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SKYLINE GOLD CORPORATION (SXX-V,T)

GEOLOGICAL RESERVES INCREASED - Ronald C. Shon, chairman of Skyline Gold Corporation reported a 28% increase in geological reserves at the 100% owned Johnny Mountain gold mine about 100 km north of Stewart, B.C., as of 30Apr89. The new estimate reflects an increase of 190,000 tons in overall reserves since Oct.31, 1988 after the deduction of 45,000 tons of ore processed in milling operations in the six months ended April 30, 1989. The new reserve estimate is

	<u>TONS</u>	<u>OZ. GOLD/T</u>	
Broken Ore	54,000	0.50	'Proven, probable and possible
Proven	51,000	.84	'reserves listed are undiluted
Probable	91,000	.82	'and uncut. A cut-off grade
Possible	<u>680,000</u>	<u>.50</u>	'of 0.3 oz.gold/t was used to
	876,000	.55	'develop the estimate.

-----' The company intends to restate ore reserves at year end to reflect the results of its summer exploration program as outlined in GCNL No.108, p.1, June 6, 1989.

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