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NEWS RELEASE

June 1986



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SKYLINE EXPLORATIONS LTD. 2nd Floor - 675 W. Hastings St., Vancouver, B.C. V6B 1N2 (604) 683-6865 Telex-04-51313

The Board of Directors is pleased to announce that the crew has now been mobilized into the Johnny Mountain Camp. This is located on the 100% Skyline owned Reg property, in the Iskut River area of Northwestern B.C., approximately 60 miles up river from the deep sea port of Wrangle, Alaska.

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The company had a very successful exploration season on the Reg claims in 1985. Our consultant Dr. E.W. Grove estimates a reserve of 745,000 tons of .612 oz gold/ton in the Stonehouse Gold Deposit for a gross value of \$182 million. As the season commences this year heavy equipment is being flown in by Sikorsky Helicopter and work will begin on the construction of the 6 km. road connecting the camp to a new airstrip being constructed at the Craig River. This will alleviate the use of helicopter back-up.

Upon completion of this Phase, work will begin on the exploration adit through the Stonehouse Gold Zone in preparation for production in 1987. The adit plus the airstrip will extend our season to about 12 months per year.

Towards the end of the 1985 season a new surface vein was discovered with coarse visible gold. Dr. Grove identifies an initial measured tonnage on the deposit of 9,938 tons grading 3.541 oz/ton for a gross value of \$14 million. The vein was aptly named "The Gold Rush Zone". Due to the discovery being made so late in the season, little work was done on this new area. A program of drilling and trenching will be undertaken this year with results to be published as they are received.

The company has successfully, negotiated a rental purchase of all the mining equipment required for the exploration adit. As well a private stock placement has been completed to cover costs for road and airstrip construction.

Negotiations are presently underway for further financing of the project. The Board of Directors is extremely optimistic that we will have this property producing gold by mid 1987.

The Company is presently in the process of making application to establish an exemption pursuant to Rule 12g3-2(b).

LOG NO: 06 26 GEO 5  
ACTION:  
"Write for complete Brochure"

On behalf of the Board,  
R.E. Davis, President  
ACTION: CC Wilcox/WJMC/VAP  
original back in correspondence  
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