPLES 4,6,7,8,9 AND 53 AND 156 ARE MOSTLY MASSIVE PYRITE WITH UP TO 30% SILICIFIED TUFF.
 SAMPLE 5 IS A CROSSVEIN HIGH IN Cp, LOW IN PYRITE
 SAMPLE 155 IS MOSTLY CHLORITIZED TUFF WITH ABUNDANT 1-3 mm PYRITE CUBES AND CHALCOPYRITE



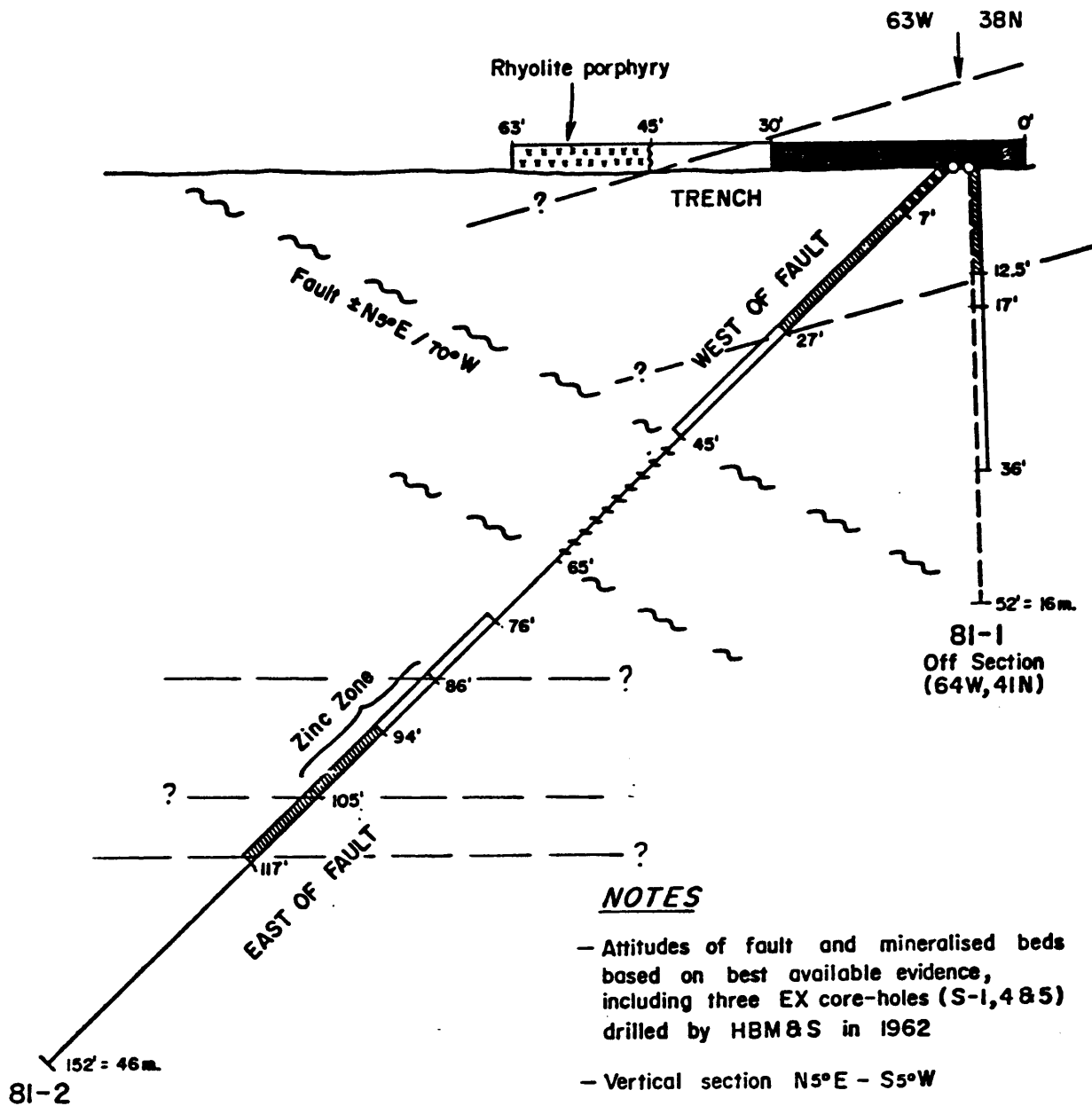
1980 TRENCHES



SKYLINE EXPLORATIONS LTD.
 REG 3 104-B-II-E/2
 LIARD M.D., B.C.
 P-12 TRENCH, 1980 & 1981
 SAMPLING & DRILLING

0 2 33 FT.
 0 5 10 m.

Date November 1981 Fig 8



NOTES

- Attitudes of fault and mineralised beds based on best available evidence, including three EX core-holes (S-1, 4 & 5) drilled by HBM&S in 1962
- Vertical section N5°E - S5°W
- Both holes in tuff and breccia only

AVERAGES

		FEET	METRES	Cu%	oz. / T. Ag	oz. / T. Au
TRENCH	0'-30'	30'	9	5.4	4.00	.28
	30'-45'	15'	4.5	1.6	1.33	.009
	0'-45'	45'	13.5	4.1	3.1	.20
	45'-63'	18'	5.5	.13	.30	.004
AT COLLAR 81-2			9.05	4.64	.732	
81-1	0'-17'	17'	5.2	.98	.73	.019
	50'-52'		F A U L T			
81-2 (TRENCH)	3'	0.9	9.05	4.64	.732	
	0'-27'	27'	8.2	2.74	2.47	.072
	-3'-27'	30'	9.1	3.37	2.69	.138
	45'-65.5'	20.5'	8.3	FAULT, NO CORE		
	86'-105'	19'	5.8	.61	.35	.015
				% Pb	% Zn	
				.03	4.02	

LEGEND

- > .25 oz./T. Au
- .01 - .10
- .10 - .25
- < .01

SKYLINE EXPLORATIONS LTD.
 REG 4,104-B-II-E/2
 LIARD M.D., B.C.
**1981 CORE-DRILLING
 PICK-AXE ZONE (P-1)**

Date November 1981 Fig 9

SURFACE SAMPLING IN THE CLOUTIER-PICK AXE-MCFADDEN AREA

TO ACCOMPANY PLAN OF THE AREA, FIGURE NO. 4

NUMBER		% Cu	% Pb	% Zn	Oz/T Ag	Oz/T Au	Widths Meters	Description
I.D.	Sample							
<u>(1) Cloutier Zone, all in place</u>								
P-23	45	.31	.01	.02	.23	.010	2m	Pyrite-laced silicified tuff.
	46	.78	.01	.02	.50	.018	1m	Pyrite-laced silicified tuff.
P-12		See trench sketch						
P-20	10	.06	-	-	.16	.382	.03-1.3	Pyrite-laced silicified tuff.
	176	.01	-	-	.23	.032	.05-.30	Pyrite-laced silicified tuff.
	97	.01	-	-	?	.014)		Pyrite, in silicified and chloritized tuff.
	96	.03	-	-	.12	.033)		Small mutiple showings.
<u>(2) Pick-Axe Zone, all in place</u>								
P-6,7)		See trench sketch						
P-10)								
	217	3.08	-	-	2.72	.131	1 x 1m	Scattered Py, Cp in silicified rock
	177	.01	-	-	.07	.028	2 x 3m	Pyritized rhyolite
R-19		See trench sketch						
R-20	1939	.29	.03	.05	.18	.011	10m)1 cm pyrite stringers in highly silicified tuffs.)
	1942	.77	.06	.17	.38	.196		
R-32	1930	.12	22.30	5.15	2.68	.040		High sulfide head-size block
R-26	1926	5.12	.10	6.82	4.46	.175		High sulfide double-head-size
	178	1.56	-	-	11.20	.178		Pyrite boulder, well rounded
P-13		See trench sketch. Probably part of Pick-Axe "sheet"						
<u>(3) McFadden Float-Zone</u>								
See Table of Assays								
Aver. of 10 samples		1.38	.04	.31	1.14	2.660		Angular pyrite blocks up to 1 m ³
<u>(4) Float between Pick-Axe and McFadden</u>								
P-14	142	5.72	.92	3.15	5.28	.216	.25 x .25	Near massive sulfide
R-28	1927	.88	8.22	1.02	3.60	.011	.15 x .15	Massive sulfide
	213	.02	.38	.95	.36	.007	.50 x .50	Massive pyrite
							x .50	
	212	.31	.01	.07	.34	.040		Head size massive Py

SURFACE SAMPLING IN THE CLOUTIER-PICK AXE-MCFADDEN AREA
TO ACCOMPANY PLAN OF THE AREA, FIGURE NO. 4

- 2 -

<u>NUMBER</u>							<u>Widths</u>	
<u>I.D.</u>	<u>Sample</u>	<u>% Cu</u>	<u>% Pb</u>	<u>% Zn</u>	<u>Oz/T Ag</u>	<u>Oz/T Au</u>	<u>Meters</u>	<u>Description</u>
R-25	1925	7.52	1.38	3.62	8.85	.065	.3 x .3	Pyrite in siliceous gangue
R-22	1922	5.85	.06	.27	4.52	.026	.2 x .2	Siliceous pyrite

R-22 lies 100 m southeast of 213, off the map sheet.

SKYLINE EXPLORATIONS LTD.

FLOAT ASSAYS IN THE MCFADDEN ZONE

<u>LOCATION</u>	<u>SAMPLE NO.</u>	<u>% Cu</u>	<u>% Pb</u>	<u>% Zn</u>	<u>Ag Oz/T</u>	<u>Au Oz/T</u>	<u>CO-ORDINATES</u>
R-23	1923	.84	.02	.06	.44	1.120	± 410E, 200S
	1924	3.14	.04	.08	1.81	5.450	
R-33	1931	2.58	.15	.09	1.65	3.820	± 350E, 120S
	1932	2.40	.05	2.32	2.43	.602	
	1933	.58	.06	.09	.91	2.480	
D-1	210	.04	.01	.03	.66	3.950	480S, 260E
Marker	211	.01	.01	.03	.04	.234	500S, 325E
D-1	214	1.00	.05	.02	1.58	4.220	
D-2	215	1.68	.02	.14	1.34	2.100	465S, 300E
D-2	216	1.54	.02	.22	.53	.620	
TOTAL		13.81	.43	3.08	11.39	26.596	
AVERAGE		1.38	.04	.31	1.14	2.660	

These are all the samples taken within this area.

All samples weighed around 1.0 - 2 kg each (2.0 -5 lbs).

Angular blocks up to 1 cubic meter.

On ice, other float consists of typical altered volcanics.

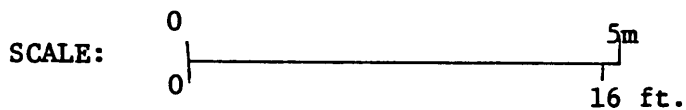
SKYLINE EXPLORATIONS LTD.

REG 4, 104-B-11-E/2

Trench R-19

1980 SAMPLING

<u>FEET</u>	<u>METRES</u>	<u>SAMPLE NO.</u>	<u>% Cu</u>	<u>% Pb</u>	<u>% Zn</u>	<u>Ag Oz/T</u>	<u>Au Oz/T</u>
0	0						
		1934	.16	.40	2.86	.36	.492
5.2	1.6						
		1935	.05	.02	.05	.18	.011
10.4	3.2						
		1936	.04	.02	.10	.26	.047
15.6	4.8						
		1937	.02	.01	.06	.13	.007
20.8	6.4						
		1938	.16	.04	.08	.32	.003
26	8.0						
Av. 26	8.0		<u>.09</u>	<u>.10</u>	<u>.63</u>	<u>.25</u>	<u>.132</u>



Strike may be at about right angle to trench, but mud and faulting obscures the exposures which are partly massive pyrite, partly silicified tuff.

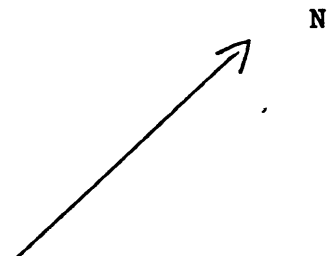
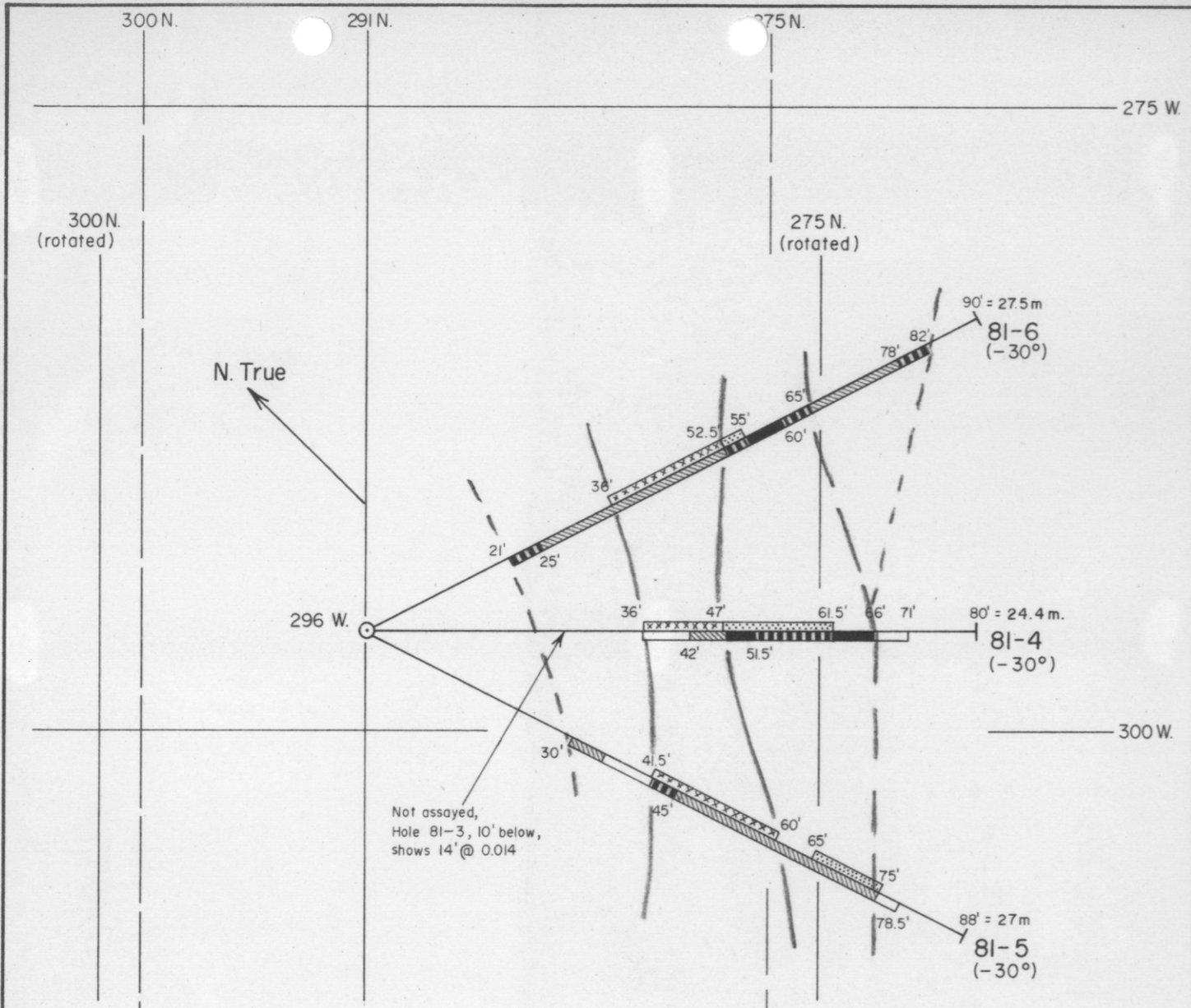


TABLE III



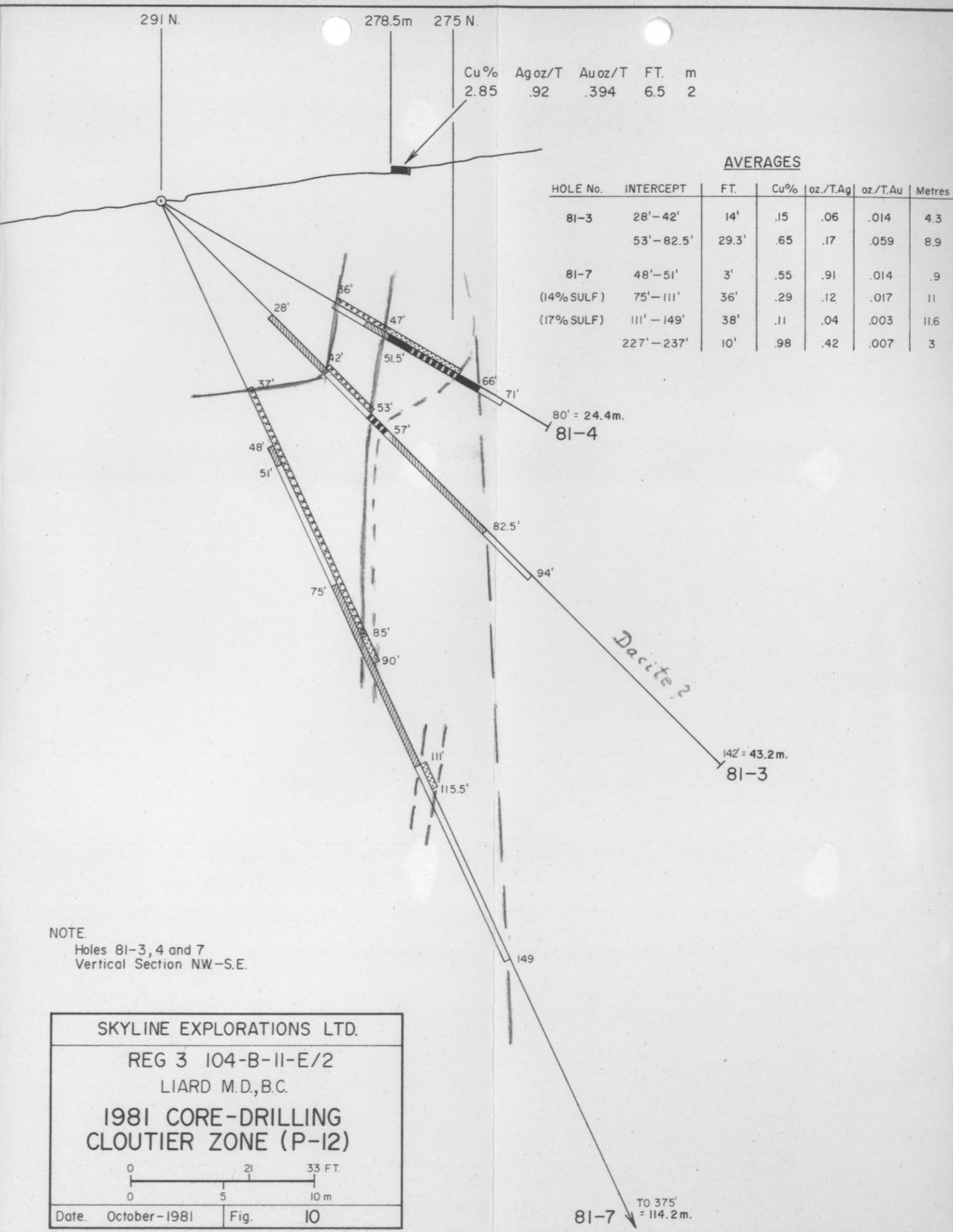
Not assayed,
Hole 81-3, 10' below,
shows 14' @ 0.014

- > .25 oz./T. Au
- .10 - .25
- .01 - .10
- < .01
- Breccia, tuff
- Rhyolite
- 30-80% Sulfides

NOTE.
Holes 81-4, 5 and 6.
Plane at -30°, rotated
to the horizontal.

AVERAGES

HOLE No.	INTERCEPT	FT.	Cu %	oz./T. Ag	oz./T. Au	Metres
81-6	52.5' - 65'	12.5'	.75	.48	.464	3.8
81-4	47' - 66'	19.0'	1.80	.66	.265	5.8
81-5	60' - 65'	15.0'	1.68	.33	.068	4.6
81-6	21' - 82'	61.0'	.19	.15	.128	18.5
SULFIDES (30-80%)						
81-6	52.5' - 55'	2.5'	3.54	1.02	.164	.8
81-4	47' - 61.5'	14.5'	2.38	.60	.263	4.4
81-5	65' - 75'	10.0'	2.30	.41	.065	3.1



Cu% Agoz/T Auoz/T FT. m
2.85 .92 .394 6.5 2

AVERAGES

HOLE No.	INTERCEPT	FT.	Cu%	oz./T. Ag	oz./T. Au	Metres
81-3	28' - 42'	14'	.15	.06	.014	4.3
	53' - 82.5'	29.3'	.65	.17	.059	8.9
81-7 (14% SULF)	48' - 51'	3'	.55	.91	.014	.9
	75' - 111'	36'	.29	.12	.017	11
(17% SULF)	111' - 149'	38'	.11	.04	.003	11.6
	227' - 237'	10'	.98	.42	.007	3

NOTE.
Holes 81-3, 4 and 7
Vertical Section NW-S.E.

SKYLINE EXPLORATIONS LTD.
REG 3 104-B-II-E/2
LIARD M.D., B.C.
**1981 CORE-DRILLING
CLOUTIER ZONE (P-12)**

0 21 33 FT.
0 5 10 m

Date. October - 1981 | Fig. 10

81-7 TO 375' = 114.2 m.