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Paper No. 26 - 9:40 a.m.
"SKYLINE EXPLORATION LTD'S REG PROPERTY, NORTHWEST BRITISH COLUMBIA"
E. W. Grove, Skyline Exploration Limited

The REG mineral property represents the most promising new gold/silver mineral development in the Stewart District since the discovery of the Silbak Premier mine in 1912. The REG claims are located on the north side of Johnny Mountain on the Iskut River about 70 air miles northwesterly of Stewart, B.C., and 50 air miles from Wrangell, Alaska.

Erosion through part of the Iskut Structural thrust zone on the north slope of Mount Johnny has opened a window to a partly deformed sequence of intercalated volcaniclastic, feldspar porphyry and mixed sedimentary rocks that are marked by extensive mineralization and related alteration. The Stonehouse Gold zone lies below a regional unconformity marking the superposition of the widespread Betty Creek Formation. These underlying mineralized rocks have strong similarities lithologically and structurally to the Unuk River Formation, a complex sequence in which the Silbak Premier, Big Missouri, Scottie, Granduc and several hundred other mineral deposits are now known to occur.

Geological studies of the Gold Zone since 1981 have shown the presence of a major sulfide mineral deposit in which gold is the major economic mineral. Conservative estimates based almost exclusively upon core drill results indicate a geological mineral reserve of over 3,300,000 tons with a grade of about 0.30 ounces per ton gold plus silver.

The Gold Zone strata underlying part of the north slope of Mount Johnny represent a 3,200(+) foot thick variably deformed, volcanic sequence of probable Lower Jurassic age. The sedimentary members include siltstone, sandstone, minor limestone, and intercalated thin rhyolite flows. Upwards, this largely volcanic-volcaniclastic sequence becomes a mainly clastic sedimentary series with a measured thickness of at least 2,600 feet. Both sequences are overlain unconformably both locally and regionally by the Lower Middle Jurassic Betty Creek Formation.

In summary, surface work and core drilling have shown that the Stonehouse Gold Zone mineralization comprises gangue, simple sulfide minerals, native gold and electrum localized as overlapping lenses within a steep, complex fracture system cutting across altered country rocks. The fracture zone has now been shown to have a length of at least 4,750 feet with a width of at least 900 feet which has so far been partly explored to a depth of only 525 feet.

Coffee - 10:20 - 10:40 a.m.