

George Cross News Letter

NO.182(1988)
SEPTEMBER 21, 1988

SKYLINE EXPLORATIONS LTD. (SKX-T,V)

SURVEY LOCATION	SAMPLE NO.	VEIN WIDTH	OZ.GOLD/T
Station 95	22681	1.6 ft	0.702
+ 2 mW	22564	2.3	6.422
+ 4 mW	22560	1.6	1.540
+ 6 mW	22556	2.0	2.020
+ 8 mW	22552	2.6	3.050
+10 mW	22695	1.0	2.012
+14 mW	22687	1.3	.339
+16 mW	22682	4.9	1.114
+18 mW	22673	3.3	20.300
+20 mW	22671	1.6	4.468
+22 mW	22669	2.0	.690
+24 mW	19619	2.6	.184
+26 mW	19616	1.6	3.254
+28 mW	19613	1.6	1.756
+30 mW	19610	1.6	.488
+32 mW	19607	1.6	.350
+34 mW	19605	1.3	1.416
+36 mW	19603	3.3	.480
+38 mW	19601	3.3	2.220

DRIFT ASSAYS REPORTED - Reg E.Davis, president of Skyline Explorations Ltd. has reported assays from a recently driven sublevel drift above the high grade 11- 16 C stope located on the Sixteen vein on the 100% owned Johnny Mountain mine, 100 km north of Stewart, B.C., see the table above for detailed assays. Wallrock values were encountered outside the vein ranging up to 0.994 oz.gold/t across 2.6 feet. Fully diluted to an average drift width of 5.6 feet, the subdrift ran 1.233 oz.gold/t for a length of 125 feet.

A test raise driven three rounds above the subdrift at station 95 + 12 m W encountered visible gold and ran 3.293 oz.gold/t across 4.6 feet of raise width for the 19.7 feet raise height. This sub-level is located 98 feet in elevation above the east end of the original 11 level Sixteen drift.

Mr. Davis pointed out that recent mine development work has opened a total of 4 of these highgrade stope areas underground. One of the highgrade areas is on the Sixteen vein and three are on the Discovery vein.

Skyline has negotiated, with the support of Ron Shon, chairman, a further line of credit for \$7,000,000, with no equity bonus, which will bring to \$41,000,000 the total capital invested in the 250 to 400 ton per day gold recovery plant and mine. Mr. Shon in the Fall of 1987 purchased a \$6,000,000 Skyline debenture with a share purchase warrant bonus. After reviewing the recent activities at the mine and recovery plant Mr. Davis indicated that all of the construction and plant tune up should be completed in late October and that a substantial and sustained positive cash flow will be

achieved in November 1988 and beyond. He stated that the mine is almost breaking even during this tune-up construction period and with some better grade ore, sustained production and lower costs, all of which will be achieved in the next 6 to 10 weeks, positive cash flow will start.

After some start up problems, including a wrongly calibrated weightometer, the mill is currently processing between 200 and 250 tons per day from the 26,000 ton surface stockpile. This stockpile has been extensively sampled with the best estimate being that the average grade is 0.73 to 0.77 oz.gold/t. The stockpile was recently sampled by way of a 15 foot deep trench cut for 125 feet long through the stockpile, which showed an average grade of 0.75 oz.gold/t. However, the recent feed to the mill has been 0.4 oz. gold/t from a lower grade portion of the stockpile. Better grade feed to the mill is expected to start in the next week or two. Also, in the next month to six weeks better grade ore will be flowing from underground and the stockpile will be covered with snow for the winter.

Mr.Davis pointed out that the plant tune up period has been extended partially because final construction is continuing on the plant, mine office building, ore delivery shed covering the tracks from the portal to the grizzly above the primary crusher, final lift on the tailings dam, and the 8 km. access road from the Cominco/Delaware airstrip at 400 feet elevation to the plant at 3,400 feet elevation. The camp is running at about 120 persons and when all construction is completed and the operation has settled down the crew will total 70 persons. Skyline should reach the 70 person level during November with a resulting dramatic drop in operating costs.

CONSOLIDATED SEA GOLD CORP. (CDE-V)

DRILLING INTERSECTION REPORTED - Charles S. Underhill, president of Consolidated Sea Gold Corp. reports that diamond drill hole 88-1 intersected 4 feet of 1.14 oz.gold/ton including 2 feet of 2.25 oz.gold/t in the Southwest zone on its 100% owned Gab 11 & 12 claims in the Iskut River area, some 100 km north of Stewart, B.C. (SEE GCNL No.175, p.2 and maps overleaf p.1 and p.2, 12Sep88).

CORONA CORPORATION (ICR.A, ICR.B-V, T, M, AMEX)

HUNTINGTON RESOURCES INC. (HUN-V)

HOLE	SECTION	DIP	INTERSECTION	WIDTH	OZ. GOLD/T
RC-88-20	7+00N	-90d	110-115 feet	5ft.	0.040
Assay from 20ft.-45ft. have yet to be received.					
RC-88-22	8+66N	-90	75- 80	5	.044
			315-330	15	.244
			330-365	35	.035
			365-385	20	.106
RC-88-23	8+05N	-75	75- 80	5	.040
			185-210	25	.042
			includes	10	.061
			235-245	10	.036
RC-88-24	8+05N	-84	35- 40	5	.097
			60- 65	5	.086
			100-110	10	.037
			115-145	30	.042
			225-320	95	.054
			includes	5	.102
RC-88-25	8+20N	-90	245-250	5	.110
			325-350	25	.050
			includes	5	.075
				5	.112

ASSAYS FROM BRETT - Huntington Resources 49% and Corona
CLAIMS REPORTED Corporation 51% reported further
drill results from the Brett claims,

30 miles west of Vernon, B.C. The mineralization
recorded in RC-88-22 occurs exclusively in footwall
tuffaceous rocks approximately 26 to 33 ft. laterally
from the Main Shear zone; once again indicating the Halo
effect of the Main Shear zone. This hole was stopped by
excess water with the last 2 ft. assayed 0.052 oz.gold/t.

RC-88-23, a stepout hole east of RC-88-11, was
drilled entirely in the footwall. The results indicated
that this area is mineralized. Lateral distance from
the Main Shear zone is about 33 to 39 ft.

RC-88-24, a further stepout hole about 12 ft. east
of RC-88-11, indicated significant areas of mineralizat-
ion and with "Metallics" indicated in a number of samples
a "Nugget Effect" may have influenced the results. (SEE
GCNL NO. 174, P.1, 9SEPT88 FOR PREVIOUS RESULTS).

CANACORD RESOURCES INC. (CQD-T)

**PIONEER WILL NOT PURCHASE PREMIER INTEREST - Canacord
Resources**

INC. reports it has been notified by PIONEER METALS
CORPORATION that at a meeting held on 16Sept88, the
directors of Pioneer voted against the acquisition of
the Canacord's 9.9% interest in the Premier Gold
project, near Stewart, B.C. Canacord is currently
reviewing its options in respect of this interest.

CANADIAN-UNITED MINERALS, INC. (CUN-V)

**FIREWEED PROJECT - Michael Callahan, president reports
FINANCING REPORTED** that Canadian-United Minerals has
signed a letter of intent for the
Brown Ford Syndicate, a Vancouver mining outfit, to
provide up to \$5,000,000 in flow through funds for
explortion of the Fireweed polymetallic project on
Babine Lake northeast of Smithers, B.C.

Up to \$3,000,000 will be spent on the core discovery
claims, where previous work has been concentrated, to
earn a 50% interest in the claims. Either the company
or the Syndicate can convert this interest to common
shares of Candian-United on the basis of 1 share for
each \$1.50 of expenditures this year and at \$1.75 and
\$2.00 per share for subsequent phases. Brown Ford would
hold about 1,780,000 shares of Canadian-United assuming
full conversion. Up to \$2,000,000 will be allocated to
the claim block surrounding the core claims. The
Syndicate can a 50% interest in these claims, which are
not convertible into shares of the company.

A \$750,000 exploration program is planned for this
fall, once regulatory approval of the financing has been
obtained. About \$650,000 will be spent on a diamond
drilling program on the core claims and \$100,000 on
geophysical surveys on the surrounding claims.

SKYLARK RESOURCES LTD. (SKR-V) 446

1988 TOODOGGONE - H.H. Shear, president reports that PROGRAM REVIEWED Skylark Resources Ltd. has completed the initial 1988 exploration program on the Finlay River project in the Toodoggone area about 600 miles north of Vancouver, 275 miles north of Smithers, B.C. The Finlay project contains two main areas of interest: the Wrich area, where the company can earn a 50% interest by spending \$475,000 from CHENI GOLD MINES INC. (CZG-V,T) and the Grace area, where Skylark can earn a 50% interest by spending \$250,000 by Oct.31,1990 from ASITKA RESOURCE CORPORATION (ATK-V).

Nine diamond drill holes were completed on 25 by 30 meter spacings representing 75 meters, 246 ft., of strike length and 80 meters, 262 ft., down dip on the Electrum showing in the Grace area. This is an epithermal deposit with 4 interbranching zones. Results below:

HOLE	ZONE	INTERCEPT	LENGTH	OZ.SILVER/T	OZ.GOLD/T
G-1	1	18.5-20.5 m.	2 m. 6.6 ft	1.16	0.017
G-2	1	22.5-27.2	4.7 16.4	9.37	.085 *
G-3	1	27.5-28.2	.7 2.3	4.37	.229
	1	28.2-32.0	3.8 12.5	2.63	.023
G-4	1	42.0-44.0	2 6.6	3.75	.073
	2	53.0-54.0	1 3.3	.26	.067
	3	71.0-72.0	1 3.3	2.01	.023
G-6	2	76.0-77.0	1 3.3	4.8	.050
G-8	2	63.8-65.75	1.95 6.4	5.86	.139
G-9	4	49.0-51.0	2 6.6	9.44	.130 *
	2	86.0-87.0	1 3.3	7.15	.085 ●

1. Hanging Wall Zone, 2. Splay off Hanging Wall, 3. Footwall, 4. New Zone ● Assays by atomic absorption.

Assaying by atomic absorption has improved silver values and the other values above are being reassayed.

A second 3,500 foot diamond drill program is planned for October 1988 and a 10,000 foot percussion drilling program using a track mounted machine is planned in January - March, 1989, to trace and test the Electrum and Beaverdam showings and several geochemical anomalies.

There were 10 diamond drill holes completed in the Wrich area to investigate 4 veins, results below:

HOLE	VEIN	INTERVAL M	LENGTH	OZ.SILVER/T	LEAD	ZINC
W-1	4	37.46-39.93	2.47 m	1.85	0.59%	10.84%
	3	80.44-83.55	3.11	1.21	2.53	5.44
W-2	4	55.96-57.96	2.0	2.09	3.38	11.13
	3	88.25-91.74	3.49	.24	.76	1.60
W-4	4	84.8 -87.0	2.2	.25	1.49	2.54
W-8	1	69.0 -73.0	4.0	1.09	.84	6.04

These sub-parallel veins occur on a very steep outcrop with about 100 meters between veins 1 and 4. Choice of drill sites was limited and holes were fanned from 4 sites. Holes 9 and 10 seem to have swung away from the target. Hole 6 was lost and other holes not reported above cut sub-marginal values. More work is warranted on the silver-lead-zinc veins, but due to the high rugged nature of the terrain further work will be deferred until next June.