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George Cross News Letter

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NOV 12 1996
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NO. 210 (1996)
OCTOBER 30, 1996

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INTERNATIONAL SKYLINE GOLD CORP.

[ISC-T, V] 24,693,221 SHS.

BRONSON SLOPE RESOURCE INCREASED - C. A. Grandison,
p r e s i d e n t,

International Skyline Gold, reports results from recent drilling at the 100% owned Bronson Slope gold, copper porphyry deposit located 60 km north of Stewart, northwestern BC. Skyline completed 5,134 feet of diamond drilling resulting in an increase in the resource. A report prepared for Skyline by Giroux Consultants Ltd. reported resource estimates at different net smelter return cut-off grades and search radii. The report concluded the additional drilling of seven new holes has resulted in a 23% increase in tonnage at the same grade as previously reported. The in situ resource now contains a total of 1,500,000 ounces of gold. This new resource, using a Cdn. \$8.00 per tonne NSR cut-off grade, is 67,300,000 tonnes, classed as measured and indicated, averaging 0.53 grams gold/tonne, 2.46 grams silver/tonne and 0.96% copper for a combined NSR of Cdn. \$11.63 per tonne. This resource has an additional 24,300,000 tonnes in the inferred category, using a 100 metre search radius. SEE RESOURCE TABLE OVERLEAF P.4. If a lower but still economic cut-off grade is used to quantify the resource, there is a substantial increase. Using Cdn. \$6.67 per tonne NSR cut-off grade Table B, also overleaf P.4, summarizes the resource. Skyline has begun a series of studies leading to a feasibility study. The evaluation of this resource for the purpose of delineating a mineable ore reserve is one of these and initial results are expected shortly.

Skyline has entered a series of agreements with **PRIME RESOURCES GROUP INC.** [PRU-T, V] to enhance the development potential of Bronson Slope. The project requires the acquisition of a gap in Skyline's Crown granted claims currently owned by Prime and the acquisition of an area above the claims which is required to accommodate the mining of the proposed open pit. Prime's claim area between Skyline's Crown granted claims, known as the Kathleen fraction, is to be exchanged for Skyline's Sky 3 claim.

In addition, Skyline granted Prime an option on the Reg 2 claim

in exchange for the ability to locate the Bronson Slope open pit highwall on Prime's ground. Both parties retain 3% NSR's on their respective properties. The highwall agreement will acquire a series of annual payments until start of production.

Skyline must also drill six holes to determine if the highwall contains high grade ore which could be mined and milled at Prime's Snip mine. In the event there is no high grade ore discovered, the highwall will be conveyed to Skyline subject to filing of title documents.

Mr. Grandison said, "This agreement with Prime is significant as it clears the way for the start of the bankable feasibility study leading to a production decision." The feasibility study will be based on a 12,000 tonne per day mine and flotation concentrator to produce gold concentrate by gravity separation, a gold/silver rich copper concentrate, a molybdenum concentrate by flotation and magnetite (iron oxide) by magnetic separation. Technical studies for a bankable feasibility study are currently underway and are planned to be completed in the spring of 1997. Skyline has advanced to the second stage in obtaining a project approval certificate for Bronson Slope having received final project report specifications under the Environmental Assessment Act 18Jun96. The project report is scheduled for completion concurrently with the feasibility study. (SEE GCNL NO.109, 5Jun96, P.5 FOR PREVIOUS BRONSON SLOPE RESOURCE ESTIMATES)

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