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ISKUT RIVER PROPERTIES



SKYLINE EXPLORATIONS LTD.

is pleased to present this package of information detailing the exploration success it has enjoyed on its Iskut River Properties.

The back of the cover for this package presents location maps for the two properties, the REG and INEL groups.

As can be seen on the enclosed maps and cross-sections, both properties contain structures with high grade values in gold and additional values in copper, zinc and silver.

The REG group is the most advanced of the two properties (see Figure 1). As the exceptional results from Skyline's 1982 program were evaluated it became apparent that major financing would be necessary to ensure that the property could be quickly developed to its maximum potential. After receiving proposals from several major groups Skyline chose to enter into a joint exploration and development agreement with Placer Development. The agreement reached with Placer, one of Canada's most aggressive senior mineral exploration and development companies, was on terms very favourable to Skyline. A brief summary of this agreement is appended.

Results of the work to date along with the exploration program planned by Skyline and Placer for 1983 indicate that ore reserves leading to a production decision should be quickly developed.

The INEL group remains fully owned by Skyline and will be subject to an aggressive exploration program in 1983.

A brief summary of results to date are provided below.

REG GROUP

Skyline acquired the claims by staking in 1980 and has followed a progressive program of prospecting, geological mapping and geophysical surveying since then. The first drilling commenced in late 1981 with initial encouragement encountered in holes detailed in Diamond Drill Hole Cross Section 296 W of the Cloutier Zone (see Figures 2 and 3).

Drilling in 1982 (Sections 240 W and 180 & 200 W) was very successful and encountered long intersections of high grade gold greatly enhancing both the tonnage potential and grade of the Cloutier Zone. In addition, hole 82-16 on another zone, the Pick Axe, encountered high grade gold mineralization over a length of 17 feet indicating the importance of this structure (Figure 1).

SUMMARY OF SKYLINE EXPLORATIONS LTD. - PLACER DEVELOPMENT EXPLORATION AND DEVELOPMENT AGREEMENT

Under the agreement dated September 17, 1982 Placer Development has paid Skyline \$75,000.00. To maintain the option in good standing Placer must expend on the property \$750,000 during the 1983 calendar year; and \$1,000,000 during the 1984 calendar year.

In addition Placer has agreed to purchase treasury stock in Skyline between March 1, 1982 and January 15, 1986 at prices starting at \$4.00 per share and escalating to \$9.00/share.

To maintain its rights, Placer must complete a feasibility study prior to December 31, 1986 but may extend the period for an additional two years by paying a further \$200,000 per year. Six months after the feasibility study has been completed, Placer may exercise its option by either: giving notice to commence construction of the mine within twelve months or giving the said notice and paying to Skyline \$1,000,000. If Placer gives the notice only, Placer shall obtain a 60% working interest in the property, but, if Placer gives the notice and pays the \$1,000,000, Placer will receive a 65% interest. From the date of this notice Skyline will be required to contribute its share of the development costs, but Placer will arrange all financing for Skyline's pro rata share of these costs.

OTHER PROPERTY COSTS

Until the agreement with Placer Development, each of the REG and INEL claim groups was 100% owned by the company, having been acquired by staking. Within the REG claim group there are a number of Crown granted mineral claims which can be acquired by Skyline Explorations under an option-to-buy agreement recently completed. This agreement provides that the 13 Crown granted claims shall be acquired by payment of a full purchase price of 100,000 treasury shares in Skyline.

On Behalf of the Board

R. E. Davis,
President, Skyline Explorations
November 9, 1982

A third zone of potential major importance has been recognized on the property. This is the McFadden Zone (Figure 1). This zone has received little development work to date. Information available is confined to sampling of mineralized float located over an area of 720 feet by 210 feet. The following table shows sample results obtained from this zone by Skyline, Placer Development and a second major mining company.

McFadden Zone - Sampling

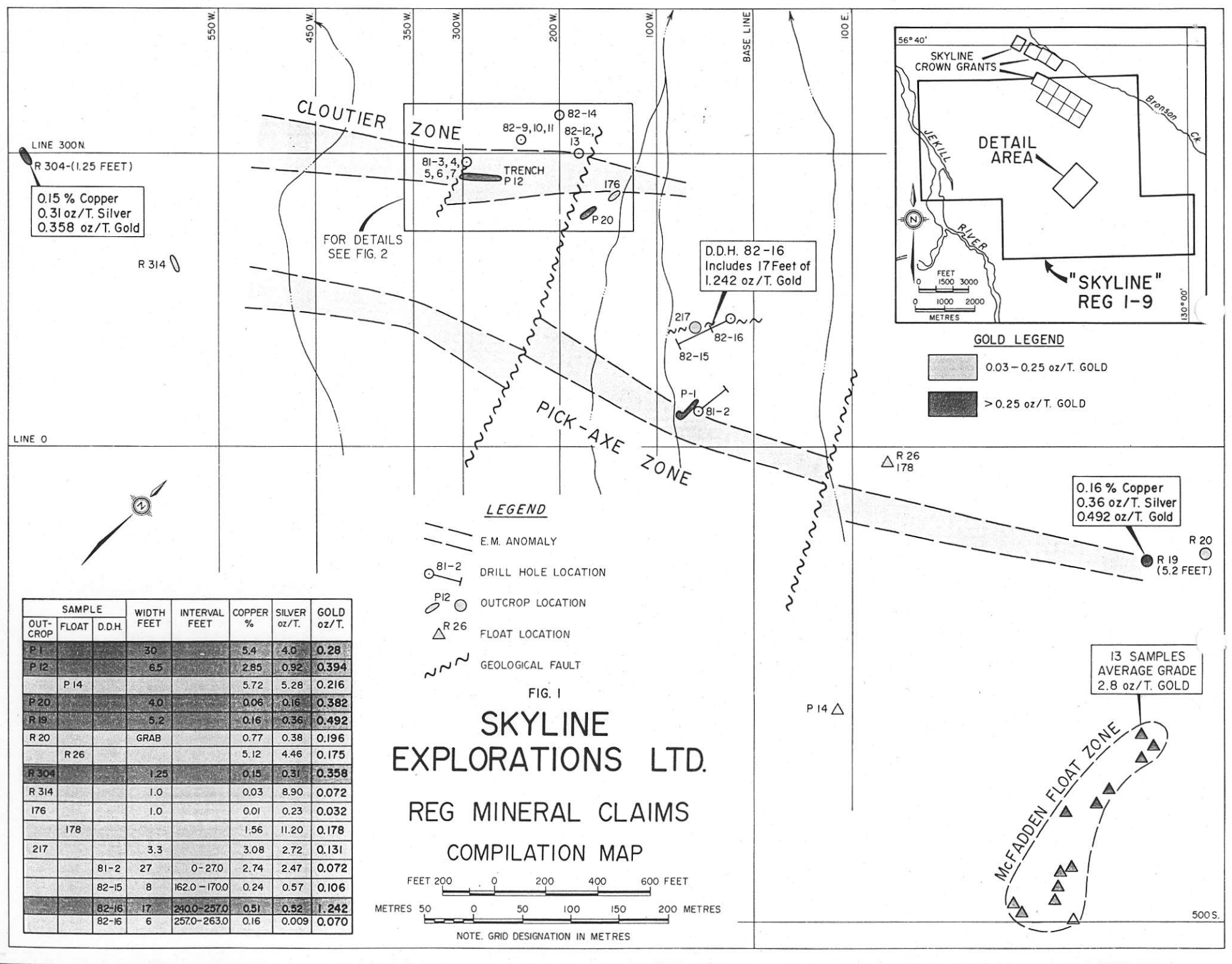
SKYLINE	PLACER DEVELOPMENT	SECOND MAJOR COMPANY
Average grade of 13 float samples. 2.88 oz/T Gold	Two Float Samples 6.58 oz/T Gold 3.75 oz/T Gold	Sample 1 - Float 3.20 oz/T Gold Sample 2 - Float (Random chip along 10 meters) 3.37 oz/T Gold.

Sampling of surface showings in the Pick Axe and Cloutier zones by both the above companies confirmed Skyline's assays in these areas. The accompanying figures (1 to 3) present detailed assay results from surface sampling and drilling.

To date less than 600 feet of the presently indicated 1450 foot strike length of the Cloutier zone has been tested by drilling with mineralization open both in strike and depth. The Pick Axe zone has a presently indicated length in excess of 3300 feet.

INEL GROUP

The INEL group, located 4 miles east of the REG group in the same geological setting is 100% owned by Skyline. Figure 4 presents a compilation of surface results on this property to date. These compare favourably with the REG results at a comparable stage of development. The Placer agreement on the REG group will allow Skyline to increase its efforts on the INEL group in 1983.

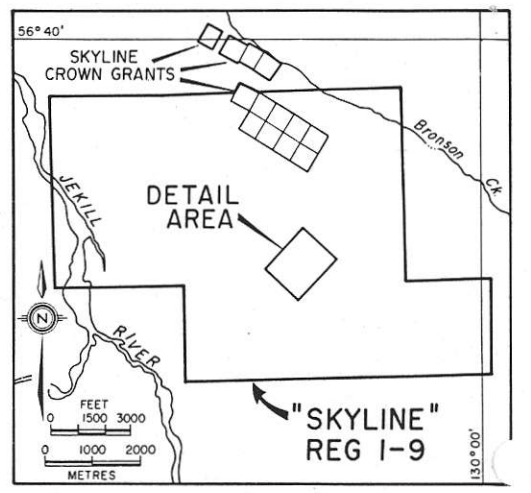


LINE 300N
R 304-(1.25 FEET)
0.15 % Copper
0.31 oz/T. Silver
0.358 oz/T. Gold

R 314

FOR DETAILS SEE FIG. 2

D.D.H. 82-16
Includes 17 Feet of
1.242 oz/T. Gold



GOLD LEGEND

- 0.03-0.25 oz/T. GOLD
- >0.25 oz/T. GOLD

LEGEND

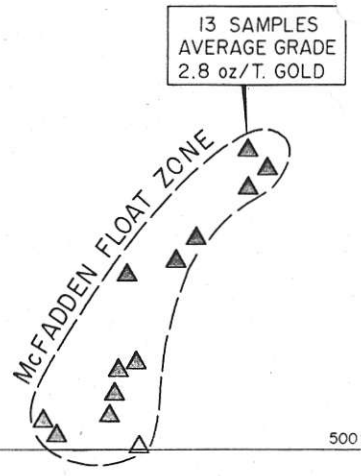
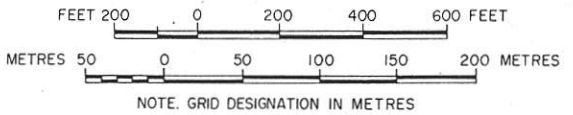
- E.M. ANOMALY
- 81-2 DRILL HOLE LOCATION
- P12 OUTCROP LOCATION
- R 26 FLOAT LOCATION
- GEOLOGICAL FAULT

0.16 % Copper
0.36 oz/T. Silver
0.492 oz/T. Gold

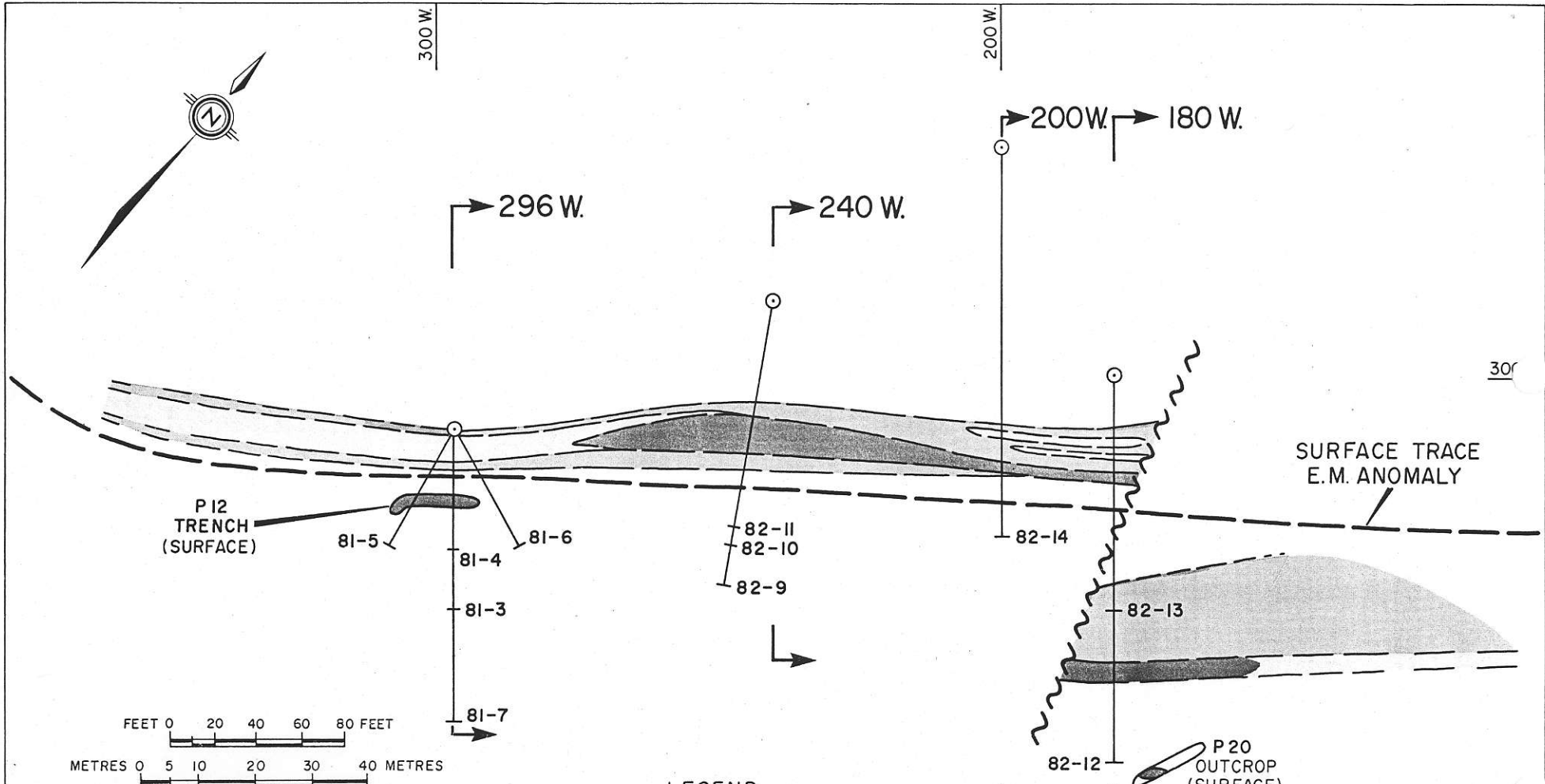
R 20
(5.2 FEET)

OUT-CROP	SAMPLE		WIDTH FEET	INTERVAL FEET	COPPER %	SILVER oz/T.	GOLD oz/T.
	FLOAT	D.D.H.					
P 1			30		5.4	4.0	0.28
P 12			6.5		2.85	0.92	0.394
		P 14			5.72	5.28	0.216
		P 20	4.0		0.06	0.16	0.382
		R 19	5.2		0.16	0.36	0.492
		R 20	GRAB		0.77	0.38	0.196
		R 26			5.12	4.46	0.175
		R 304	1.25		0.15	0.31	0.358
		R 314	1.0		0.03	8.90	0.072
		176	1.0		0.01	0.23	0.032
		178			1.56	11.20	0.178
		217	3.3		3.08	2.72	0.131
		81-2	27	0-270	2.74	2.47	0.072
		82-15	8	162.0-1700	0.24	0.57	0.106
		82-16	17	2400-2570	0.51	0.52	1.242
		82-16	6	2570-2630	0.16	0.009	0.070








FIG. 1
SKYLINE EXPLORATIONS LTD.
REG MINERAL CLAIMS
COMPILATION MAP



500 S.



LEGEND

-  UNDIVIDED TRIASSIC/JURASSIC VOLCANOCLASTICS
-  SILICIFIED TUFF AND RHYOLITE HOST - 0.03 - 0.25 oz/T. GOLD
-  SILICIFIED TUFF AND RHYOLITE HOST - > 0.25 oz/T. GOLD
-  SURFACE OUTCROP
-  DIAMOND DRILL HOLE
-  EM ANOMALY
-  GEOLOGICAL FAULT

SURFACE SAMPLE	WIDTH FEET	COPPER %	SILVER oz/T.	GOLD oz/T.
P-12-4	8.0	4.45	1.49	0.512
P-12-6	6.0	2.85	0.92	0.394
P-12-7	6.0	3.16	0.88	0.084
P-12-8	8.0	2.54	1.18	0.536
P-12-9	8.0	4.80	1.64	0.076
P 20	4.0	0.06	0.16	0.382

FIG. 2
SKYLINE EXPLORATIONS LTD.

REG MINERAL CLAIM
PLAN VIEW CLOUTIER ZONE
 SHOWING VERTICAL PROJECTION
 OF MINERALIZED ZONE AT
 ELEVATION 1135 METRES

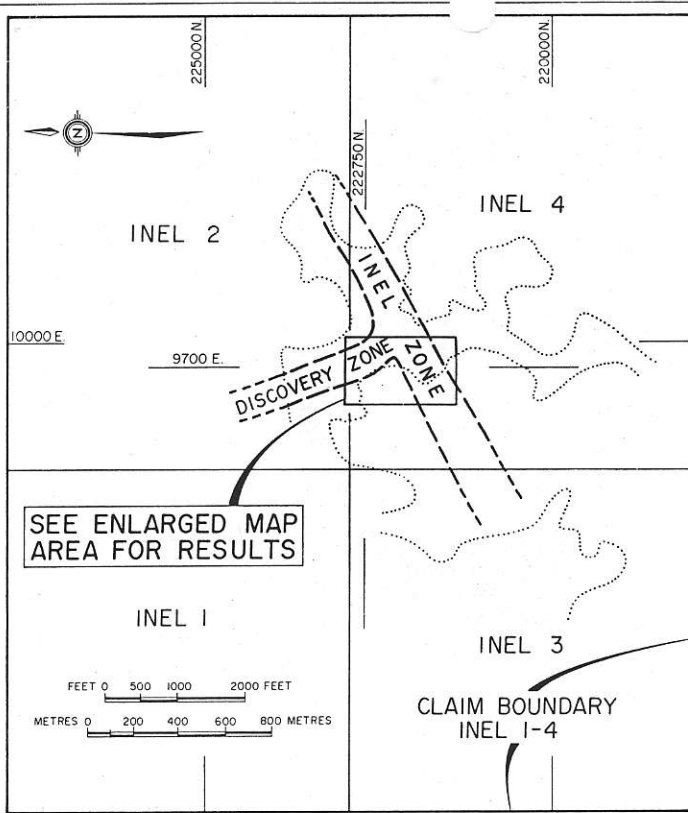
NOTE. See Fig. 3 for Cross Sections & Assay Values

FIG. 4

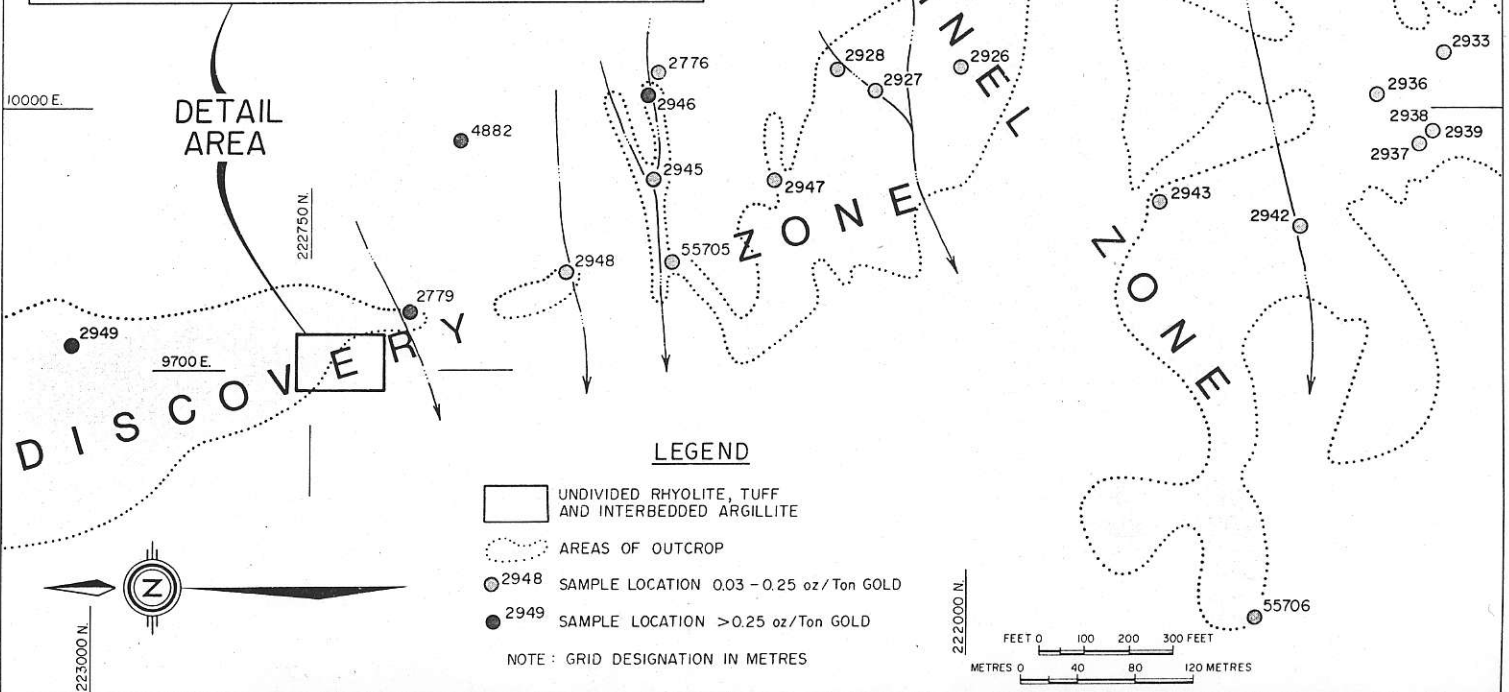
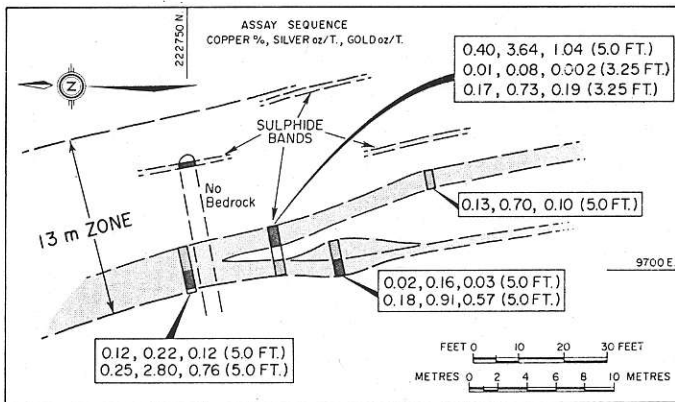
SKYLINE EXPLORATIONS LTD.

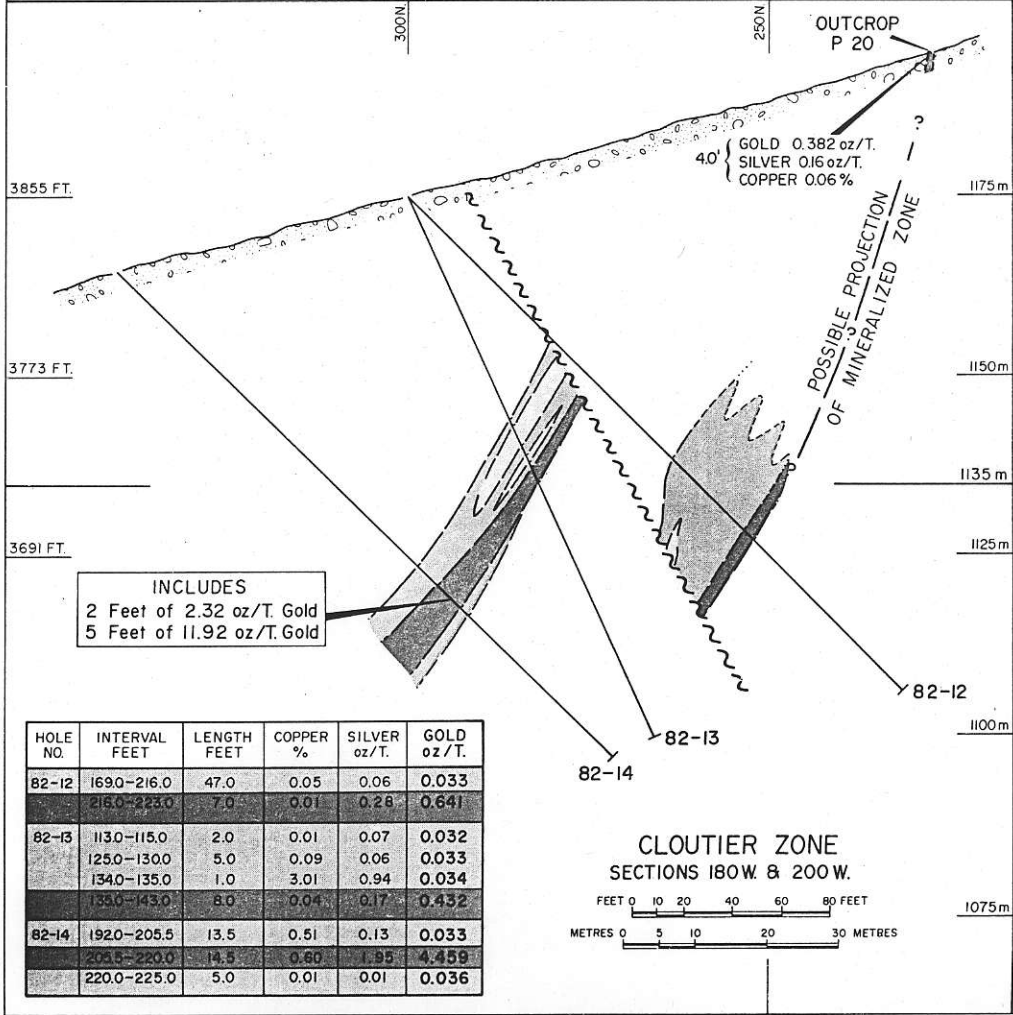
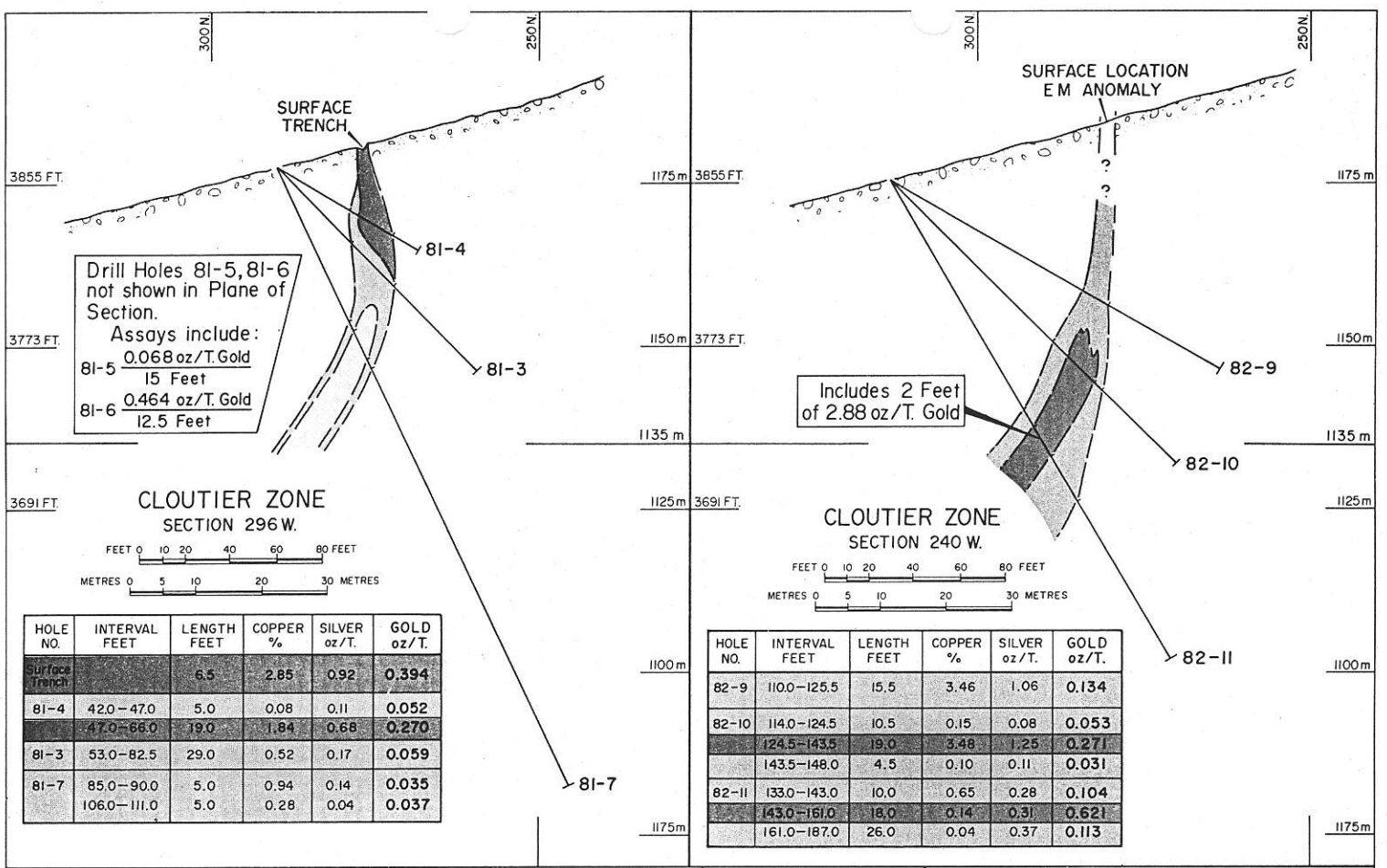
INEL MINERAL CLAIMS

PLAN VIEW SHOWING DISTRIBUTION OF MINERALIZATION DISCOVERY & INEL ZONES



SAMPLE No.	WIDTH METRE	WIDTH FEET	ZINC %	SILVER oz/T.	GOLD oz/T.	SAMPLE No.	WIDTH METRE	WIDTH FEET	ZINC %	SILVER oz/T.	GOLD oz/T.
2776	0.30	1.5	1.60	0.02	0.07	2938	0.91	3.0	-	0.14	0.06
2775	0.60	2.0	11.50	1.18	0.38	2939	2.74	GRAB 9.0	-	0.12	0.04
2926	1.67	5.5	19.50	3.20	0.08	2942	3.65	GRAB 12.0	-	0.01	0.03
2927	0.60	2.0	8.50	4.40	0.14	2943	3.35	GRAB 11.0	0.16	0.38	0.08
2928	0.91	3.0	3.0	0.69	0.12	2945	0.60	2.0	0.16	0.16	0.09
2929	9.14	GRAB 30	4.60	3.10	0.10	2946	0.76	2.5	21.0	1.40	0.53
2930	0.76	2.5	2.30	4.30	0.08	2947	0.60	2.0	5.60	1.50	0.06
2933	1.22	GRAB 4	-	0.75	0.10	2948	0.60	2.0	0.28	0.08	0.03
2934	0.76	GRAB 2.5	-	2.7	2.78	2949	0.15	0.5	0.16	0.52	0.69
2935	0.60	GRAB 2	-	3.40	0.41	55705	GRAB	GRAB	0.08	1.20	0.24
2936	1.98	GRAB 6.5	-	0.27	0.06	55706	GRAB	GRAB	-	0.20	0.06
2937	1.82	6	-	0.10	0.05	4882	FLOAT 0.60	FLOAT 2	14.90	174.0	0.06





- UNDIVIDED TRIASSIC / JURASSIC VOLCANOCLASTICS.
- SILICIFIED TUFF AND RHYOLITE HOST AVERAGE GRADE 0.03-0.25 oz/T. GOLD
- SILICIFIED TUFF AND RHYOLITE HOST AVERAGE GRADE >0.25 oz/T. GOLD
- P 20 SAMPLE LOCATION NUMBER
- 82-9 DIAMOND DRILL HOLE NUMBER
- NOTE - ALL AVERAGE ASSAYS UN CUT
- GRID DESIGNATION IN METRES

FIG. 3
SKYLINE EXPLORATIONS LTD.
 REG MINERAL CLAIMS
 DIAMOND DRILL HOLE CROSS SECTIONS
 CLOUTIER ZONE

E. W. Grove Consultants Ltd.

6751 Barbara Drive, Victoria, British Columbia V8Z 5T4 [604] 652-2884

January 21, 1983

Mr. R.E. Davis, President
SKYLINE EXPLORATIONS LTD.
409 - 837 West Hastings Street
Vancouver, B.C.
V6C 1B6

Dear Reg:

At your request I have quickly reviewed Placer Development's preliminary mineralographic study of 12 assay reject samples from Skyline's 1982 exploration drill program. A brief summary is attached.

The gold and silver mineral assemblage points out a similarity to Premier-type epithermal deposits. There is also a strong structural similarity in that the mineralized zones are in steeply dipping volcanic rocks unconformably overlain by a flat to undulating sequence of Betty Creek volcanic and sedimentary rocks. In the Premier and Big Missouri area in particular there is good evidence to suggest that the overlying Betty Creek rocks acted as a 'dam' or 'filter' to rising mineralized fluids which together with other controls resulted in the deposition of the bonanza gold-silver ore at the top of a 1,600 foot (+) deep, 6,600 foot long copper, lead, zinc, gold, silver deposit which produced more than 5 million tons of ore.

It appears from preliminary investigations of other mineralization in the Johnny Mountain area that more Premier-type deposits may be partially exposed and accessible. Exploration for hidden Premier-type deposits is more difficult.

The presence of both ankerite and calcite as veinlets etc. with high grade mineralization in the Clouthier and Pick-Axe zones as well as the presence of quartz-feldspar porphyry within the rhyolite/dacite assemblage are two of the more common characteristics of Archean volcanic-hosted gold deposits. On the basis of our present limited information we can say that the Clouthier - Pick-Axe mineralization appears to represent Premier-type, volcanic-hosted gold silver mineralization.

Yours truly,



Edward W. Grove, Ph.D., P.Eng.

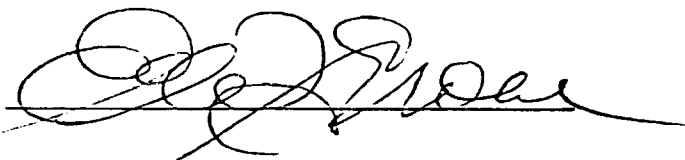
MINERALOGRAPHIC STUDY OF CLOUTHIER

AND PICK-AXE ZONE MINERALIZATION

The preliminary mineralographic study of mineralized material from both the Clouthier and Pick-Axe zones by Placer Development Ltd. personnel has revealed that 6 out of 12 analysed samples contained visible free gold. Silver bearing minerals identified in these samples included tetrahedrite, pyrargyrite, and stephanite in order of importance. The main copper mineral is chalcopyrite which together with pyrite form the bulk of the sulfide minerals in the dominantly rhyolitic host rock.

The sulfide mineral assemblage identified by Placer Development along with native gold and electrum is typical of high grade mineral deposits in the general area and comparable to some bonanza-type ore extracted at Premier as well as other well known epithermal (low temperature) gold-silver producers.

The occurrence of native gold (± electrum) as well as the low temperature silver mineral assemblage below outcrop in a near surface location suggests that the tops of the mineralized zone have been intersected by the 1982 exploration drilling. Mineral zoning is not yet apparent but may be outlined by future deep drilling.



Edward W. Grove, Ph.D., P.Eng.

January 20, 1983

GEOLOGY OF THE REG GOLD ZONE

The Reg gold-bearing zone is a typical volcanogenic occurrence. It is a silicified zone interbedded with a generally well foliated sequence of tuffs and pyroclastics believed to belong to the Lower Jurassic Unuk Formation. The tuffs and pyroclastics often carry 1-2 mm feldspars suggestive of welded tuffs. These are more abundant in the silicified zone, where the rock sometimes resembles a rhyolite porphyry and at other times a chert or a feldspathized tuff. Micro-petrographic studies are required to correctly identify both the volcanics and the rocks of the "silicified" zone.

The formation strike about East-West and dip on the average about 45° North with local dip variations to about 15° and 70°.

The volcanics are conformably underlain by a narrow ($\pm 100'$?) zone of carbonate-exhalites which in turn overlie a series of argillites-siltstones-greywackes in which sills of quartz-feldspar porphyry and dark lavas have been reported. The gold zone lies some 3-400' above the exhalites.

The volcanics are unconformably overlain by nearly flat tuffs and siltstones of the Middle Jurassic Betty Creek Formation. In the course of prospecting, two outcrops of this unconformity have been located, one on the baseline at about 750 m south and one about 700 m east of the baseline at 700 m north.

Two important N25°West striking faults have been mapped, joined by two strong N-S faults in the Pick Axe showing area, intersected by drilling. All faults dip more than 60°.

Prospecting for float, electromagnetic surveying and drilling all suggest strongly that the outcrop areas represent the fringes of a pyrite-(copper)-gold zone which improves rapidly in width and gold grade with depth, whereas the copper, and perhaps the pyrite, diminish in grade in this direction. This is well demonstrated on Section 240 West.

Lead-zinc-silver-(gold) showings have been found in the field associated with the carbonate-exhalites several hundred feet stratigraphically below the gold zone. The highest up-dip showing consisted of a lensy occurrence 3' wide assaying 15% lead and zinc, low in silver and gold. The lowest down-dip showing assayed 40% lead and zinc with 8.9 ounces of silver and .07 ounces of gold per ton, but only an 8" thick slab could be recovered.

There is a distinct possibility that this zone could also improve with depth, especially as it is clearly bedding-controlled and a somewhat similar showing is known one mile to the north, at 12.3% lead and zinc, 3.66 ounces of silver per ton, and minor gold, in massive pyrrhotite.

The most pronounced alteration associated with the gold zone is black chloritization carrying occasional fine magnetite. In the footwall of the Cloutier Zone it affects selectively the 3-10 mm fragments in a chlorite-fragmental rock identified in the core-drilling. It often gives this rock the spotted appearance of a cheetah skin.

In drill hole 82-11, the increase in width occurs in the footwall and the spotted rock is within the gold zone.

GEOPHYSICAL WORK

No reports are available yet on the geophysical surveys carried out by Skyline using a Max-Min horizontal loop instrument and by Placer Development using a pulse EM instrument with deep penetration.

The Skyline survey located the easterly extension of the Pick Axe Zone for another 350 meters to R-19 with characteristics similar to those of the Cloutier Zone. A third zone with similar characteristics was located at 600 Nord from 400 to 700 meter east during a reconnaissance survey; it is open to the west.

Very strongly conducting zones were located between 1500 and 2000 N from the baseline to 1000 east during reconnaissance work, several of them associated with high grade lead-zinc-silver occurrences requiring trenching. Systematic detailed magnetic, electromagnetic and geologic surveying of this large area northwest of the Cloutier zone is required with geochemical surveys in selected areas.

TONNAGE POTENTIAL

Along strike, showings, electromagnetic surveying and some drilling have indicated an area of interest at least 4500' long.

If float occurrences are considered as well in relation to the geology, a down-dip length of up to 2000' is of interest.

The average true width of 10 significant drill holes at a 0.1 Oz/T cut-off is 17.5' averaging 0.71 ounces of gold per ton.

In the Cloutier Zone, the largest true width of the mineralized zone on surface is 8', increasing to 50' at about 200' depth, with a rapid increase of the width x grade factor.

Taking the various figures into consideration, we are looking at a mineralized zone of about 4000 x 1500 x 17.5 x 0.1 tons = 10 million tons, open and widening at depth.


Assuming that only 20% is of economical grade and width, we estimate a minimum potential of 2 million tons of 0.5 ounces of gold per ton.

If width and grade persist over the total volume, a potential in excess of 10 million tons is a definite possibility.

As for grade, one may ask whether high grades should not be cut. The gold is of the no-see-um type, maybe comparable to the Carlin type. Cutting of high grades has value when in the presence of coarse free gold. As gold becomes finer, its distribution becomes more uniform. Computerized statistical studies will be undertaken

to further examine this problem.

In summary, to make an economic ore-deposit, a showing has to get bigger and better at depth, which is what the Reg deposit does.

A handwritten signature in cursive script, appearing to read "JH Sevenson", written over a horizontal line.

Skyline Explorations Ltd.