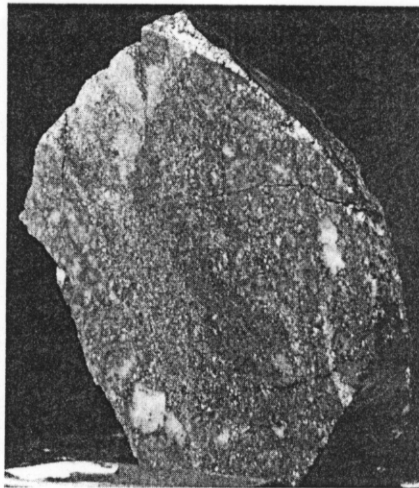


JOHNNY MOUNTAIN GOLD

Situated 110 km northwest of Stewart, B.C., the Johnny Mountain gold mine has geological reserves of 796,000 tonnes grading 18.9 g per tonne. The gold vein deposit is owned by Skyline Gold Corp.

Copper, molybdenum, gold and silver mineralization was discovered in the Johnny Mountain area in the early 1900s. The first work done on Skyline's property identified gold, silver and copper in veins in 1907. The Pick Axe showing, in the area of present day mining, was discovered in 1954 by Hudson Bay Mining & Smelting. The property and surrounding area were explored by various companies during the next two decades, and in 1980 Skyline acquired the property. In spite of extensive glacial till coverage,

By Pamela Phillips

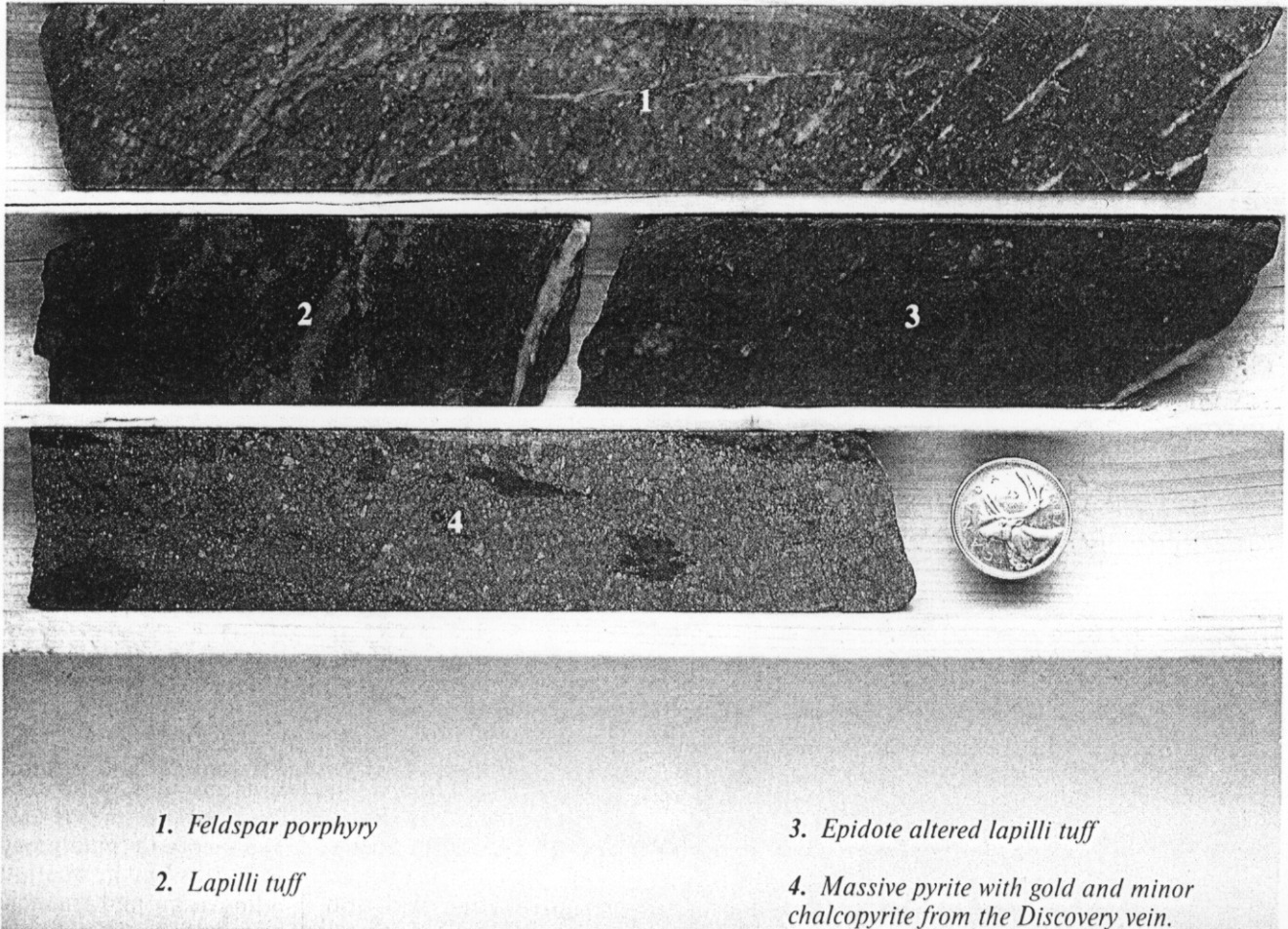


16 Vein with pyrite, galena, sphalerite, chalcopryite, visible gold and quartz.

prospecting identified two more showings. Subsequent exploration work led to a production decision in 1987.

Regionally, the property is underlain by late Triassic to early Jurassic volcanic and sedimentary rocks belonging to the Intermontane Tectonic Belt along the eastern flank of the Coast Plutonic Complex. The rocks are intruded by granite and Quaternary basalt dykes.

In the area of the deposit, the stratigraphic section consists of predominantly unbedded heterolithic lapilli tuff, crystal lithic tuff, and agglomerate, all of which are intercalated with feldspar porphyry. Although the overall thickness of the stratigraphic section in the area is unknown, the individual rock types units from five to 20 m in thickness, strike 245°, and



1. Feldspar porphyry

2. Lapilli tuff

3. Epidote altered lapilli tuff

4. Massive pyrite with gold and minor chalcopryite from the Discovery vein.

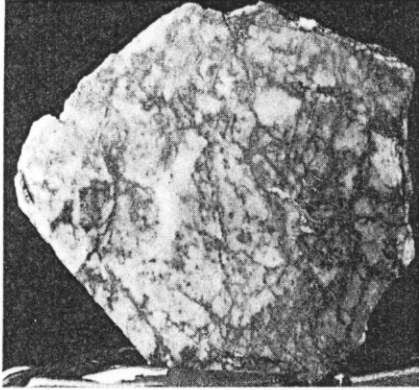
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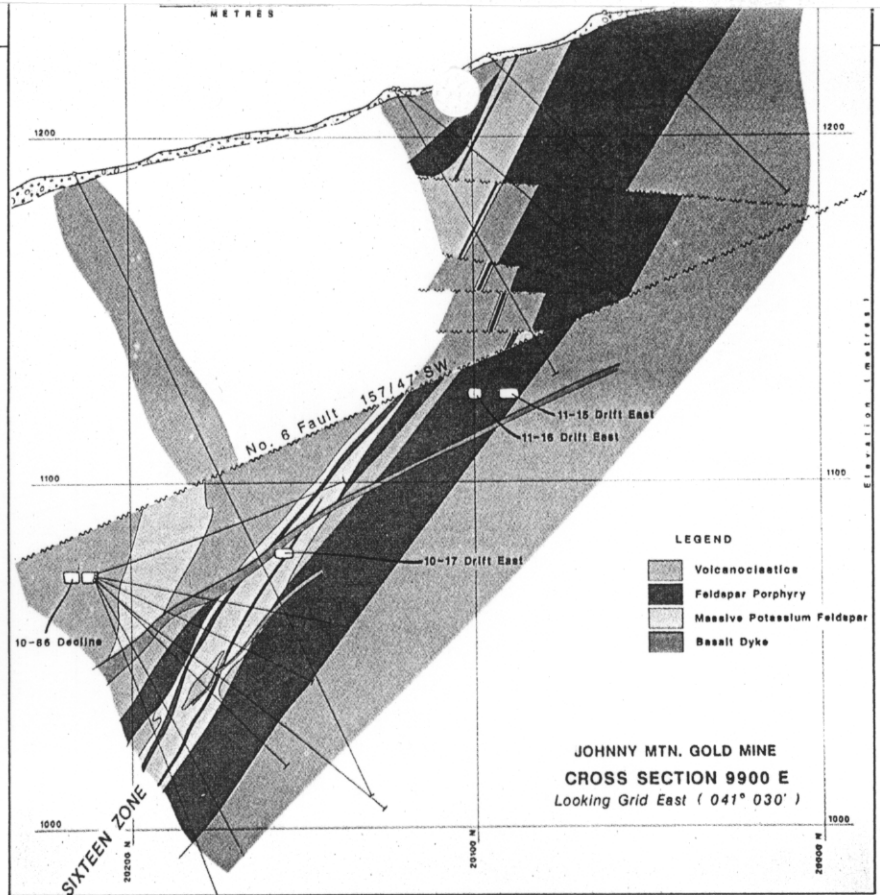
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dip 60° to the northwest. Within the stratigraphic section are four auriferous quartz-sulphide veins, namely the 16, Discovery, Zephrin and Pick Axe veins. Most of the ore to date has been from the 16 vein. The veins are subparallel and conformable with the stratigraphy, with the exception of the Zephrin, which crosscuts the stratigraphy. The Discovery vein lies 150 m



16 Vein with grey quartz, minor pyrite, chalcopyrite and visible gold.

northwest of the 16 vein, whereas the Pick Axe vein lies 100 m south-east of the 16 vein. The Zephrin vein



Geological cross-section of the Johnny Mountain gold vein deposit.

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lies between the 16 and Discovery veins.

The 16 vein ranges from 0.5 m to 1 m in thickness, is 350 m in strike length and extends to 275 m in depth. It is open to the northeast and to depth, and comprises several phases of grey and white quartz and a 0.1-to-0.2-m-thick massive sulphide vein. This vein contains 20% to 25% pyrite, 2% chalcopyrite, less than 1% sphalerite, plus galena, visible gold and electrum. In general, where the quartz vein is thicker, the massive sulphide vein is thicker. The sulphide

vein is semi-continuous and varies along its length from massive to semi-massive to disseminated pyrite within quartz.

The Discovery vein is a massive pyrite vein with 6% chalcopyrite and less than 1% sphalerite and galena. Ore occurs in stringer veinlet stockwork zones in the walls adjacent to the massive pyrite vein. The vein averages 1.25 m in thickness, is 120 m long and extends to 70 m in depth. It is open to the southwest and to depth.

Gold and electrum occur as free grains in quartz and on sulphide grain



The Johnny Mountain mine, north-western B.C.



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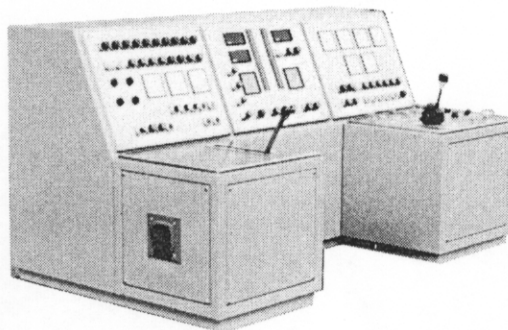
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boundaries. Silver, which occurs in a ratio of 2:1 with gold, is found in trace amounts of argentite, pyrargyrite, stephanite and tetrahedrite.

The margins of the veins are marked by pervasive grey potassium feldspar and light green sericite, as well as a distinctive zone of 1-to-2-cm-thick quartz pyrite stringers. Farther from the vein, the alteration grades to biotite and chlorite and disseminated pyrite. Epidote is abundant in the vicinity of the deposit.

The deposit is accessible by ramp and the mining method utilized is shrinkage stoping. The mill, situated on the mine site, processes 270 tonnes per day and produces both dore bar and a copper concentrate. A gravity and flotation circuit and a regrind mill are used to increase the gold recovery to 90%. Exploration on the property is continuing. □

Pamela Phillips is a geologist and project co-ordinator for Greenstone Resources in Toronto. She would like to thank William Price, president of Skyline Gold Corp., and David Yeager, chief exploration geologist, for their assistance.