



104B 113 - Inel

MINISTRY OF ENERGY, MINES
and PETROLEUM RESOURCES
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SKYLINE EXPLORATIONS LTD. 2nd Floor - 675 W. Hastings St., Vancouver, B.C. V6B 1N2 (604) 683-6865 Telex-04-51313

ISSUED: 3,478,143 SKX (VSE)

BUSINESS: Mineral Exploration in Northern B.C. since 1968

The company has concentrated its efforts on the volcanic and sedimentary formations of Upper Triassic to Lower Jurassic times. These have proven to carry most of the significant precious and base metal mineral deposits of Northern, B.C.

About 60 miles northwest of the mining town of Stewart, B.C., Skyline has made several major discoveries in what is believed to be an important new gold belt near the major Iskut River Valley.

Skyline owns 100% of the 7000 acres Inel property, where extensive surface sampling during 1983 has outlined a very large pyritized area several miles square carrying significant precious metal as well as base metal values. In a central area of about 1500 feet by 1500 feet, commercial values exceeding 0.10 ounces of gold per ton are most abundant, and one band carries 8.9 ounces of gold per ton across 16 feet.

Originally, attention had been drawn to this sector of the Inel by the discovery in 1971 of abundant float averaging 0.20 ounces of gold, 3.25 ounces of silver; 6.87% zinc, 1.78% lead and .54% Cu. Assays as high as 174.6 ounces of silver have been encountered in this same general area.

A program of 1.6 million dollars has been recommended for 1984 by Skyline's consultant, Dr. E.W. Grove, who is well acquainted with the rocks and deposits of the Stewart area, being the author of Bulletin No. 58 by the Department of Mines of B.C. on this area in 1971.

To the west, Skyline own the Reg Group of about 15,000 acres, where an initial drilling program has explored some of the more obvious mineral showings. Anaconda Canada Exploration Ltd. have recently bought 30,000 shares of Skyline at \$ 5.00 per share and can gain a 60% interest by varying expenditures. Thirty-nine

core holes have been completed to date, of which 20 gave significant results, up to a true width of 50' of 0.30 ounces of gold in Hole 82-11 at depths of around 200' on the Cloutier Zone. On the nearby 16 zone, 6 holes intersected up to 15.5' of .21 ounces of gold per ton at depths of around 250', the zone being open on both ends.

Extensive soil sampling has indicated five other conductive zones with highs up to 6220 ppb = .24 oz/t gold, providing additional drill targets. The origin of a large area of pyrite float averaging about 3 ounces of gold to the ton has not yet been pinpointed.

Gold is not in quartz veins, but in silicified (feldspathized?) volcanics, as in Hemlo.

Airborne geophysics and prospecting have indicated additional targets, with a number of float and in place occurrences with 10-40% lead and zinc and up to 33 ounces of silver and .38 ounces of gold per ton.

Both the Inel and Reg Group encompass what is known as elephant-size deposits, the areas of interest being about 2 1/2 miles long on each property.

Skyline has substantial working capital on hand and important work commitments by Anaconda Canada.

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