

Northwest Prospector

June/July 1988

recovery is expected to be 93 percent and cost are expected to be in the \$200 an ounce range. The redesigned flowsheet will also give an added benefit of significantly reducing the costs involved in the use of cyanide and cyanide destruction.

"With cyanide you loose on your silver, so we'll not only make the environmentalists happy, we'll end up with up to five ounces of silver per ounce of gold," Davis adds. "And it starts adding up. In our concentrate the silver will be pure profit that would have been lost, and our copper will pay for all the shipping and handling."

On the exploration side of things, Skyline expects a busy summer ahead. Davis says a particularly exciting exploration program is now underway on the 100%-owned Red Bird and Red Bluff crown grants located on the northern boundary of the Reg claims and contiguous to the Cominco/Delaware joint venture. Earlier geochemical work had outlined a number of strong anomalies on the grants and in mid-June Skyline announced that significant new gold showings were found on the claims.

On the Inel Property, a crew is driving a crosscut underground for an underground diamond drilling program. "We're quite encouraged by this property," Davis said. "We did quite a bit of drilling there in '84 and found some good structures and good values."

A crew is also onsite on the Gulf International McClymont Property to the north in the Iskut Camp. "We had good results last year, including a 36.5 ft. intersection which averaged 1.605 oz/ton gold," Davis said, "so this year we plan quite an extensive drill program."

Skyline is also keeping a close eye on the claim blocks it has farmed out to a number of junior mining companies.

Another project of interest according to Davis, is the Kyle/Gulf Property which he picked up years ago when Dupont dropped the claims.

"This property has tremendous geochem on it," Davis said. "We found

that in this area, geochem really works. If you have a high geochem, get at it and take a look. In some areas that's not the case, but here if you have a high and you dig you'll find sulphides every time."

Like Murray Pezim, Davis believes the best is yet to come for Northwestern British Columbia. "All the ground we picked up is what we thought was the best, but I don't think we are going to be the only people to find a mine here. There will be mines found; it's going to be a gold camp."

Skyline Explorations Ltd. trades on the Vancouver and Toronto Stock Exchanges, trading symbol SKX.

Tungco Plans More Drilling For Waratah

Tungco Resources Corporation says it has successfully completed a 3,100 foot diamond drill program on its Waratah property located two miles east of the Cominco/Delaware Snip gold deposit and four miles north of the Skyline Stonehouse gold deposit. The property was optioned from Skyline in January of 1987, shortly after Tungco's reactivation by company president Kevin Whelan in late 1986.

During Tungco's 1987 field season, geological mapping, prospecting, geochemical sampling and ground geophysics resulted in the discovery of 15 new vein systems on the property grading better than 0.1 oz/ton gold. Three of these veins were tested by 3400 feet of diamond drilling last summer.

A second diamond drill program, completed in March 1988, was designed to test the strike and depth extensions of the Bluff and No. 7 Veins discovered and drilled in 1987. The Bluff Vein mineralization was extended to a depth of 75 m down-dip in Hole 27, which returned an intersection of 8.2 ft. grading 0.254 oz/ton gold. The No. 7 Vein was extended 120 m along strike by drilling under coincident soil geochemical and geophysical anomalies, with intersections grading 0.173 oz/ton across 9.8 ft. in

Hole 34 and 0.411 oz/ton across 2.6 ft. in Hole 35. The number 7 Vein remains open along strike and to depth.

"We know because of the success we've had drilling the three vein structures and 15 additional ones grading above .1 oz. that we have some high grade but relatively narrow vein structures. Whether we can economically and collectively mine them is a question yet unanswered," Whelan said. "There is reason to believe it's potentially viable, although we haven't reached that point yet."

Whelan said that although work to date has concentrated on these structures located on the central portion of the property, the company is optimistic that this season's program will uncover additional discoveries in other areas.

"We're hoping that in addition to what we've already found and know, we can develop some major structures on the west side of the property which have not yet been drilled," said Whelan. "This area shows our highest geochem values."

Lawrence Nagy, an officer of Delaware Resources Corp., was appointed to Tungco's board as Vice-President in charge of Geological Strategy. Tungco Resources trades on the VSE; trading symbol TNG.

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