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SKYLINE EXPLORATIONS LTD. 301 - 675 W. Hastings St., Vancouver, B.C. V6B 1N2 (604) 683-6865 Faxline (604) 685-1207

PROGRESS REPORT # 5

The company is pleased to report that underground developemnt is proceeding as scheduled.

The 16 raise has progressed to 250' and the 16 Drift has progressed to 303'.

A new high grade vein in the Zephrin Zone has been assayed in our lab and cross-checked at Acme Analytical Labs Ltd. in Vancouver. This new vein has a true width of 2.5 feet and was traced for a length of 10' where it faulted off above and below the crosscut. Further tracing of this spectacular find will be carried out.

The following assays were received from Acme Labs:

Sample No.	Oz/Ton Silver	Oz/ton Gold
1819	2.98	11.085
1820	3.59	11.420
1821	6.83	4.845
1822	21.18	41.450
1823	17.77	34.930
1824	17.76	36.130
1825	2.77	1.220
1866	.10	.072
1892	.27	.110

The average assay across the 2.5 width is 15.31 oz/ton (uncut).

A contract for the design and construction of a 200-400 ton per day mill will be let within a week. A full description of the mill construction plan will be released at a later date.

ON BEHALF OF THE BOARD


R.E. Davis, President.

12 May 1987

The Vancouver Stock Exchange has neither approved nor disapproved of the information contained herein.