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George Cross News Letter

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INTERNATIONAL SKYLINE GOLD CORP.

[SK-T, V] 31,273,253 SHS.

HOMESTAKE/SKYLINE TO - Clifford Grandison, president, reports EXPLORE SNIP AREA. BC agreement in principle has been reached between International Skyline Gold Corp. and Homestake Canada Inc. regarding underground exploration and, if successful, the mining of a portion of Skyline's claims immediately adjacent to Homestake's Snip Gold Mine in the Iskut River region north of Stewart, northwest BC.

The agreement will allow Int'l Skyline to conduct a program of underground drifting and drilling onto its High 1, 2 and 3 claim group from the nearby Snip Mine workings. The work will be funded and directed by Int'l Skyline and the mining and drilling carried out by Homestake. The two companies will share the net operating profit from any ore mined from Int'l Skyline's ground and processed in Homestake's Snip mill on the basis of 55% Int'l Skyline and 45% Homestake. The High claims are also subject to a 3% net smelter return royalty in favour of Homestake.

The High claims target area is interpreted by Int'l Skyline to represent the strike extension of the Snip deposit onto Skyline's Bronson Slope property. The exploration heading is directed toward a drill hole intercept on the Int'l Skyline ground containing 15.77

grams gold/tonne across an interval of 2.0 metres of biotite mineralization. The mineralization is adjacent to a quartz, calcite, sulphide stringer zone containing 4.90 grams gold/tonne across 1.6 metres. The intercept occurs at 460 metres elevation, about 195 metres horizontally from the east end of the Snip Mine 412 Drift and 75 metres inside the Skyline claim boundary.

Beyond the target area, Int'l Skyline has traced the Highwall Gold Zone, a near surface zone of disseminated and stockwork gold mineralization, along strike for a length of over 800 metres on Skyline ground. This zone is some 400 metres in elevation up dip from the target area and is interpreted by Int'l Skyline to indicate the easterly continuation of the deeper, high grade target structure and of the Snip deposit. This 800 metres of strike length has never been tested at the elevation of the target structure and the main Snip workings.

This initial exploration program will cost a minimum of \$250,000 and will start as soon as the financing is completed. The Snip Mine has been a profitable underground gold mine since starting in 1991. It has produced over 1,000,000 ounces of gold. The mine is scheduled to close due to exhaustion of ore reserves in the second quarter of 1999. (SEE GCNL NO.228, 27Nov98, P.1 FOR PICUDA PROJECT INFORMATION)

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