



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

SEP

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825838 Reg

I.D.B.
P.B.
J.K.C.
A.H.C.
P.S.C.
D.M.H.
FILE

19 August 1985

*Very tough location
one of the worst
Dave*

PROGRESS REPORT #1

The company is pleased to announce that assays have been received on the first drill hole on the Stonehouse Gold Zone extensions. Drilling was delayed due to unusually heavy snow in the area.

Hole #85-63, which is located **1500' east of 82-16** which assayed **17' of 1.242 oz. gold per ton**, returned a 6' intersection as follows:

FROM	TO	LENGTH	GOLD	SILVER
18.2'	21.2'	3'	.550	.47
21.2'	24.2'	3'	.302	.46

Due to heavy shearing the hole had to be stopped at 169 feet. A heavier drill will be required to test the zones at depth.

Drilling on the Pick Axe Zone extension is in progress and assays should be received within the next week. Further drilling on all extensions to the Stonehouse zone, which now has **557,000 tons of .512 gold**, will be completed this year.

An extensive Pulse E.M. Survey and grid sampling on the lower reaches of the Reg property has been completed. New showings with high grade lead-zinc-silver, as well as high gold values, have been encountered, and assays will be released when all data has been compiled by the company's consultant, Dr.E.W. Groves.

ON BEHALF OF THE BOARD

R.E. Davis,
President.

THE VANCOUVER STOCK EXCHANGE HAS NEITHER APPROVED NOR DISAPPROVED THE INFORMATION CONTAINED HEREIN.



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PROGRESS REPORT #2

SKYLINE EXTENDING RESERVES OF 557,000 TONS AT 0.512 GOLD

Early results from Skyline's 1985 field programme on the **Stonehouse Gold Zone** of the 100% owned Reg Claims show valuable surface extensions from trenching, sampling of surface outcrops as well as good drilling intersections.

AREA	FROM	TO	WIDTH (ft)	GOLD OZ/T	SILVER OZ/T	COPPER %
SURFACE SAMPLING (Channel Samples- Full Width)						
CLOUTIER ZONE	0.0	6.5	6.5	.338	.28	.56
	6.5	13.0	6.5	.508	.39	.98
	<u>0.0</u>	<u>13.0</u>	<u>13.0</u>	<u>.423</u>	<u>.33</u>	<u>.77</u>
PICKAXE	0.0	5.0	5.0	.396	2.78	3.20
	5.0	10.0	5.0	.038	4.82	6.74
	10.0	15.0	5.0	.180	2.44	3.47
	15.0	20.0	5.0	.138	5.54	8.02
	20.0	25.0	5.0	.142	3.62	5.49
	25.0	30.0	5.0	.016	4.22	4.47
	<u>30.0</u>	<u>35.0</u>	<u>5.0</u>	<u>.490</u>	<u>1.38</u>	<u>1.76</u>
<u>0.0</u>	<u>35.0</u>	<u>35.0</u>	<u>.200</u>	<u>3.54</u>	<u>4.74</u>	
TRENCH R19	0.0	18.0	18.4	2.020	.40	.26

DRILLING

Due to a poor core recovery in these zones, the company is switching to the Super 38 drill for holes in this zone.

16 ZONE						
DDH 85-69	166.7	172.3	3.6	.098	.08	.02
	180.0	185.0	5.0	.528	.22	.17
DDH 85-70	62.5	67.5	5.0	.060	5.28	2.07

Holes DDH 85-69 and 85-70 with an azimuth of S.E. were collared some 300 ft. N.W. of the Pickaxe trenching described above.

ON BEHALF OF THE BOARD

R.E. Davis

4 September 1985

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