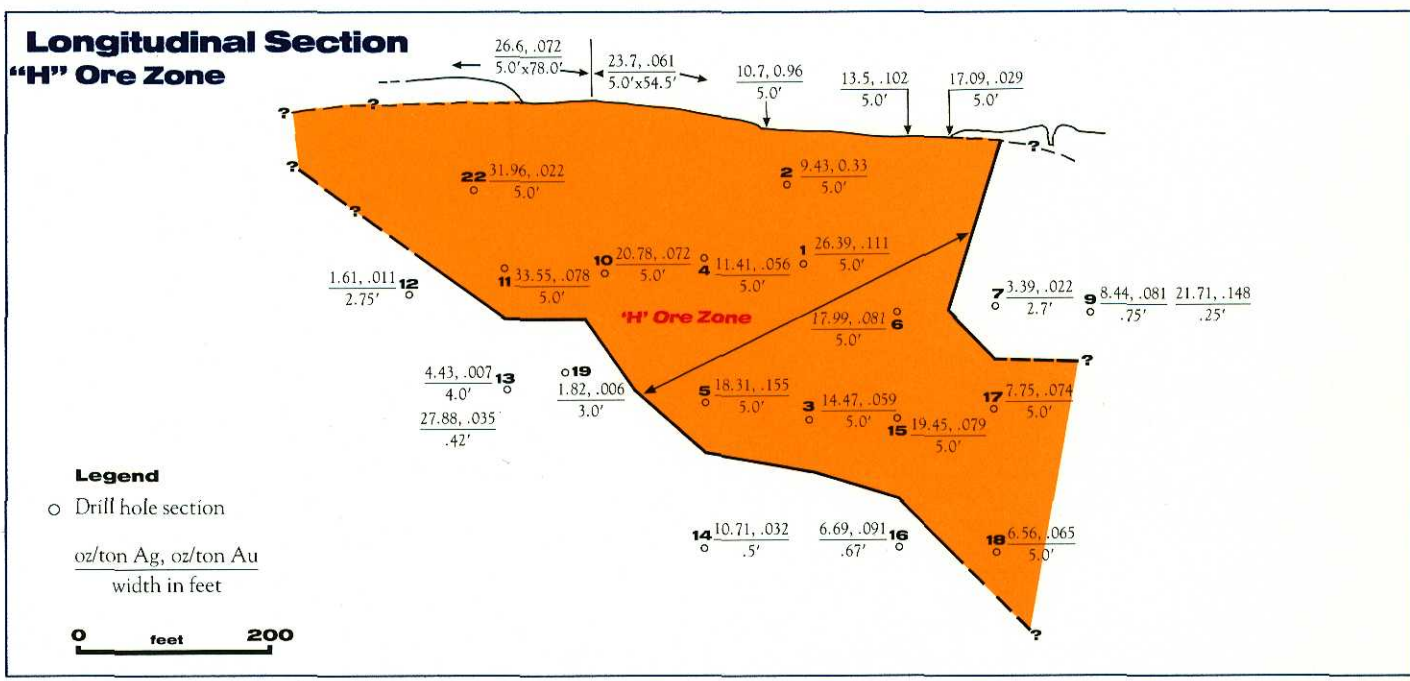
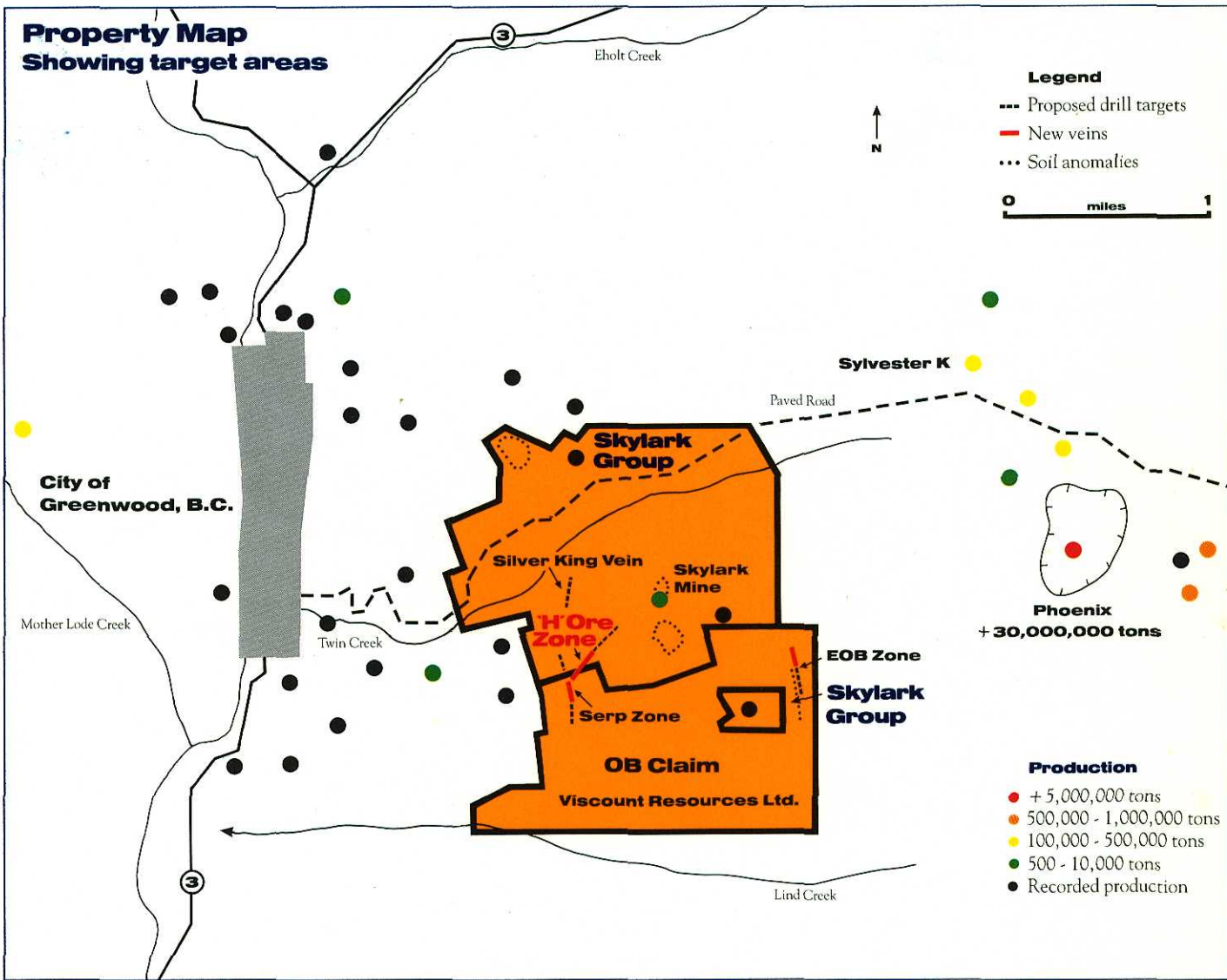


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# Skylark

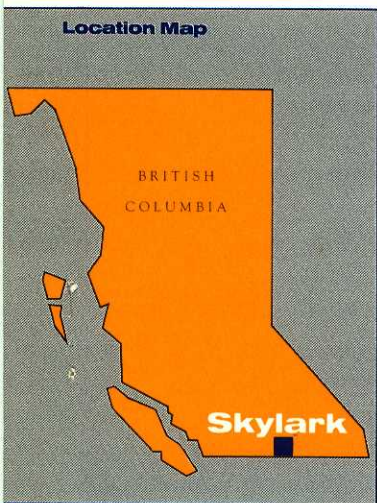
**Resources  
Ltd.**

**Developing a high-grade  
silver-gold mine in  
southeast British Columbia.**



# Skylark discovery of high-grade silver-gold deposit points to production in 1986.

**A** junior mining success story is being written. With the 1984 discovery and drill definition of a high-grade silver-gold zone on its property near Greenwood, B.C., Skylark Resources Ltd. is scheduled to begin production in Fall 1986. Prospects of Skylark emerging as a significant Canadian producer are excellent.



## "H" Zone drilling indicates 2 million ounces of silver

The first phase of Skylark's production plan involves a 50-50 joint venture with Viscount Resources on the "OB" Claim portion of the newly-discovered "H" Zone which runs from just within the "OB" Claim onto Skylark's wholly-owned property. Drilling to date on the "H" Zone alone has outlined 2,000,000 ounces of silver in a highly concentrated and easily accessible deposit. The ore body shows unusually continuous silver and gold values throughout and remains open down dip to the northeast into Skylark's ground.

The ore body has been exposed by trenching along 500 feet, revealing a 3-5 ft. silver-gold bearing zone within granodiorite with a core of continuous, extremely high-grade mineralization. Diamond drilling along strike and down dip has returned intersections as high as 454 oz/ton silver across narrow

\* All dollar figures expressed in Canadian dollars.

widths with an average grade across a diluted width of 5.0 feet of over 20 oz/ton silver and 0.08 oz/ton gold.

Skylark has largely funded the exploration of the "OB" Claim to date. Spending on both properties totals approximately \$280,000\* since 1980, \$100,000 of which has earned the Company a 50% working interest in the "OB" Claim. All mine development and operations on the "OB" Claim will be conducted on a joint venture basis with all costs shared equally by the venture partners.

## Location key factor favouring profitable production

Near optimum factors support Skylark's Fall 1986 target start-up of production at 2,000 ounces of silver per day. Profits – even during the cost-intensive start-up phase and at today's depressed metal prices – are anticipated to be excellent.

A key factor is location. The Skylark Property is one mile east of Greenwood, British Columbia, a well-established mining area. The city of Greenwood provides not only an experienced labour force but also the necessary infrastructure. An ore processing mill is ten miles by road from the proposed mine site. Power lines cross the property

within 300 feet of the "H" Zone, which is fully accessible by automobile. Being primarily an underground operation, the mine can be worked year-round.

Good access to labour, power and transportation are tremendous cost-saving factors. Production capital costs are estimated at \$900,000, \$500,000 of which will be borne by Skylark. Skylark's share of initial working capital requirements is approximately another \$300,000. An agreement with the nearby Roberts Mill has been signed which – adding projected haulage, overhead and mining costs – will bring production costs to an estimated \$100-\$125\* per ton.

## Other known zones add vast long-term potential to new Skylark Mine

Also discovered in 1985, below the silver-rich "H" Zone, was a serpentinized zone; gold values ran as high as .431 oz/ton over a width of 13.5 feet. Seven diamond drill holes intersected this gold zone within a panel 150 by 400 feet long and returned lower-grade mineralization across widths of up to 55 feet, which indicate the potential for the development of large tonnage by drilling. Yet a third promising area to the east assayed 40.05 oz/ton silver and 0.03 oz/ton gold along a two-ft. wide trench.



Outside the "OB" Claim, Skylark holds approximately 890 acres of highly mineralized claims, all contiguous and adjacent to the "OB". Of particular note is the old Skylark Mine which lies on Skylark's property 1,500 feet northeast of the "H" Zone. There are numerous geological and geochemical indications that the Skylark Mine silver vein, and similar veins, trend southwest through the heart of the current Skylark holdings, toward the "H" Zone.

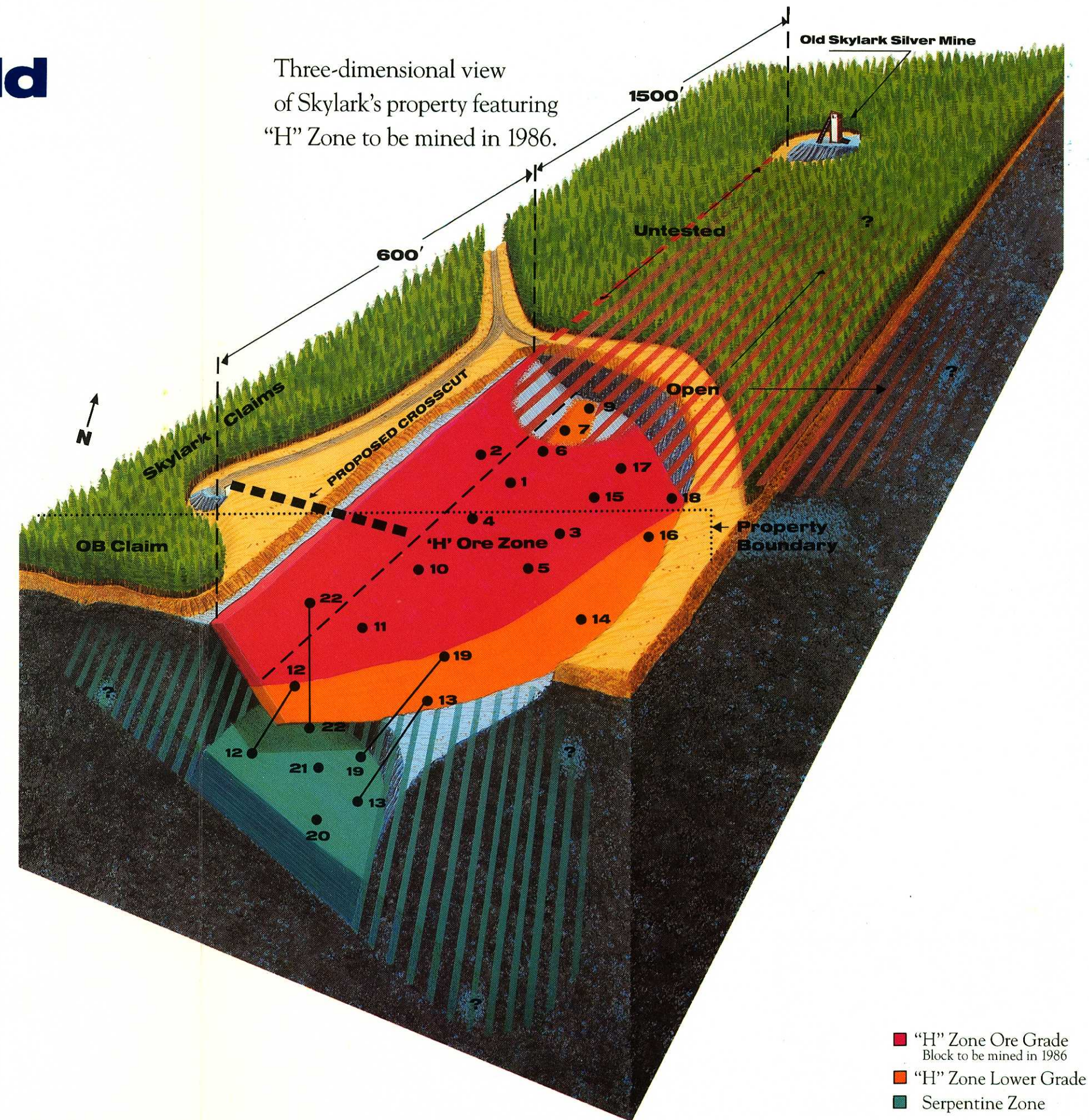
## Production cash flows will speed further development of Skylark properties

At the conservative reserve grade of 20 oz/ton silver and 0.08 oz/ton gold, net profit projections are \$45-\$70 per ton at today's silver prices of \$8.00 Cdn. A worst-case production scenario establishes a break-even silver price of \$4-\$5 Cdn. per ounce.

The first planned production through the Roberts Mill will be 10,000 tons, with considerable increases contingent on mill availability. Six-month pre-tax profits are estimated up to \$700,000. A total \$8 million net profit from mining just the currently indicated "H" Zone silver reserve is estimated.

As further drilling extends the limits of the "H" Zone and other deposits, these profits will increase – as will the feasibility of building Skylark's own on-site mill.

Healthy production cash flows from the early mining of the "H" Zone will also help explore all of Skylark's area holdings and fund the acquisition of more claims. With the Company operating a well-balanced program of exploration, development and production in the Greenwood area – one of Canada's richest mining camps – Skylark's goal of becoming a force in the British Columbia mining industry will have been achieved.



## **Corporate Information**

### **Management**

#### **H. Herbert Shear, P.Eng. – President, CEO**

Mr. Shear has over 25 years of successful professional experience in every phase of mining exploration. Starting as a field geologist, he progressed to senior geologist and project manager with both junior exploration and major mining companies. His first gold discovery with his own company was in 1965. His last work as an employee was with Granges Exploration Ltd., a successful Canadian mining company. He left Granges in 1979 to form Skylark Resources and Dentonia Resources, relinquishing his presidency of the latter in 1984 to devote all of his efforts to Skylark following discovery of the "H" Zone ore deposit.

#### **Frank Patrick Kelly, M.A. – Director**

Mr. Kelly was born in Dublin, Ireland. Before and since coming to Canada in 1967 he has had extensive experience in public relations and business management. Since 1981, Mr. Kelly has been an active director of Skylark Resources. His background includes representing G.D. Searle & Co. Ltd. for four years in British Columbia and owning Charter Travel Ltd. of Vancouver, B.C.

### **Corporate Address**

Skylark Resources Ltd.  
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Vancouver, British Columbia  
Canada V6C 1B6  
Telephone (604) 687-1848

### **Transfer Agent**

Yorkshire Trust  
1100 Melville Street  
Vancouver, B.C. V6E 4B6  
Telephone (604) 685-3711

### **Solicitor & Registered Office**

Casey, O'Neill & Bence  
12th Floor  
1190 Hornby Street  
Vancouver, B.C. V6Z 2L3

### **Share Listing**

Vancouver Stock Exchange  
Symbol: SKR

### **Capitalization**

Authorized: 10,000,000  
common shares  
Issued: 3,769,503 common shares