

George Cross News Letter

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SKYLINE EXPLORATIONS LTD. (SKK-V)

GOLD PRODUCTION INCREASING - Ronald Shon, chairman of Skyline Explorations has reported the appointment of William Price as vice president and chief operating officer. He was formerly manager at the Blackdome Gold Mines. A number of equipment modifications and operational changes have been implemented in the milling facilities that are contributing to increased gold production.

Operating time in the mill increased to 92.3% in the first seven days of November from 68.8% in mid-October. Ore throughput is now averaging 230 tons per day and is targeted to reach 300 tons per day in the near future.

Gold and silver production since start-up are summarized as follows:

	<u>Oz. of Gold</u>	<u>Oz. of Silver</u>	Gold production
August	428	1,153	'In the first seven
September	971	1,570	'days of November
October	1,454	1,990	'averaged 92 oz. per

-----'day and is expected to exceed 2,800 ounces for the month. Silver production for the same period totalled 1,729 ounces and is projected to exceed 7,000 ounces for the month. Gold recovery is now averaging 85% and is expected to increase to over 90% when the benefits of recent equipment and operational changes are fully realized. Management anticipates achieving targeted production of 4,800 ounces per month by January 1989.

Modifications to the tailings dam have been completed in accordance with government requirements. This will ensure sustained operation of the existing milling facilities at current throughput levels and allow the increase to 400 tons per day in the future.

In the mine the decline ramp to Level 9 is expected to be completed by the end of December to provide access to the Discovery and 16 veins at that level and establish four new mining faces to provide greater operating flexibility.

Another high grade pocket of ore has been encountered in the development of the Discovery 11-29A stope. Sampling of a 50 foot section averaging 5.9 feet in stope width resulted in an overall stope grade of 1.162 oz. gold/ton after cutting all higher assays to 3.0 oz. gold/t.