REPORT

ON THE

1986 DEVELOPMENT PROGRAM

FOR THE

REG PROPERTY

OF

SKYLINE EXPLORATIONS LTD.

SUBMITTED IN COMPLIANCE WITH

FINANCIAL ASSISTANCE FOR MINERAL EXPLORATION
GRANT NO. 10962 E-73

NOVEMBER 1986

BY

C.K. IKONA, P.Eng.

TO Kim Passmore

FROM Marylou Malott
Smithers Dist. Office

SUBJECT

DATE Oct 28/88

☐ For Your Information ☐ Please O.K. and Return ☐ Please Discuss With Me ☑ For Your Request ☐ For Your Signature
☐ Please Process ☐ Return With More Details ☐ Investigate and Report ☐ Please Answer ☐ For Your File

Enclosed is the Assessment Report #15,924 you were enquiring about (+ a fax sent of a portion of the map).

Our office received an enquiry from you re Assess. Rpt. #15,736 + we couldn't find it. ~~Wash~~ Did you need further follow up?

ML Malott

Thank you for sending us the report. We did eventually find our copy.

Your office should have a copy of 15736. It is a FAME report I would like to verify some pages in Appendix 3 when you find it. If you don't please let me know.

DATE OF REPLY Nov 14/88 SIGNATURE Kim Casamore.

RETAIN THIS COPY FOR YOUR RECORD OF THE INQUIRY AND REPLY.

EVERGREEN PRESS LIMITED – CARBON READY SETS
1070 SOUTH EAST MARINE DRIVE / VANCOUVER, B.C. V6X 2V4 / PHONE 325-2231
SALES OFFICE 901 HOMER STREET / VANCOUVER, B.C. V6B 2W6 / PHONE 682-7722

MEMOGRAM

SMITHERS

FAME REPORT (E73) 15736

Province of British Columbia

Ministry of Energy, Mines and Petroleum Resources

ASSESSMENT REPORT

TITLE PAGE AND SUMMARY

TYPE OF REPORT/SURVEY(S): DRILLING ; GEOCHEMICAL ; PHYSICAL

TOTAL COST: 549,753.25

AUTHOR(S): C. K. Ikona

SIGNATURE(S):

DATE STATEMENT OF EXPLORATION AND DEVELOPMENT FILED: Jan. 16/87

YEAR OF WORK: 1986

PROPERTY NAME(S): REG

COMMODITIES PRESENT: Ag, Cu, Pb

B.C. MINERAL INVENTORY NUMBER(S), IF KNOWN: 104B-107

MINING DIVISION: Liard

NTS: 104B/11E

LATITUDE: 56°38'21"

LONGITUDE: 131°4'4"

NAMES and NUMBERS of all mineral tenures in good standing (when work was done) that form the property (Example: 3 X 14 FIRE 2 (12 units), PHOENIX (Lot 1706) Mineral Lease M 123, Mining or Certified Mining Lease ML 12 (claims involved).

Lots 2865-2867

OWNER(S)

(1) Skyline Explorations Ltd. (2)

MAILING ADDRESS

OPERATOR(S) (that is, Company paying for the work)

(1) as above (2)

MAILING ADDRESS

SUMMARY GEOLOGY (lithology, age, structure, alteration, mineralization, size, and attitude):

The property is underlain by Paleozoic sediments and volcanics, Mesozoic volcanics and centres of recent volcanism. Mineralization of the main gold deposit is in volcanics and is controlled by a broad fracture system that is feldspathized and silicified. Gold occurs in native form. Early pyrite is replaced by gold/silver and sulphosalt/chalcopyrite assemblage. Galena is associated with gold mineralization.

REFERENCES TO PREVIOUS WORK: A.R. 9090, 11327

ICAP

TYPE OF WORK IN THIS REPORT	EXTENT OF WORK (IN METRIC UNITS)	ON WHICH CLAIMS	COST APPORTIONED
GEOLOGICAL (scale, area)			
Ground			
Photo			
GEOPHYSICAL (line-kilometres)			
Ground			
Magnetic			
Electromagnetic			
Induced Polarization			
Radiometric			
Seismic			
Other			
Airborne			
GEOCHEMICAL (number of samples analysed for ....)			
Soil			
Silt			
Rock	ROCK 225; Cu, Ag, Au		
Other			
DRILLING (total metres; number of holes, size)		Lots 2865 - 2867	
Core	DIAD 1017.7 m; 21 holes		
Non-core			
RELATED TECHNICAL			
Sampling/assaying	SAMP 361; Ag, Au		
Petrographic			
Mineralogic			
Metallurgic			
PROSPECTING (scale, area)			
PREPARATORY/PHYSICAL			
Legal surveys (scale, area)			
Topographic (scale, area)			
Photogrammetric (scale, area)			
Line/grid (kilometres)			
Road, local access (kilometres)			
Trench (metres)			
Underground (metres)	UNDV 329.2 m		
		TOTAL COST	549,753.25

FOR MINISTRY USE ONLY	NAME OF PAC ACCOUNT	DEBIT	CREDIT	REMARKS:
Value work done (from report) 549,753.25				
Value of work approved				
Value claimed (from statement)				
Value credited to PAC account				
Value debited to PAC account				
Accepted Date Feb 23/80	Rept. No. 15736			Information Class (2)

CHARLES K. IKONA, P.Eng.
#5 Cowley Court
Port Moody, British Columbia

5 November 1986

Skyline Explorations Ltd.
200-675 West Hastings Street,
Vancouver, B.C.
V6B 4Z1

Dear Sirs:

Please find a Summary Report on the 1986 development program for your Reg property. This report has been compiled in accordance with guidelines for Financial Assistance for Mineral Exploration of the Province of British Columbia.

Information contained in this report was provided by Skyline and we have restricted ourselves to summarizing and orgainzing the material. We have not attempted to modify the information in any manner.

We hope that this report will be in order for the purposes intended.

Yours sincerely,

Charles K. Ikona, P.Eng.

Province of British Columbia
Ministry of Energy, Mines and Petroleum Resources

EXPLORATION BRITISH COLUMBIA

FINANCIAL ASSISTANCE FOR MINERAL EXPLORATION

Grant Identification No. 10962E-73

FORM 3

APPLICATION FOR PAYMENT

INSTRUCTIONS:

- Please type or print
- Please submit completed forms, **with a copy of the final technical report,** to:
  Manager, EXPLORATION BRITISH COLUMBIA, ~~Mineral Resources Division~~
  Ministry of Energy, Mines and Petroleum Resources
  Parliament Buildings, Victoria, B.C. V8V 1X4

LOG NO: 0116 MGE-F 1
ACTION:

1. Date of this Application
November 27, 1986

2. Applicant's Identification and Location
Name: SKYLINE EXPLORATIONS LTD.

Address — Street Number and Name, Apt. No.		Telephone No.
#200-675 W. Hastings Street		683-6865
City, Town, Village: Vancouver, B.C.	Province: B.C.	Postal Code: V6B 4Z1

3. Head Office Location

Address — Street Number and Name, Apt. No.		Telephone No.
as above		
City, Town, Village	Province	Postal Code

4. Mailing Address (if different from above)

Address — Street Number and Name, Apt. No.		Telephone No.
as above		
City, Town, Village	Province	Postal Code

5. British Columbia Free Miner Certificate No. 212912

6. I/We, SKYLINE EXPLORATIONS LTD., hereby apply for payment of a grant under the Exploration British Columbia Financial Assistance for Mineral Exploration Program and declare the information given above to be true and accurate.

Joyce A. Davis
Signature of Applicant or Signing Officer

Joyce A. Davis
Name (please print)

Secretary/Director
Title/Occupation (please print)

Reg Project
Project Name (please print)

Skyline Explorations Ltd.
Company (please print)

January 14, 1986
Date

7. EXPENDITURES (N.B. Please provide actual all-inclusive costs, including salaries and wages, equipment and machinery rental, supplies, services, transportation and accommodation directly attributable to the field program.)

(a) For the following, the full cost (100% of expenditures) are eligible:

		Total Eligible Expenses
Geological Surveys, Map and Report Preparation and Related Costs		$ 95,268.00
Geophysical Surveys (line-kilometres)		
Ground		
Magnetic	$	
Electromagnetic	$	
Induced Polarization	$	
Radiometric	$	
Seismic	$	
Other	$	
Airborne	$	
	$	$ 0
Geochemical Surveys (No. of samples analysed for _____)		
Soil	$	
Silt	$	
Rock	$	
Other	$	
	$	$ 0
Drilling		
Surface m @ $ =	$	
Underground m @ $ =	$	
	$	$ 145,017.00
Related Technical Surveys		
Sampling/Assaying	$ 10,396.00	
Petrographic	$	
Mineralogic	$	
Metallurgic	$	
	$	$ 10,396.00
Preparatory/Physical		
Line/Grid (kilometres)	$	
Trenching (metres)	$	
	$	$
Other Exploration Costs (attach detailed schedules)		
	$	
Camp Costs	$ 172,730.00	
	$	
	$ 172,730.00	$ 172,730.00
Total Eligible Expenses		$ 423,411.00

(b) For the following activities only 25% of total costs are eligible:

Tunneling, Drifting, Other Lateral Excavation, Shaft Sinking (25% of total expenses are eligible)		
m @ $ 505,369.00 = $ × 25% =	$ 126,342.25	
m @ $ = $ × 25% =	$	
	$	$126,342.25

(c) TOTAL ELIGIBLE EXPENDITURES: $ 549,753.25 x 33 1/3% = 183,250.00 — 549,753.25

8. **SUPPLEMENTARY INFORMATION:** The following information is required in order to help us determine the contribution which mineral exploration activity makes to the economy, and relates to the utilization of B.C. vs. outside labour and services. Only figures directly attributable to the funded program should be included (approximate figures acceptable, but please be as accurate as possible).

(a) Employment, wages and salaries

Type	No. Employed		No. Person-days		Salaries/Wages Paid	
	B.C.	Outside	B.C.	Outside	B.C.	Outside
Prospectors	0		0		$ 0	$
Linecutters	0		0 m		0	
Technicians	1		38		4,750.00	
General Labourers	4		117		13,033.31	
Drillers/Helpers	4		117		24,783.20	
Equipment Operators	2		177		15,400.00	
Geologists	2		167		19,950.00	
Geophysicists	0		0		0	
Geochemists	0		0		0	
Engineers	1		54		10,800.00	
Supervisory	1		92		15,000.00	
Consulting						
Secretarial						
~~Managerial~~ Camp. Admin cook/mechanic etc	4		177		22,700.00	
Legal						
Accounting						
Others (specify) Miners	10		221		47,152.06	
Others (specify)	1		35		5,094.03	
TOTALS	30		1195		$178,662.60	

(b) Goods and Services

Description	Expenditure	
	B.C.	Outside
Meals, Groceries, etc.	$17,791.52	$
Camping Supplies, Equipment, etc. owned from previous years	0	
Accommodation	35,850.00	
Transportations — Scheduled Air	58,492.64	
— Air Charter		
— Vehicle Rentals		
— Vehicle O and M Costs		
— Other (specify)		
Equipment Rentals —	0	
Equipment Rentals — Trenching, etc.	0	
— Geophysical, etc.		
— Other (specify)		
~~Contract~~ Drilling	35,372.51	
Consultant Services	5,000.	
Assays and Analyses	1,859.44	
Communications	1,167.53	
Other (specify) Helicopters	54,590.55	

9. IMPACT OF **FAME** GRANT

(a) Please indicate what level of **expansion** of your project was attributable to receiving a FAME grant.

$ 300,000.00

_____ person/days employment.

(b) Please indicate what you feel to be the main achievement of this FAME funded program.

The additional funding provided to us by FAME allowed us to plan and execute a much better programme for our summer season.

TABLE OF CONTENTS

LIST OF FIGURES

LIST OF APPENDICES

1.0 Introduction

Skyline Explorations Ltd. has been actively exploring the Reg claim group on Johnny Mountain in the lower Iskut River area of British Columbia since 1980. In 1986 a program consisting of underground development of surface explored veins and continuing surface drilling was undertaken. The program was extimated to cost $625,000, and application was made for financial assistance from the government of British Columbia under its Financial Assistance for Mineral Exploraton Program.

In a letter dated July 4, 1986, financial assistance in the amount of $100,000 was granted to Skyline by Anthony J. Brummet, Minister, Department of Energy, Mines and Resources.

This report is submitted in compliance with the regulations governing this grant.

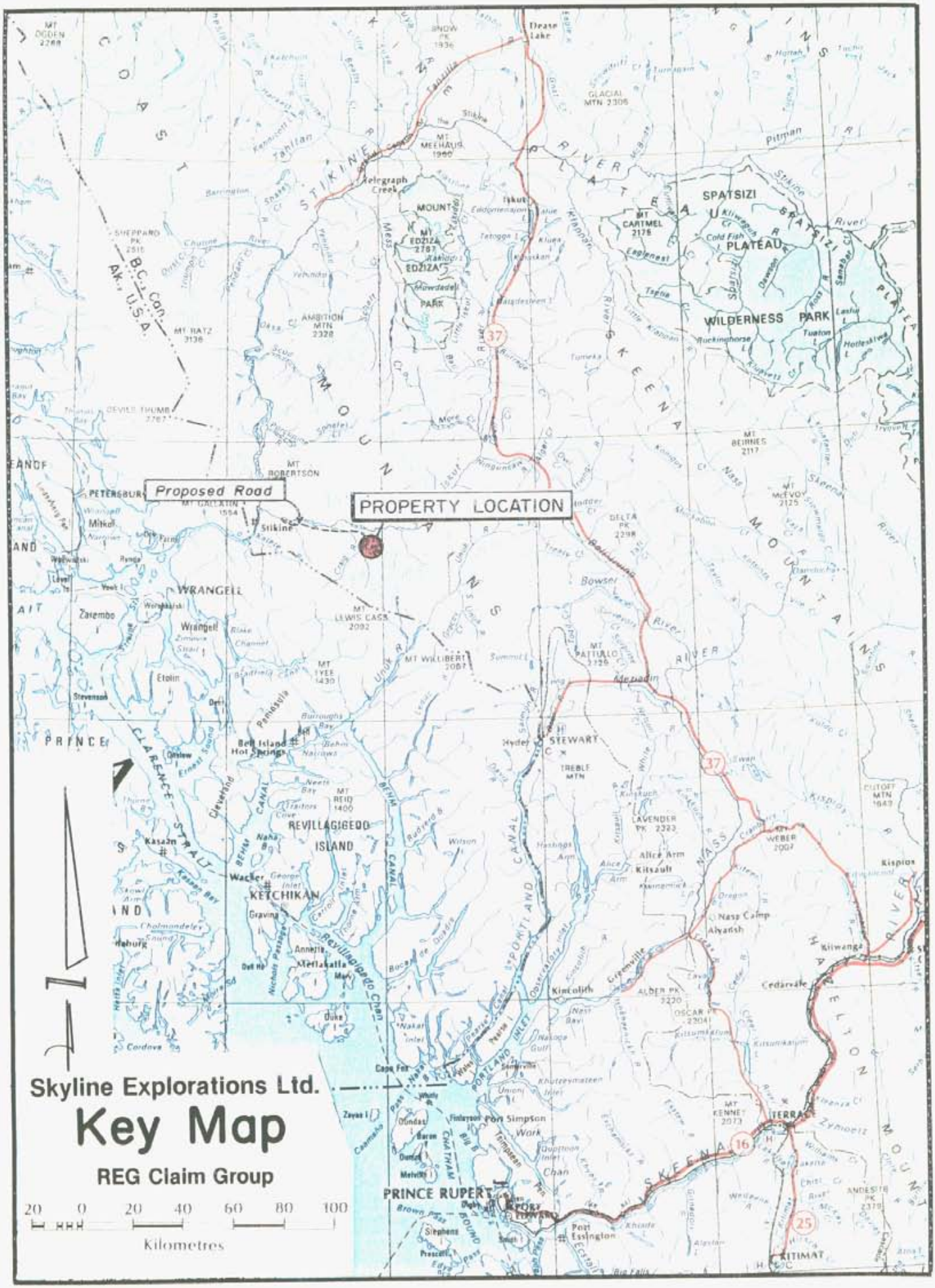
2.0 Program Summary

The program was initiated on June 1986 and at the date of writing was still in progress. During the period reported on herein (June 1-September 30, 1986), a total of 21 surface diamond drill holes totalling 3,339 feet were drilled and 1,080 feet of underground development completed. Statements of expenditures are appended to this report.

Major highlights of the program are the intersection and development of both the target zones (Cloutier and 16) as well as a third hitherto unknown zone between the Cloutier and 16 zones. All three zones contain good mining widths (8' and greater), and contain good visual gold with assays indicating ore grade mineralization over substantial strike lengths. An example is the Cloutier west drift where the arithmetic average of 189 samples for a length of 124' over the width of the drift returned an average uncut grade of 0.659 oz/ton gold.

Development of the 16 Zone and the third zone (now referred to as the Zephrin Zone) is progressing.

An underground drill program of some 10,000 feet was commenced in the first


Proposed Road
PROPERTY LOCATION
Skyline Explorations Ltd.
Key Map
REG Claim Group
20 0 20 40 60 80 100
Kilometres

week of November to further delineate these potential reserves.

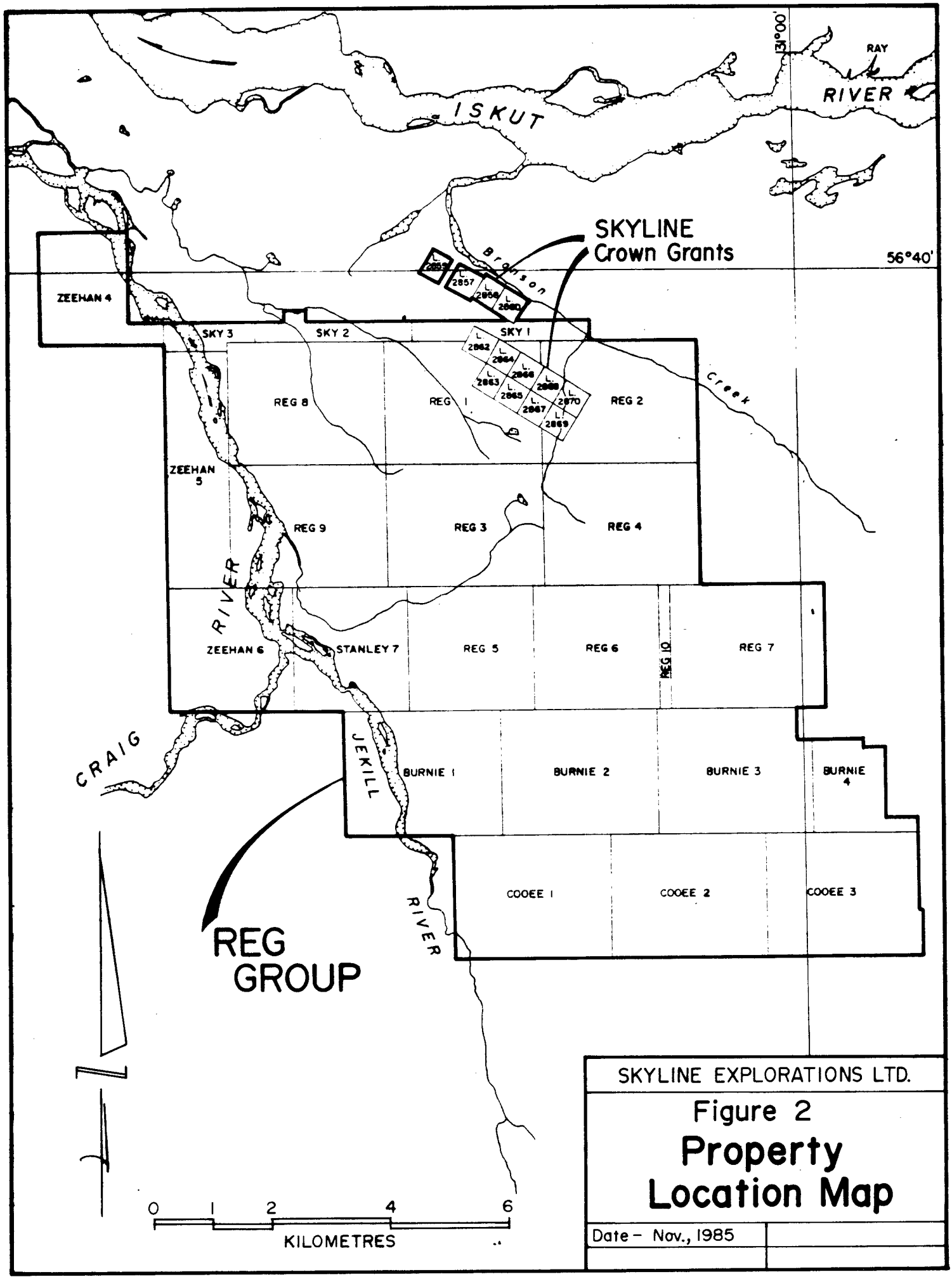
This report contains a summary of the results of this program to date and a summary of the geological parameters for the property. For a more detailed discussion of geology, history and potential reserves, Appendix III contains a comprehensive report on the Reg group by Dr. Edward W. Grove dated April 20, 1986, from which much of the summaries presented have been excerpted.

3.0 Location and Access

The property lies approximately 50 miles east of Wrangell, Alaska on the south side of the Iskut River some 25 miles from its confluence with the Stikine River. The claims cover the north slope of Johnny Mountain between 300 feet A.S.L. to 7500 feet A.S.L. Map reference is N.T.S. 104 B11/E.

Access to the property has historically been fixed wing aircrft from Terrace to the Snippaker strip some 10 km east, and then by helicopter. An airstrip has recently been constructed on Johnny Mountain flats which allows direct access to the camp.

Future access may be available by road either from the Stuart-Cassiar road down the Iskut, or by road to the junction of the Stikine and Iskut and thence by barge to Wrangell, Alaska. Both routes have received active study.



SKYLINE EXPLORATIONS LTD.

Figure 2

Property Location Map

Date – Nov., 1985

4.0 Property

The Reg group consists of 25 staked mineral claims and 13 Crown-grnted claims (Figure 2).

Claim	Units	Record No.	Expiry Date
Red Bluff		Lot 2857	
Homestake		Lot 2878	
Red Bird		Lot 2859	
Mermaid		Lot 2860	
El Oro		Lot 2862	
Discovery or Silver King		Lot 2863	
Golden Pheasant		Lot 2864	
Brown Bear		Lot 2865	
Iskoot		Lot 2866	
Silver Dollar		Lot 2867	
Marguerite		Lot 2868	
Blu Grouse		Lot 2869	
Copper Queen		Lot 2870	
REG 1	20	1247	1 April 1993
REG 2	20	1248	1 April 1993
REG 3	20	1249	1 April 1993
REG 4	20	1250	1 April 1993
REG 5	16	1251	1 April 1993
REG 6	16	1252	1 April 1993
REG 7	20	1929	July 1993
REG 8	20	2033	August 1993
REG 9	20	2034	August 1993
REG 10	8	2544	13 September 1988
SKY 1	8	2568	13 September 1988
SKY 2	5	2569	13 September 1988
SKY 3	20	2570	13 September 1988
ZEEHAN 4	20	2979	13 October 1986
ZEEHAN 5	16	2980	13 October 1986
ZEEHAN 6	16	2981	13 October 1986
ZEEHAN 7	16	2982	13 October 1986
STANLEY 7	16	2580	13 September 1988
BURNIE 1	20	2564	13 September 1988
BURNIE 2	20	2565	13 September 1988
BURNIE 3	20	2566	13 September 1988
BURNIE 4	16	2567	13 September 1988
COOEE 1	20	2541	13 October 1986
COOEE 2	20	2542	13 October 1986
COOEE 3	20	2543	13 October 1986

5.0 History

Work on the property dates back to 1907 when a number of veins and stringers were reported to contain galena and gold-silver bearing mineralization.

Sporatic work is reported until 1954 when Hudsons Bay Mining & Smelting located the Pick Axe Zone and by 1961 had drilled 5 holes totalling 810 feet. Subsequently, Cominco and Texasgulf worked in the area.

In 1980, Skyline re-staked the area and commenced the program leading up to this year's work. Assistance with this work was provided by Placer Development (1983) and Anaconda Canada Ltd. (1984). Both companies dropped their interest, and in 1985 Skyline continued the development program of trenching and drilling which identified the zones presently being developed underground.

6.0 Regional Geology

The area contains a complex assemblage of Paleozoic through Cenozoic sedimentary and volcanic rocks with Triassic to Tertiary intrusion of the Coast Plutonic Complex. Extensive structural modification of this assemblage has occurred, notably major east-west trending thrusts along the Iskut and the King Salmon Fault, along with more minor movements and deformations. For a detailed discussion, please refer to Grove, pp. 13-19 incl. appended.

7.0 Property Geology

Erosion has exposed a window of intercalated volcaniclastic, feldspar-porphyry and mixed sedimentary rocks on Johnny Mountain.

In the main gold zone sequence, feldspar-porphyry members are sandwiched with medium to dark green volcaniclastics of a primarily acidic volcanic sequence.

Deformation within these rocks has been variable with textures ranging from

fine schistose to coarse breccias. Sericitization, carbonatization and pyritization are seen as alteration products.

Structurally, rocks in the gold zone sequence has been cut by a number of discrete faults, as well as more complex shears. Of these, the north-trending faults appear to be the most important.

This extensive structural activity has resulted in the development of a system of mineralized shears and veins which possibly represent local remobilization in and around the major sulphide lenses of the volcanoclastic sequence. These now also appear to be controlled by major fracture zones trending 050°-055°/60°-80°N. Again, please refer to Grove, pp. 19-25, for detailed discussion.

8.0 Mineralization

A large number of mineralized structures and areas are known to occur on Johnny Mountain and are discussed by Grove. For the purpose of this report the writer will restrict hiimself to the zones pertaining to the underground development of this year.

8.1 Cloutier Zone

First discovered in the P-12 trench, disseminated fine to medium-grained pyrite and chalcopyrite veins in volcaniclastics were noted. Assay results from this trench averaged 3.62% Cu, 1.26 oz/ton Ag, and 0.329 oz/ton Au over 7.2 feet in the 40 feet exposed by the trench. By 1985, drilling and trenching indicated a mineralized strike length of 1300 feet containing four gold-silver bearing sulphide lenses.

Mineralization appears controlled by a strong fracture system with an attitude of 053°/65°N.

8.2 16 Zone

First indicated by a VLF-EM anomaly and subsequently trenched and drilled between 1982 and 1985. The system has a hanging wall vein up to 8' in apparent width and a footwall vein up to 5' in apparent width.

Known strike length of the structure is 700 feet with additional strike length potential. The veins are largely banded coarse pyrite and quartz with "abundant" free gold and scattered galena, tetrahedrite and minor sulfosalts.

8.3 Zephrin Zone

This new zone has a different tenor than the two discussed above. Where the Cloutier and 16 have the appearance of a true fracture controlled vein system, the Zephrin zone consists of a brecciated smoky grey quartz containing fine native gold.

Within the drift it has been exposed for 45', which may or may not represent true width. The underground drill program commencing in November will allow a greater resolution of its extent and attitude.

Sixty-two samples of this material returned an uncut arithmetic average of 1.76 oz/ton gold.

Surface expression of this zone is a depression which most probably reflects the different tenor of the material and accounts for it not being recognized on surface.

9.0 1986 Program

9.1 Surface Drilling

Logs of DDH S 86-86 to S 86-108 are presented in Appendix I of this report. Figure 4 (map pocket) presents the collar locations of these holes.

Correlation of results is underway but has not proceeded to the extent that property cross sections can be presented at this time. The following table presents a partial list of the results contained which are anticipated to be of significance to the ongoing development of the property.

Hole	(Feet) Intersection	% Cu	Oz/Ton Au
86-86	125.0-126.0	N/A	0.101
	157.0-161.0	N/A	0.297
86-87	201.5-206.0	N/A	3.280
86-88	243.0-248.0	N/A	1.720
	251.0-252.7	N/A	0.183
	308.4-312.6	N/A	0.980
86-89	92.6- 96.1	3.36	0.142
	96.1- 99.5	4.51	0.716
	99.5-103.5	7.29	0.152
	103.5-107.5	N/A	0.228
86-90	113.5-116.5	3.74	0.026
	116.5-119.5	N/A	0.205
86-94	90.5- 95.5	N/A	0.465
	95.5-100.8	4.95	0.014
86-95	95.0-100.0	-	0.275
86-99	41.0- 43.3	-	0.198

86-101	37.0- 42.0	-	0.148
86-106	72.5- 75.4	-	0.309
	75.4- 78.4	-	0.452

While the above represent intersections considered to be of obvious significance, it can be noted from the logs that as the sections are developed, additional inferences can be anticipated from this data.

9.2 Underground Development

To the date of writing, 1,085 feet of crosscut and 360 feet of development on the Cloutier and 16 Zone have been done. Due to delay in accounting, costs are as at 30 September 1986, while the amount of development quoted and shown on the accompanying Figure 5, represents current status.

Sample results are presented in Appendix II of this report, with locations shown in Figure 5.

Highlights of the sampling program results received to date are as follows:

Cloutier West Drift

Arithmetic average of 189 panel samples from face, back and both walls of drift for 124' of strike length is 0.659 oz/ton Au (uncut).

Cloutier East Drift

Arithmetic uncut average of 36 samples as above for drift length of 80 feet is 0.100 oz/ton Au.

Zephrin Zone

Where crosscut by the main drift, 62 samples averaged 1.76 oz/ton Au for 45 feet of drift length (not true width). Assays are pending on an additional 20' of drift.

16 Zone

The 16 Zone was intersected as projected by the crosscut on October 26, 1986. The structure contains native gold over good width and is presently being developed. Assays have not been received at date of writing.

10.0 Discussion and Conclusions

The 1986 program to date has been highly successful in increasing the property's potential from surface drilling results and in exposing in the underground development, three zones which from grade and size can only be interpreted as highly significant in developing reserves.

The completion of the underground drilling stage of the program presenty underway, and the compilation of this year's field data, are expected to allow detailed reserve calculations for feasibility purposes.

Sampling for metallurgical testing from the 3 zones is presently underway. Metallurgical testing will commence upon receipt of these samples.

Respectfully submitted,

Charles K.Ikona, P.Eng.

APPENDIX I

ASSAY LOGS - SURFACE DRILLHOLES

ASSAY — LOG Fill-in drilling Cloutier Zone

S86-86
Cathouse

Skyline Explorations Ltd. @ -45° @ 270° B-G.

2nd Floor, 675 West Hastings Street, Vancouver, B.C. V6B 4Z1 (604) 683-6865

Property: REG

SampleNo.	From	To	Length	Rec. %	Rock type				Oz/T	ppm	ppb
601	89.0	94.0	5.0	100%	V.C. 5% py					1.9	715
602	94.0	97.0	3.0	"	qtz-py 10% tr. cpy					4.2	525
603	97.0	100.0	3.0	"	V.C. 3% py					.4	265
604	125.0	126.0	1.0	"	V.C. qtz.py.sph.				.101	12.2	3320
605	152.0	157.0	5.0	95%	Alt. V.C. 3% py					.8	155
606	157.0	161.0	4.0	95%	Alt. V.C. qtz. py.	tr. sph.			.297	4.3	9170
607	161.0	166.0	5.0	100%	Alt. V.C. tr. 1% py.					.8	175
608	166.0	171.0	5.0	98%	Alt. V.C. tr. 1% py.					.4	165
609	171.0	175.0	4.0	95%	Alt V.C. tr 3% py.					.3	210
610	175.0	179.0	4.0	95%	" " " "					.5	28
611	179.0	184.0	5.0	90%	qtz.py.(10%) tr. sph					1.1	100
612	184.0	189.0	5.0	75%	Fault zone, heavy alt.					.3	17
613	189.0	192.5	3.5	95%	Alt. V.C. tr. - 1% py.					.6	370
614	192.5	196.0	3.5	90%	5% py qtz. matrix					.6	95
615	196.0	200.0	4.0	"	Alt. V.C. 3% py.					.2	5
616	200	202.5	2.5	"	8% py. 0.5%cpy.qtz. matrix					3.4	115
617	202.5	208.0	5.5	95%	Alt. V.C. -3% py.					.1	16
618	208.0	215.0	7.0	98%	" " " "					.2	7

ASSAY REPORT: 86-1904
86-1904R

DATE: Aug. 13, 1986
Aug. 15, 1986

HOLE No. 86-86

ASSAY — LOG

Additional sampling
Floutier Footwal & Main
DDH S86-86

Property:

Skyline Explorations Ltd.

2nd Floor, 675 West Hastings Street, Vancouver, B.C. V6B 4Z1 (604) 683-6865

SampleNo.	From	To	Length	Rec. %	Rock type					Oz/T Ag	Oz/T Au
900	140.2	146.0	5.8		Alt V.C. Bleached white, heavy K-spar					.02	.001
					minor ank.-qtz-frac. fill.						
901	146.0	152.0	6.0		" " " " " " "					.01	.001

ASSAY REPORT: 86-2671 DATE: Sept 20/86 HOLE No. DDH S86-86 PAGE 1 of 1

ASSAY — LOG

CATHOUSE

Hole # S86-87

Skyline Explorations Ltd. -60° @ 270° B.g.

2nd Floor, 675 West Hastings Street, Vancouver, B.C. V6B 4Z1 (604) 683-6865

Property: REG

SampleNo.	From	To	Length	Rec. %	Rock type				PPM Ag	ppb Au	Oz/T Au
619	84.7	89.7	5.0	100%	V.C. 3% py				1.0	970	
620	89.7	92.3	2.6	"	qtz.py.cpy.vein				6.1	1350	.032
621	92.3	97.7	5.4	"	2%py. minor bx.tr. sph.				.6	180	
622	97.7	103.1	5.4	"	" " " " " "				1.1	295	
623	187.4	191.5	4.1	97%	Alt V.C. 3% py				.9	1100	.031
624	191.5	196.5	5.0	97%	Alt V.C. qtz.-bx. 4% py.				1.0	400	
625	196.5	201.5	5.0	70%	Fault zone, clay & rubble				.9	140	
626	201.5	206.0	5.0	95%	Alt. V.C. qtz. bx 5% py.				34.5	88000	3.280
627	206.0	211.0	5.0	"	Alt. V.C. 3% py.				2.1	2100	.069
628	211.0	216.0	5.0	"	Alt V.C. 3% py. minor qtz. bx				1.2	2100	.046
629	216.0	221.0	5.0	"	Alt. V.C. 3% py.				.5	125	
630	221.0	225.6	4.6	70%	Faultzone 5% py. clay & rubble				.6	20	
631	225.6	230.6	5.0	95%	Alt. V.C. 3% py				.7	17	
632	230.6	235.6	5.0	80%	Fault zone 10% py.				.7	20	
633	235.6	240.6	5.0	98%	Alt. V.C. 3% py.				.3	14	

ASSAY REPORT: 86-1908
86-1958

DATE: Aug. 16, 1986

HOLE No. 86-87

ASSAY — LOG

CATHOUSE

Hole # S86-87

Skyline Explorations Ltd.

2nd Floor, 675 West Hastings Street, Vancouver, B.C. V6B 4Z1 (604) 683-6865

Property: REG

SampleNo.	From	To	Length	Rec. %	Rock type				ppm Ag	ppb Au	Oz/T Au
619	84.7	89.7	5.0	100%	V.C. 3% py.				1.0	970	
620	89.7	92.3	2.6	"	qtz. py. cpy. vein				6.1	1350	.032
621	92.3	97.7	5.4	"	2% py minor bx. tr. sph.				.6	180	
622	97.7	103.1	5.4	"	" " " " "				1.1	295	
623	187.4	191.5	4.1	"	Alt. V.C. 3% py.				.9	1100	.031
624	191.5	196.5	5.0	97%	Alt. V.C. qtz. bx. 4% py.				1.0	400	
625	196.5	201.5	5.0	70%	Fault zone, clay & rubble				.9	140	
626	201.5	206.0	5.0	95%	Alt. V.C. qtz. bx 5% py.				34.5	88000	3.280
627	206.0	211.0	5.0	"	Alt. V.C. 3% py				2.1	2100	.069
628	211.0	216.0	5.0	"	Alt. V.C. 3% py. minor qtz. bx.				1.2	2100	.046
629	216.0	221.0	5.0	"	" " " "				.5	125	

ASSAY REPORT: 86-1908 DATE: Aug. 16, 1986 HOLE No. 86-87 PAGE 1 of 1

ASSAY — LOG

Cloutier Footwall and Main Vein

Hole S86-88

Skyline Explorations Ltd.

2nd Floor, 675 West Hastings Street, Vancouver, B.C. V6B 4Z1 (604) 683-6865

-45° @ 314° Brg. Property: REG

SampleNo.	From	To	Length	Rec. %	Rock type	%Cu	Oz/T Ag	Oz/T Au
634	16.0	17.0	1.0	99%	V.C. qtz vein py 10% tr. cpy sph.		.34	.072
635	167.0	172.0	5.0	60%	Alt. rock Fault zone 3% py. Qtz bx		.05	.044
636	172.0	177.0	5.0	80%	" " Qtz. bx 2% py.		.02	.004
637	177.0	182.0	5.0	80%	" " " " " "		.02	.007
638	182.0	187.0	5.0	90%	" " " " " "		.03	.003
639	187.0	192.0	5.0	60%	" " Fault Zone		.07	.034
640	192.0	197.0	5.0	60%	" " " "		.10	.043
641	197.0	203.0	6.0	90%	Alt. Rock Qtz. bx 2% py.		.41	.404
642	235.3	240.0	4.7	86%	F.P. Fault zone 3% py. Qtz bx.		.03	.034
643	240.0	243.0	3.0	"	" " " " " " "		.09	.018
644	243.0	248.0	5.0	98%	" 3% py. tr. gal. sph.		3.06	1.720
645	251.0	252.7	1.7	99%	" " " " "		2.52	.183
646	308.4	312.6	4.2	"	F.P. stringer veins 8% py. tr. cpy.		1.12	.980
647	312.6	315.6	3.0	"	647 - 663: Main Vein Heavy Sulphides	3.64	.56	.097
648	315.6	318.6	3.0	"		6.23	.90	.034
649	318.6	321.6	3.0	"	65% py 4% cpy in qtz matrix	1.94	.33	.740
650	321.6	324.6	3.0	"		2.11	.33	.054
651	324.6	327.6	3.0	"		1.43	.27	.031
652	327.6	330.6	3.0	"		.65	.18	.020
653	330.6	333.6	3.0	"		1.71	.25	.011
654	333.6	336.6	3.0	"		.63	.15	.025
655	336.6	339.6	3.0	"		1.57	.15	.016
656	339.6	342.6	3.0	"	30% py 2% cpy in qtz matrix	.78	.14	.013
657	342.6	345.6	3.0	"		1.29	.12	.016
658	345.6	348.6	3.0	"		1.22	.13	.011
659	351.6	354.6	3.0	"		.20	.05	.004
660	351.6	354.6	3.0	"		1.87	.14	.006
661	354.6	357.6	3.0	"		.95	.11	.006
662	357.6	360.6	3.0	"	30% py 1% cpy in qtz matrix	.82	.10	.013
663	360.6	366.0	5.4	"		1.22	.12	.011
664	366.0	371.0	5.0	"	F.P. qtz. bx. 15% py. tr. cpy.	1.36	.07	.006

ASSAY REPORT: 86-2021 DATE: Aug. 15, 1986 HOLE No. 86-88

ASSAY — LOG

Cloutier Footwall & Main Vein

Hole S 86-88

Skyline Explorations Ltd.

2nd Floor, 675 West Hastings Street, Vancouver, B.C. V6B 4Z1 (604) 683-6865

Property: REG

SampleNo.	From	To	Length	Rec. %	Rock type				Cu%	Oz/T Ag	Oz/T Au
665	371.0	376.0	5.0	99%	F.P. Qtz bx 20% py	tr.1% cpy			.90	.08	.010
666	376.0	381.0	5.0	"	F.P. Qtz bx 8% py.	tr. cpy			.10	.05	.008
667	381.0	386.0	5.0	"	F.P. Qtz bx 8% py.	tr. cpy			.03	.04	.005
668	386.0	391.0	5.0	"	F.P. " " 5% py.	tr. cpy.			.05	.05	.008
669	391.0	396.0	5.0	"	F.P. " " 5% py.				.03	.03	.010
670	396.0	401.0	5.0	"	F.P. 3% diss py.				.02	.03	.009
671	401.0	406.0	5.0	"	F.P. 5% py. tr. cpy.				.04	.03	.011
672	406.0	410.5	4.5	"	F.P. 8% py. tr. cpy				.15	.08	.008

ASSAY REPORT: 86-2021 DATE: Aug. 15, 1986 HOLE No. 86-88 PAGE 2 of 2

ASSAY — LOG

Additional sampling

DDH S86-88

Skyline Explorations Ltd.

2nd Floor, 675 West Hastings Street, Vancouver, B.C. V6B 4Z1 (604) 683-6865

Property: REG

SampleNo.	From	To	Length	Rec. %	Rock type					Oz/T Ag	Oz/T Au
781	203.0	208.0	5.0	99%	Alt. F.P. 3% py. tr. sph.					.05	.046
782	208.0	213.0	5.0	"	" " " " " minor bx					.10	.206
783	213.0	218.0	5.0	"	" " "					.07	.199
784	218.0	223.0	5.0	"	" " "					.09	.065
785	223.0	228.6	5.6	"	" " "					.06	.220
786	228.6	235.3	6.7	"	" " "					.03	.043
787	248.0	251.0	3.0	"	" " "					.39	.460
788	252.7	258.0	5.3	"	" " "					1.18	2.670
789	258.0	263.0	5.0	"	" " "					.11	.095

ASSAY REPORT: 86-2339 DATE: Sept. 4/86 HOLE No. 86-88 PAGE 1 of 1

ASSAY — LOG
Additional Cloutier
Footwall & Main
DDH S86-88

Skyline Explorations Ltd.
2nd Floor, 675 West Hastings Street, Vancouver, B.C. V6B 4Z1 (604) 683-6865

Property:

SampleNo.	From	To	Length	Rec. %	Rock type	Oz/T Ag	Oz/T Au
870	141.8	147.0	5.2		Alt. V.C. Heavy K-spar bleached white qtz ank. fractures	.01	.001
871	147.0	152.0	5.0		" " " " " " " "	.01	.001
872	152.0	157.0	5.0		" " " " " " " "	.01	.009
873	157.0	162.0	5.0		" " " " " " " "	.02	.028
874	162.0	167.0	5.0		" " " " " " " "	.01	.009
875	233.9	235.3	1.4		Alt F.P. qtz. ank. frac. fillings 1-2% py	.01	.005
876	263.0	268.0	5.0		" " " " " " " "	.04	.011
877	268.0	273.0	5.0		" " " " " " " "	.03	.019
878	273.0	278.0	5.0		" " " " " " " "	.07	.013
879	278.0	283.0	5.0		" " " " " " " "	.09	.014
880	283.0	288.0	5.0		" " " " " " " "	.10	.030
881	288.0	293.0	5.0		" " " " " " " "	.05	.007
882	293.0	298.0	5.0		" " " " " " " "	.28	.014
883	298.0	303.0	5.0		" " " " " " " "	.25	.104
884	303.0	308.4	5.4		" " " " " " " "	.20	.216

ASSAY REPORT: 86-2671 DATE: Sept. 20/86 HOLE No. DDH S86-88 PAGE 1 of 1

ASSAY — LOG

-45° @ 160° Brg.

Property: REG

Cloutier
86-89

Skyline Explorations Ltd.

2nd Floor, 675 West Hastings Street, Vancouver, B.C. V6B 4Z1 (604) 683-6865

SampleNo.	From	To	Length	Rec. %	Rock type				Cu%	Oz/T Ag	Oz/t Au
673	41.2	46.2	5.0		F.P. qtz. stockwork 2% py					.05	.054
674	46.2	50.5	4.3		" " " " "					.02	.001
675	50.5	54.5	4.0		F.P. 3% py.					.01	.001
676	54.4	58.0	3.5		F.P. 8% py. 1% cpy				.01	.03	.001
677	79.5	84.5	5.0		F.P. 3%py					.01	.004
678	84.5	89.5	5.0		Alt. F.P. qtz. py.					.08	.020
689	89.5	92.6	3.1		Alt. F.P. qtz. py. cpy					.18	.071
680	92.6	96.1	3.5		Main vein 15% py 3% cpy				3.36	.97	.142
681	96.1	99.5	3.4		" " " " " "				4.51	1.43	.716
682	99.5	103.5	4.0		" " " " " "				7.29	2.31	.152
683	103.5	107.5	3.0		F.P. 2% py.					.51	.228

ASSAY REPORT: 86-2147A DATE: Aug 21, 1986 HOLE No. 86-89 PAGE 1 of 1

ASSAY — LOG

Additional sampling

DDH S86-89

Skyline Explorations Ltd.

2nd Floor, 675 West Hastings Street, Vancouver, B.C. V6B 4Z1 (604) 683-6865

Property: REG

SampleNo.	From	To	Length	Rec. %	Rock type					Oz/T Ag	Oz/T Au
790	106.5	112.0	5.5		Alt. F.P. 3% py.					.03	.024

ASSAY REPORT: 86-2339 DATE: Sept. 4/86 HOLE No. 86-89 PAGE _____ of _____

ASSAY — LOG

S86-90
Cloutier Fill-in.

Skyline Explorations Ltd.
2nd Floor, 675 West Hastings Street, Vancouver, B.C. V6B 4Z1 (604) 683-6865

Property: REG

SampleNo.	From	To	Length	Rec. %	Rock type				Cu%	Oz/T Ag	Oz/T Au
684	101.0	105.0	4.0		F.P. 3% py.					.08	.017
685	105.0	109.5	4.5		Alt. F.P. 20% py. 2% cpy				.60	.27	.019
686	109.5	113.5	4.0		" " " " " "				.18	.07	.014
687	113.5	116.5	3.0		50% py. 3% cpy				3.74	1.08	.026
688	116.5	119.5	3.0		F.P. 2% py					.15	.205
689	119.5	122.5	3.0		" " "					.08	.018
690	37.8	39.1	1.3		15% py. in qtz matrix					.19	.006

ASSAY REPORT: 86-2132 DATE: Aug 22, 1986 HOLE No. S86-90 PAGE 1 of 1

ASSAY — LOG

Cloutier Fill-in
S86-91

-60° @ 150° Brg

Skyline Explorations Ltd.

2nd Floor, 675 West Hastings Street, Vancouver, B.C. V6B 4Z1 (604) 683-6865

Property: REG

SampleNo.	From	To	Length	Rec. %	Rock type				Cu%	Oz/T Ag	Oz/T Au
691	17.0	20.2	3.2		F.P. 10% py tr. cpy					.03	.004
692	20.2	22.2	2.0		50% py. 1% cpy				1.74	1.09	.024
693	22.2	26.2	4.0		F.P. Alt. 2% py.					.13	.009
694	59.3	64.3	5.0		Alt F.P. 2% py					.05	.015
695	64.3	69.3	5.0		" "					.01	.022
696	69.3	74.0	4.7		" "					.01	.008
697	74.0	78.6	4.6		" "					.09	.090
698	78.6	83.6	5.0		" "					.01	.004
699	83.6	88.6	5.0		Alt F.P. 3% py. tr. cpy					.01	.005
700	88.6	93.6	5.0		" " "					.02	.014
701	93.6	98.6	5.0		" " "					.01	.015
702	98.6	103.6	5.0		" " "					.04	.005
703	103.6	108.1	4.5		" " "					.04	.005
704	108.1	111.1	3.0		25% py. 1% cpy in qtz matrix				7.48	1.37	.051
705	111.1	114.1	3.0		" " " "				3.49	.71	.022
706	114.1	119.8	5.7		" " " "				.54	.17	.035
707	119.8	122.7	2.9		F.P. 3% py.					.04	.005

ASSAY REPORT: 86-2132 DATE: Aug. 22/86 HOLE No. S86-90 PAGE 1 of 1

ASSAY — LOG

-60° @ 150° Brg

Property: REG

DDH S86-92
Cloutier Fill-in

Skyline Explorations Ltd.
2nd Floor, 675 West Hastings Street, Vancouver, B.C. V6B 4Z1 (604) 683-6865

SampleNo.	From	To	Length	Rec. %	Rock type				Cu%	Oz/T Ag	Oz/T Au
708	9.0	14.0	5.0	95%	F.P. Bx. 2% py.					.02	.001
709	14.0	18.0	4.0	"	F.P.. Bx. 2% py.					.02	.001
710	18.0	21.3	3.3	"	60% py. 0.5% cpy in qtz matrix				1.81	1.31	.046
711	21.3	24.8	3.5	"	F.P. 3% py.					.02	.002
712	60.8	62.0	1.2	99%	35% py. tr. cpy					.07	.005
713	76.8	84.3	7.5	"	Alt. F.P.					.03	.016
714	96.4	97.4	1.0	"	40% py. tr. cpy. in qtz. matrix					.07	.015
715	133.3	137.7	4.4	"	5% py.					.02	.053
716	137.7	141.4	3.7	"	30% py. 1% cpy				2.25	.73	.031
717	141.4	145.2	3.8	"	" " " "				2.55	.81	.021
718	145.2	149.5	4.3	"	Alt. F.P. 2% py. crackle bx.					.03	.002
719	149.5	153.0	3.5	"	F.P. 3% py.					.28	.002
720	153.0	157.0	4.0	"	F.P. " "					.01	.001
721	157.0	161.5		"	F.P. " "					.01	.001
722	161.5	166.5	5.0	"	F.P. " "					.05	.003
723	166.5	169.5	3.0	"					1.29	.20	.015
724	169.5	172.5	3.0	"					3.97	.44	.016
725	172.5	175.5	3.0	"						.20	.009
726	192.7	197.7	5.0	"						.08	.003
727	197.7	202.7	5.0	"						.02	.003
728	202.7	208.0	5.3	"						.02	.002
729	208.0	214.0	6.0	"						.01	.001
730	223.0	227.0	4.0	"						.01	.001
731	227.0	231.5	4.5	"						.01	.001
732	243.0	246.0	3.0	"						.01	.003

ASSAY REPORT: 86-2226 DATE: Aug. 26/86 HOLE No. S86-92 PAGE 1 of 1

ASSAY — LOG

-45° @ 225° Brg.

Property: REG

Skyline Explorations Ltd.

DDH S86-93

2nd Floor, 675 West Hastings Street, Vancouver, B.C. V6B 4Z1 (604) 683-6865

SampleNo.	From	To	Length	Rec. %	Rock type				Cu%	Oz/T Ag	Oz/T Au
733	24.0	26.3	2.3	93%	F.P. 3% py.					.02	.005
734	26.3	27.8	1.5	95%	50% py. tr. cpy.				2.11	.69	.014
735	27.8	32.0	4.2	"	F.P. 2% py.					.01	.005
736	92.2	94.0	1.8	99%	20% py. tr. cpy. in qtz matrix					.12	.006
737	156.0	160.0	4.0	"	F.P. 5% py					.07	.003
738	160.0	164.0	4.0	"	15% py tr. 4% cpy in qtz matrix				1.40	.29	.011
739	164.0	167.8	3.8	"	" " " " " " " "				1.13	.30	.012
740	167.8	172.8	5.0	"	F.P. 3% py.					.04	.004
741	172.8	177.9	5.1	"	" " "					.03	.002
742	189.0	192.0	3.0	"	F.P. Intense silicification 8% py.					.04	.003
743	192.0	197.5	5.5	"	F.P. 3% py.					.03	.006
744	197.5	202.8	5.3	"	" " "					.04	.013

ASSAY REPORT: 86-2226 DATE: Aug. 26/86 HOLE No. S86-93 PAGE 1 of 1

ASSAY — LOG

DDH 86-94

Cloutier Fill-in.

-40° @ 180° B-7

Skyline Explorations Ltd.

2nd Floor, 675 West Hastings Street, Vancouver, B.C. V6B 4Z1 (604) 683-6865

Property: REG

SampleNo.	From	To	Length	Rec. %	Rock type				Cu%	Oz/T Ag	Oz/t Au
745	10.0	16.0	6.0	99%	Alt. F.P. 3% py.					.03	.009
746	16.0	18.5	2.5	"	30% py. 0.5% cpy				.51	.16	.054
747	18.5	22.0	3.5	"	3% py Alt. F.P.					.01	.001
748	22.0	25.7	3.7	"	" " " "					.02	.009
749	51.0	57.0	6.0	90%	F.P. 3% py minor qtz. bx.					.05	.008
750	57.0	62.0	5.0	99%	" " " " " "					.03	.009
751	62.0	67.0	5.0	85%	" " " " " "					.01	.008
752	67.0	72.0	5.0	99%	" " " " " "					.01	.002
753	72.0	77.0	5.0	"	F.P. 3% py.					.05	.007
754	77.0	82.0	5.0	"	" " "					.06	.008
755	82.0	87.0	5.0	90%	" "					.10	.034
756	87.0	90.5	3.5	90%	Alt. F.P. Qtz. bx 5% py.					.03	.014
757	90.5	95.5	5.0	99%	Alt. F.P. Qtz. bx 5% py.					.13	.485
758	95.5	100.8	5.3	"	60% py. 1% cpy in qtz. matrix				4.95	.58	.014
759	100.8	104.6	3.8	"	Weak alteration 3% py.					.04	.002
760	104.6	108.6	4.0	"	" " " "					.01	.001

ASSAY REPORT: 86-2290 DATE: Aug. 29/86 HOLE No. 86-94 PAGE 1 of 1

ASSAY — LOG

DDH 86-95
Cloutier Fill-in.

-60° @ 150° B-T.

Skyline Explorations Ltd.
2nd Floor, 675 West Hastings Street, Vancouver, B.C. V6B 4Z1 (604) 683-6865

Property: REG

SampleNo.	From	To	Length	Rec. %	Rock type				Cu%	Oz/T Ag	Oz/T Au
761	11.0	16.0	5.0		Alt. F.P. 3% py.					.01	.001
762	16.0	20.0	4.0		Qtz. bx 10% py. tr. cpy				.05	.03	.006
763	85.0	90.0	5.0		Alt. F.P. 3% py.					.03	.003
764	90.0	95.0	5.0							.02	.007
765	95.0	100.0	5.0		Qtz. bx. 5% py. tr. cpy					.25	.275
766	100.0	105.0	5.0		" " " " "					.14	.029
767	105.0	110.0	5.0		" " " " "					.23	.021
768	110.0	115.0	5.0		" " " " "					.13	.008
769	115.0	118.0	3.0		10% py. qtz. bx tr. 1% cpy				.79	.12	.004
770	118.0	121.0	3.0		" " " " " "				.53	.10	.004
771	121.0	126.0	5.0		Alt. F.P. minor qtz. bx. 3%py.					.06	.008
772	126.0	131.0	5.0		" " " " " "					.03	.001
773	131.0	136.0	5.0		" " " " " "					.01	.004
774	136.0	141.0	5.0		Alt. F.P. Crackle bx. 5% py					.05	.003
775	141.0	146.0	5.0		Alt. F.P. minor qtz. bx. 3% py.					.03	.001
776	146.0	151.0	5.0		" " " " " "					.07	.013
777	151.0	156.0	5.0		" " " " " "					.08	.005
778	156.0	161.0	5.0		" " " " " "					.01	.042
779	161.0	166.0	5.0		F.P. 3% py.					.01	.001
780	166.0	170.0	4.0		Alt. F.P. Crackle bx.					001	.001

ASSAY REPORT: 86-2290 DATE: Aug.29/86 HOLE No. 86-95 PAGE 1 of 1

ASSAY — LOG

DDH S86-96

Cloutier Fill-in

-45° @ 314° Brg.

Property:

Skyline Explorations Ltd.

2nd Floor, 675 West Hastings Street, Vancouver, B.C. V6B 4Z1 (604) 683-6865

SampleNo.	From	To	Length	Rec. %	Rock type					Oz/T Ag	Oz/T Au
791	88.8	90.8	2.0	98%	Alt. V.C. minor crackle bx. ank.					.23	.025
792	117.2	123.0	5.8	"	Alt. V.C.epidote pebbles, hem. mag.					.01	.029
793	123.0	129.4	6.4	"	Alt. V.C. 2% py.(hem. mag. trace)					.01	.001
794	129.4	134.4	5.0	"	" " " "					.02	.007
795	134.4	139.4	5.0	"	" " " "					.06	.023
796	139.4	144.4	5.0	"	" " " "					.01	.004
797	144.4	149.4	5.0	90%	" " " "					.01	.001
798	149.4	154.4	5.0	98%	" " " "	Heavy K-spar				.01	.001
799	154.4	159.4	5.0	"	" " " "	Bleached & oxidized				.02	.001
800	159.4	164.4	5.0	"	" " " "	minor clay minerals				.01	.001
801	164.4	169.4	5.0	"	" " " "	developed				.02	.006
802	169.4	174.4	5.0	90%	Qtz. bx. 5% py. in	qtz. matrix				.02	.013
803	174.4	179.4	5.0	98%	Alt. V.C. 2% py					.01	.004
804	179.4	184.4	5.0	"	" " " "					.02	.003
805	184.4	189.4	5.0	"	" " " "					.02	.002
806	189.4	194.4	5.0	"	" " " "					.01	.007
807	194.4	199.4	5.0	"	" " " "					.01	.001
808	199.4	204.4	5.0	"	Altered rock 5% py. 5% sph in qtz matrix					.04	.020
809	204.4	209.4	5.0	"	F.P. Alt 3% py. siliceous					.01	.002
810	209.4	214.4			F.P. Alt " " "					.02	.005
811	214.4	219.4	5.0	"	" " " " "					.01	.004
812	219.4	223.0	3.6	70%	Fault zone, 5% py. minor qtz. bx.					.01	.004
813	223.0	229.4	6.4	98%						.01	.001
814	229.4	234.4	5.0	"						.01	.001
815	234.4	240.5	5.0	"						.01	.001
816	246.6	253.4	6.8	"						.01	.005

ASSAY REPORT: 86-2398 DATE: Sept. 5/86 HOLE No. DDH 86-96 PAGE 1 of 1

ASSAY — LOG

-32° @ 160° Brg.

Property:

DDH 86-99
GOLDRUSH VEIN

Skyline Explorations Ltd.
2nd Floor, 675 West Hastings Street, Vancouver, B.C. V6B 4Z1 (604) 683-6865

SampleNo.	From	To	Length	Rec. %	Rock type					Oz/T Ag	Oz/T Au
817	17.0	21.0	4.0	99%	V.C. 3% py. tr. cpy. in qtz. matrix					.02	.005
818	21.0	24.7	3.7	"	" " " " " " " "					.01	.003
819	24.7	28.1	3.4	"	F.P. 5% py.					.30	.016
820	28.1	32.0	3.9	"	F.P. 1% py minor crackle bx.					.03	.001
821	32.0	36.0	4.0	"	F.P. " " " " "					.03	.004
822	36.0	41.0	5.0	"	F.P. 3% py. heavy K-spar					.04	.001
823	41.0	43.3	2.3	"	F.P. 8% py. tr. cpy. sph. pyo.					.40	.198

ASSAY REPORT: 86-2432 DATE: Sept 5/86 HOLE No. DDH S86-99 PAGE 1 of 1

ASSAY — LOG
DDH S86-100
Goldrush Vein

Skyline Explorations Ltd. -45° @ 180° Brg.
2nd Floor, 675 West Hastings Street, Vancouver, B.C. V6B 4Z1 (604) 683-6865

Property:

SampleNo.	From	To	Length	Rec. %	Rock type					Oz/T Ag	Oz/T Au
824	23.7	28.6	4.9	99%	Contact zone F.P.	& V.C.	5% py.			.19	.004
825	28.6	33.6	5.0	"	"	"	3% py.			.07	.002
826	33.6	36.1	2.5	"	F.P. minor crackle bx.		3% py.			.22	.003
827	36.1	40.3	4.2	"	"	"	"			.01	.001
828	40.3	44.3	4.0	"	"	"	2% py.			.03	.002
829	44.3	48.6	4.3	"	F.P. minor crackle bx.		2% py.			.06	.002
830	48.6	51.0	2.4	"	Alt. siliceous rock		1% py. 3% pyo tr. cpy			.15	.002
831	51.0	54.0	3.0	"	"	"	5% pyo. " "			.09	.002
832	54.0	57.0	3.0	"	"	"	5% pyo. " "			.33	.015
833	57.0	62.0	5.0	"	V.C. 3% py. tr. sph. infilling fractures					.16	.006
834	62.0	69.2	7.2	"	V.C. 1% py. "	"	"			.10	.003

ASSAY REPORT: 86-2432 DATE: Sept. 5/86 HOLE No. DDH 86-100 PAGE 1 of 1

ASSAY — LOG

DDH 86-101
Goldrush Vein

-58° @ 180° Brg.

Skyline Explorations Ltd.

2nd Floor, 675 West Hastings Street, Vancouver, B.C. V6B 4Z1 (604) 683-6865

Property:

SampleNo.	From	To	Length	Rec. %	Rock type					Oz/T Ag	Oz/T Au
835	22.0	27.0	5.0	99%	Alt. F.P. 3% py.					.16	.048
836	27.0	32.0	5.0	"	" " minor qtz veining & crackle bx. 2% py.					.06	.005
837	32.0	37.0	5.0	"	" " " " "	"	"	"	"	.06	.002
838	37.0	42.0	5.0	"	" " " " "	"	"	"	"	.06	.148
839	42.0	48.0	6.0	"	" " " " "	"	"	"	"	.02	.001
840	48.0	52.0	4.0	"	" " " " "	"	"	"	5% py.	.01	.002
841	52.0	55.0	3.0	"	Alt F.P. 5% pyo. in qtz matrix tr. cpy.					.14	.004
842	55.0	58.0	3.0	"	" " " " "	"	"	"	"	.09	.001
843	58.0	61.0	3.0	"	" " " " "	"	"	"	"	.07	.001
844	61.0	64.0	3.0	"	" " " " "	"	"	"	"	.04	.003
845	64.0	67.0	3.0	"	15% pyo. tr. cpy in qtz. matrix					.19	.001
846	67.0	70.0	3.0	"	25% pyo. 1% cpy in qtz. matrix					.68	.004
847	70.0	74.5	4.5	"	Alt F.P. 2% py. minor crackle bx.					.09	.003

ASSAY REPORT: 86-2432 DATE: Sept. 5/86 HOLE No. 86-101 PAGE 1 of 1

ASSAY — LOG

DDH S86-102

-45° @ 210° Brg.

Property: REG

Skyline Explorations Ltd.

2nd Floor, 675 West Hastings Street, Vancouver, B.C. V6B 4Z1 (604) 683-6865

SampleNo.	From	To	Length	Rec. %	Rock type					Oz/T Ag	Oz/T Au
848	26.0	34.0	8.0	50%	F.P. Fault zone					.04	.005
849	34.0	39.0	5.0	99%	F.P. Increased qtz	1-3% py.				.03	.001
850	39.0	44.0	5.0	"	" " "	" "				.01	.001
851	44.0	49.6	5.6	"	" " "	" "				.20	.037
852	49.6	52.9	3.3	"	Main vein 20% pyo 1% sph tr. cpy					.18	.006
					in qtz matrix tr. chl.						
853	52.9	56.0	3.1	"	" " "					.34	.011
854	56.0	61.0	5.0	"	F.P. Moderate K-spar 3% py. tr. sph. chl.					.09	.001
855	61.0	66.0	5.0	"	" " "	" "	" "	"		.04	.001
856	66.0	71.0	5.0	"	" " "	" "	" "	"		.01	.001
857	71.0	76.2	5.2	"	" " "	" "	" "	"		.05	.001

ASSAY REPORT: 86-2671 DATE: Sept. 20/86 HOLE No. DDH S86-102 PAGE 1 of 1

ASSAY — LOG

DDH S86-103

-45° @ 240° Brg. Property:

Skyline Explorations Ltd.

2nd Floor, 675 West Hastings Street, Vancouver, B.C. V6B 4Z1 (604) 683-6865

SampleNo.	From	To	Length	Rec. %	Rock type	Oz/T Ag	Oz/T Au
858	53.1	58.5	5.4	99%	F.P. Modurate K-spar intense silicification 3% py.	.10	.001
859	58.5	63.9	5.4	"	" " " " " " "	.11	.001
860	63.9	69.3	5.4	"	" " " " " " "	.14	.001
861	69.3	74.8	5.5	"	" " " " " " "	.15	.001
862	74.8	78.2	3.4	"	Main vein 8% pyo. tr -1% cpy tr sph in qtz matrix	.25	.001
863	78.2	83.2	5.0	"	" " " " " " " " " " "	.07	.001
864	83.2	88.2	5.0	"	F.P. Intense silicification 3% pyo. tr. sph cpy	.01	.002
865	88.2	92.2	4.0	"	" " " " " " " "	.02	.001
866	92.2	96.6	4.4	"	" " " " " " " "	.06	.002
867	96.6	98.6	2.0	"	" " " " " " " "	.52	.001

ASSAY REPORT: 86-2671 DATE: Sept. 20/86 HOLE No. DDH S86-103 PAGE 1 of 1

22

ASSAY — LOG

DDH S86-104

Skyline Explorations Ltd. -45° @ 150° Brg.

2nd Floor, 675 West Hastings Street, Vancouver, B.C. V6B 4Z1 (604) 683-6865

Property:

SampleNo.	From	To	Length	Rec. %	Rock type					Oz/T Ag	Oz/T Au
885	25.8	30.8	5.0		F.P. 1-2% py diss. and replacement veins					.12	.004
					and patches						
886	30.8	35.8	5.0		" " " " " "	" " "	" "	" "		.01	.001
887	35.8	40.8	5.0		" " " " " "	" " "	" "	" "		.03	.001
888	40.8	44.5	3.7		" " " " " "	" " "	" "	" "	tr. sph.	.02	.001
889	44.5	48.6	4.1		" " " " " "	" " "	" "	" "		.08	.001
890	48.6	52.0	3.4		Main mineral zone	15% pyo. tr. cpy sph in qtz			matrix	.16	.001
891	52.0	55.0	3.0		" " "	" "	"	" " "	" "	.31	.034
892	55.0	58.0	3.0		" " "	" "	"	" " "	" "	.28	.016
893	58.0	64.0	6.0		Contact zone 5% py tr. cpy sph					.10	.001
894	64.0	68.6	4.6		V.C. 3% py tr. sph. cpy					.13	.008
895	68.6	73.2	4.6		" " " " "	"				.07	.001
896	73.2	77.7	4.5		V.C. 3% py frac. filling					.09	.001
897	77.7	80.8	3.1		" " " "	"				.31	.001
898	80.8	86.6	5.8		" " " "	"				.16	.006
899	95.5	100.0	4.5		F.P. Intense silicification 15% qtz. tr. chl.					.01	.001

ASSAY REPORT: 86-2671 DATE: Sept. 20/86 HOLE No. DDH S86-104 PAGE 1 of 1

ASSAY — LOG

GOLDRUSH VEIN
S86-105 Dip 60

-60° @ 150° B-g.

Skyline Explorations Ltd.

2nd Floor, 675 West Hastings Street, Vancouver, B.C. V6B 4Z1 (604) 683-6865

Property: REG

SampleNo.	From	To	Length	Rec. %	Rock type					Oz/T	Oz/T
902	26.5	31.2	4.7	95%	F.P. mod. silicification 1-3% py frac.					.05	.001
					fill some broken ground						
903	44.1	49.1	5.0	99%	" " " "					.01	.001
904	49.1	54.1	5.0	"	" " " "					.09	.001
905	54.1	59.1	5.0	"	" " " "					.04	.001
906	59.1	64.1	5.0	"	" " " "					.09	.001
907	64.1	69.1	5.0	"	" " " "					.06	.001
908	69.1	74.1	5.0	"	" " " "					.04	.001
909	74.1	80.0	5.9	"	F.P. Main vein? 8% py. (notably no pyo.)					.09	.025
					frac. fill to 3" width						
910	80.0	85.7	5.7	"	F.P. 1-3% py. frac. fill, weak -K-spar					.01	.001
911	85.7	91.0	4.3	95%	F.P. " " " " " " "					.03	.001
912	91.0	95.7	4.7	99%	F.P. " " " " " " "					.01	.001
913	95.7	99.2	3.5	"	F.P. Increasing K-spar, 5% py 3" wide py vein					.06	.001

ASSAY REPORT: 86-2787 DATE: Sept 26/86 HOLE No. S86-105 PAGE 1 of 1

ASSAY — LOG
GOLD RUSH VEIN
S86-106 Dep 45

-45° @ 120° Brg

Skyline Explorations Ltd.
2nd Floor, 675 West Hastings Street, Vancouver, B.C. V6B 4Z1 (604) 683-6865

Property: REG

SampleNo.	From	To	Length	Rec. %	Rock type					Oz/T Ag	Oz/T Au
926	24.9	31.8	6.9		F.P. 2-3% py frac.	fill				.05	.001
927	65.5	69.5	4.0		" " "	"				.03	.001
928	69.5	72.5	3.0		Main mineral zone	10% pyo.	tr. sph.			.31	.009
					cpy. in qtz matrix						
929	72.5	75.4	2.9		" " " " "					.47	.309
930	75.4	78.4	3.0		" " " " "					.30	.452
931	78.4	83.5	5.1		V.C. 2-3% py. frac.	fill				.09	.016
932	83.5	88.5	5.0		V.C. " " "	"				.07	.032
933	88.5	93.5	5.0		V.C. " " "	"				.05	.013
934	93.5	98.5	5.0		V.C. " " "	"				.05	.001
935	98.5	103.5	5.0		V.C. " " "	"				.03	.001

ASSAY REPORT: 86-2787 DATE: Sept. 26/86 HOLE No. S86-106 PAGE 1 of 1

ASSAY — LOG

DDH S86-107

Property: REG

Skyline Explorations Ltd.

2nd Floor, 675 West Hastings Street, Vancouver, B.C. V6B 4Z1 (604) 683-6865

SampleNo.	From	To	Length	Rec %	Rock Type					Oz/t Ag	Oz/t Au
936	24.0	29.5	5.5	96%	1% py in qtz Alt. V.C.					.06	.022
937	226.6	231.0	4.4	99%	5% py F.P.					.04	.006
938	231.0	235.5	4.5	95%	Crackle Bx. K-spar Ank.					.04	.011
939	235.5	238.5	3.0	70%	Fault zone, mud seam 6"					.01	.002
940	238.5	242.0	3.5	99%	1% py F.P.					.01	.002

86-3188

ASSAY REPORT:

DATE: Oct 17/86

HOLE No. -107

PAGE _____ of _____

ASSAY — LOG

DDH S86-108

Property: REG

Skyline Explorations Ltd.

2nd Floor, 675 West Hastings Street, Vancouver, B.C. V6B 4Z1 (604) 683-6865

SampleNo.	From	To	Length	Rec %	Rock type					Ag	Au
941	29.4	34.8	5.4	98%	Alt. V.C. K-spar, ank, qtz. as micro-veinlets					.02	.001
942	34.8	40.7	5.9	"	same					.04	.018
943	40.7	45.2	4.5	70%	same					.03	.011
944	45.2	51.8	6.6	98%	Alt. Rock, Autobrecciated heavy K-spar, Ank. 2% py					.03	.016
945	51.8	56.8	5.0	"	same					.02	.022
946	56.8	62.0	5.2	"	same					.01	.011
947	62.0	66.5	4.5	"	same					.01	.012
948	66.5	71.3	4.8	"	same					.01	.007
949	71.3	75.4	4.1	"	same					.01	.001
950	75.4	81.1	5.7	"	same					.03	.011
951	81.1	86.0	4.4	"	same					.01	.013
952	86.0	92.0	6.0	"	same					.01	.001
953	92.0	95.2	3.2	"	same					.03	.006
954	113.8	118.5	4.7	"	Alt. Rock, silicified, crackle Bx, K-spar 3% py tr. cp					.01	.002
955	118.5	124.2	5.7	"	same					.02	.003
956	124.2	129.0	4.8	"	same					.07	.007
957	129.0	133.8	4.8	"	Alt. Rock, silicified, 6% py 0.5% cp fracture filling					.09	.006
958	133.8	138.6	4.8	"	same					.14	.003
959	138.6	143.7	5.1	"	same					.60	.012
960	143.7	148.9	5.2	"	same					.30	.049
961	148.9	152.0	3.1	"	35% py 3% cp in qtz matrix					.56	.019
962	152.0	155.0	3.0	"	same					.37	.059

ASSAY REPORT: 86-3188 DATE: Oct. 17/86 HOLE No. S86-108 PAGE 1 of 1

APPENDIX II

ASSAY LOGS - UNDERGROUND SAMPLING

Prefix code: W= Underground Face Sample L= Left R= Right
F= Underground Face Sample
B= Underground Back Sample

21

ASSAY — LOG

Property:

Skyline Explorations Ltd.

2nd Floor, 675 West Hastings Street, Vancouver, B.C. V6B 4Z1 (604) 683-6865

SampleNo.	From	To	Length	Rec. %	Rock type						
B2001	1.5'	channel	across	qtz.py.	chl. vein at back	393' ref. 101					
LW2002	2.0'	channel	across	qtz.-py	chl map vein at wall	391' ref 101					
LW2003	2.0'	"	across	qtz "	" " " " " "	396'	" "				
LW2004	2.0'	"	across	" "	" " " " " "	402'	" "				
F2005	6.5'	channel	along	vein at face	424' ref. 101						

ASSAY REPORT: 86-2671 DATE: Sept 20/86 HOLE No. PAGE 1 of 1

ASSAY — LOG

Underground percussion drill hole

Skyline Explorations Ltd.

2nd Floor, 675 West Hastings Street, Vancouver, B.C. V6B 4Z1 (604) 683-6865

Property: Reg

SampleNo.	Station No.	Footage			Rock Type					Oz/T Ag	Oz/T Au
P-1	109 W	27.0	App. Bearing 200 G.R. Dip Flat								
914	0.0	2.0			Heavy sulphides 30% py					.42	.090
915	2.0	4.0			1% py					.15	.034
916	4.0	6.0			tr. - 1% py					.09	.011
917	6.0	8.0			"					.06	.005
918	8.0	10.0			"					.02	.001
919	10.0	12.0			"					.04	.005
920	12.0	14.0			"					.03	.003
921	14.0	16.0			"					.10	.034
922	16.0	18.0			"					.01	.018
923	18.0	20.0			5% py					.03	.024
924	20.0	22.0			Tr - 1% py					.02	.001
925	22.0	24.0			same					.02	.013

ASSAY REPORT: 86-2788 DATE: Sept 25/86 HOLE No. Underground percussion PAGE ____ of ____

ASSAY — LOG

X-Cut Adit Sampling

Property: REG

Skyline Explorations Ltd.

2nd Floor, 675 West Hastings Street, Vancouver, B.C. V6B 4Z1 (604) 683-6865

SampleNo.	Station No.	From Ft.	To Ft.	Panel Area	Location & Rock Type	Cu%	Ag Oz/T	Au Oz/T
2001	101	393.0	394.5	1.5x1.0	Back 30% py. tr. cp. in qtz matrix		.14	.008
2002	101	392.0	393.0	1.5x1.0	Lft Wl. 15% py. tr. cp. mag hem.		.01	.001
2003	101	396.0	397.0	2.0x1.0	" " same		.01	.001
2004	101	401.0	402.0	2.0x1.0	" " same		.01	.001
2005	101	424.0		6.0x1.0	Face 15% py. tr. chl. in qtz matrix		.10	.011
2006	107	117.0		4.0x2.0	" 6% py. tr. ch.		.01	.002
2007	107	117.0		4.5x2.5	" 3% py. tr. chl.		.01	.001
2008	107	117.0		2.0x2.0	" 10% py. in qtz. matrix		.04	.003
2009	108	45.0	48.0	3.0x3.0	Lft Wl. 5% py. tr. cp. minor qtz.		.02	.005
2010	108	45.0	48.0	3.0x3.0	" " same		.02	.001
2011	108	47.0	50.0	3.0x3.0	" " same		.05	.007
2012	108	47.0	50.0	3.0x3.0	" " same		.28	1.190
2013	108	50.0	54.0	3.0x3.0	" " 20% py 1% cp Hanging wall	.19	.26	.236
2014	108	50.0	54.0	4.0x3.0	" " same	.14	.14	.022
2015	108	54.0	57.0	3.0x3.0	" " 80% py 8% cp main Vein	.91	.47	.066
2016	108	54.0	57.0	4.0x3.0	" " same	.73	.35	.067
2017	108	57.0	61.0	3.0x3.0	" " 15% py 1% cp Footwall	.11	.23	.086
2018	108	57.0	61.0	3.0x3.0	" " same	.05	.19	.123
2019	108	61.0	64.0	3.0x1.0	" " 5% cp in qtz. matrix		.36	1.960
2020	108	61.0	64.0	3.0x3.0	" " 3% py leaving K-spar		.08	.090
2021	108	61.0	64.0	3.0x3.0	" " same		.12	.094
2022	108	44.0	47.0	3.0x3.0	Rt wl 5% py tr. cp		.02	.005
2023	108	44.0	47.0	3.0x3.0	" " same		.02	.004
2024	108	47.0	51.0	3.0x3.0	" " same		.06	.006
2025	108	47.0	51.0	3.0x3.0	" " same		.10	.004
2026	108	51.0	55.0	4.0x3.0	" " 15% py. 1% cp heavy K-spar	.04	.09	.011
2027	108	51.0	55.0	4.0x3.0	" " same	.03	.05	.018
2028	108	55.0	58.0	3.0x2.0	" " 80% py 8% cp tr. stephanite?	.55	.42	.035
2029	108	55.0	58.0	4.0x2.0	" " same	1.97	.76	.039
2030	108	58.0	60.0	3.0x3.0	" " 5% py minor K-spar	.06	.21	.245
2031	108	58.0	60.0	3.0x3.0	" " 2% py minor K-spar	.97	.77	.436

ASSAY REPORT: 86-2788 DATE: Sept 25/86 HOLE No. X-Cut PAGE 1 of 3

ASSAY — LOG

X-Cut adit sampling

Property: REG

Skyline Explorations Ltd.

2nd Floor, 675 West Hastings Street, Vancouver, B.C. V6B 4Z1 (604) 683-6865

SampleNo.	Station No.	From Ft	To Ft	Panel Area Ft	Location & Rock Type				Cu%	Ag Oz/T	Au Oz/T
2032	108	60.0	64.0	3.0x3.0	Rt wl. 2% py. minor K-spar					.03	.101
2033	108	60.0	64.0	3.0x3.0	" " same					.03	.060
2034	108	25.0	30.0	5.0x1.0	" " same					.02	.001
2035	108	30.0	35.0	"	" " same					.01	.001
2036	108	35.0	40.0	" "	" " same					.03	.003
2037	108	40.0	45.0	" "	" " same					.02	.005
2038	108	65.0	70.0	" "	" " same					.02	.049
2039	108	70.0	75.0	" "	" " 3% py tr. cp 25% qtz.					.01	.004
2040	108	75.0	80.0	" "	" " same					.02	.007
2041	108	80.0	85.0	" "	" " same					.02	.001
2042	108	25.0	30.0	" "	Lft Wl 2% py minor K-spar tr. chl					.01	.001
2043	108	30.0	35.0	" "	" " same					.01	.002
2044	108	35.0	40.0	" "	" " same					.01	.004
2045	108	40.0	45.0	" "	" " same					.01	.003
2046	108	65.0	70.0	5.0x4.5	" " same					.01	.011
2047	108	65.0	70.0	" "	" " same					.03	.029
2048	108	85.0	90.0	5.0x1.0	Rgt Wl 5% py 25% quartz					.01	.001
2049	108	70.0	75.0	5.0x4.5	Lft Wl 2% py minor K-spar					.06	.051
2050	108	70.0	75.0	" "	" " same					.01	.003
2051	108	75.0	80.0	" "	" " same					.01	.008
2052	108	75.0	80.0	" "	" " same					.01	.006
2053	108	80.0	85.0	" "	" " same					.01	.008
2054	108	80.0	85.0	" "	" " same					.04	.008
2055	108	85.0	90.0	" "	" " same					.14	.047
2056	108	85.0	90.0	" "	" " same					.08	.015
2057	?								.01	.02	.011

ASSAY REPORT: 86-2788 DATE: Sept 25/86 HOLE No. X-Cut PAGE 2 of 3

ASSAY — LOG

Cloutier Vein
E & W Drift

Skyline Explorations Ltd.

2nd Floor, 675 West Hastings Street, Vancouver, B.C. V6B 4Z1 (604) 683-6865

Property: REG

SampleNo.	Station No	Footage	Panel Area	Locat.	Rock Type				Cu%	Oz/T Ag	Oz/T Au
2058	109 E	27.0	4.0x3.0	Face	35% py 1% cp				.17	.07	.024
2059	109 E	"	3.0x2.0	"	same				.07	.03	.016
2060	109 E	"	4.0x4.0	"	80% py 6% cp				5.36	1.59	.204
2061	109 E	"	" "	"	same				3.32	.87	.065
2062	109 E	"	3.0x2.0	"	same				9.88	2.51	.108
2063	109 E	"	3.0x2.0	"	Heavy K-spar 5% cp				3.50	.82	.279
2064	109 W	23.0	4.0x3.0	"	5% py 1% cp				7.71	2.76	.269
2065	109 W	"	3.0x3.0	"	80% py 8% cp				1.05	.70	.179
2066	109 W	"	4.0x4.0	"	5% py 1% cp minor qtz.				.22	.08	.003
2067	109 W	"	" "	"	same				.29	.15	.007
2068	109 W	"	3.0x2.0	"	3% py tr. cp				.07	.12	.044
2069	109 W	"	1.0x0.6	"	20% py 8% cp 1% stephanite?				8.94	6.20	5.100

ASSAY REPORT: 86-2788 DATE: Sept 25/86 HOLE No. X-Cut PAGE 3 of 3

ASSAY — LOG

CLOUTIER WEST DRIFT
3780' elev.

Skyline Explorations Ltd.
2nd Floor, 675 West Hastings Street, Vancouver, B.C. V6B 4Z1 (604) 683-6865

Property: REG

SampleNo.	Stn. No.	Footage	Panel Area	Location	Rock Type				Cu%	Oz/T Ag	Oz/T Au
2070	109	10.-13	3.0x3.0	Lft Wl	5% py tr. cp mod K-spar				.02	.04	.008
2071	109	10 - 13	" "	"	same				.02	.08	.015
2072	109	10 - 13	" "	"	15% py 0.5% cp mod. K-spar				.03	.08	.012
2073	109	20 - 23	" "	"	8% py tr cp heavy K-spar				4.15	1.46	.114
2074	109	20 - 23	" "	"	same				3.95	1.47	.304
2075	109	20 - 23	" "	"	10% py 1% cp heavy K-spar				2.06	1.36	.145
2076	109	30 - 33	" "	"	same				.14	.08	.026
2077	109	30 - 33	" "	"	25% py 3% cp heavy K-spar tr. Stephanite ($Ag_5Sb\ S_2$)				.88	.28	.035
2078	109	30 - 33	" "	"	80% py 8% cp " " " " " "				8.58	6.53	.052
2079	109	40 - 43	" "	"	25% py 5% cp " " " " " "				9.41	3.23	.088
2080	109	40 - 43	" "	"	35% py 5% cp " " " " " "				4.25	1.64	.059
2081	109	40 - 43	" "	"	same				1.62	.50	.031
2082	109	43	" "	Face	20% py 3% cp " " " " "				.92	.29	.022
2083	109	43	" "	Face	50% py 8% cp				4.36	1.56	.022
2084	109	43	" "	"	same				5.94	1.36	.031
2085	109	"	3.0x4.5	"	8% py tr. cp. mod K-spar				.64	.27	.023
2086	109	"	" "	"	Same				.95	.33	.031
2087	109	"	" "	"	"				.63	.36	.020
2088	109	"	" "	"	"				.11	.06	.013

86-2787 — ASSAY REPORT:
Sept 26/86 — DATE:
Cloutier West Drift — HOLE No.

ASSAY — LOG

X-CUT

Property: Reg

Skyline Explorations Ltd.

2nd Floor, 675 West Hastings Street, Vancouver, B.C. V6B 4Z1 (604) 683-6865

SampleNo.	From (→Stn#)	To	~~Length~~ Area	~~Rec.~~ Location %	Rock type					Ag	Au
2414	Δ112	27.0-30.0	5.0x3.0	Back x-c extent	Heavy K-spar, 32 py,	Qtz bx	fault zone			.01	.046
2415	"	" "	" "	" "	" "	"	"			.04	.066
2416	"	18.0-21.0	" "	" "	" "	"	"			.01	.010
2417	"	" "	" "	" "	" "	"	"			.07	.043
2418	"	9.0-12.0	" "	" "	" "	"	"			.02	.004
2419	"	" "	" "	" "	" "	"	"			.01	.006
2420	"	27.0-30.0	" "	Back x-c	" "	"	"			.01	.001
2421	"	" "	" "	" "	" "	"	"			.06	.134
2422	"	24.0-27.0	" "	" "	" "	"	"			.01	.006
2423	"	" "	" "	" "	" "	"	"			.01	.003
2424	"	21.0-24.0	" "	" "	" "	"	"			.02	.002
2425	"	" "	" "	" "	" "	"	"			.01	.001
2426	"	18.0-21.0	" "	" "	" "	"	"			.06	.007
2427	"	" "	" "	" "	" "	"	"			.03	.001
2428	"	15.0-18.0	" "	" "	" "	"	"			.03	.021
2429	"	" "	" "	" "	" "	"	"			.09	.079
2430	"	12.0-15.0	" "	" "	" "	"	"			.10	.066
2431	"	" "	" "	" "	" "	"	"			.05	.046
2432	"	9.0-12.0	" "	" "	" "	"	"			.90	1.260
2433	"	" "	" "	" "	" "	"	"			.21	.128
2434	"	0.0-3.0	" "	" "	" "	"	"			.01	.006
2435	"	" "	" "	" "	" "	"	"			.37	.195
2436	"	" "	4.0x3.0	" "	" "	"	"			.02	.013
2437	"		" "	Right wall x-c	" "	"	"			.04	.018
2438	"		"	"						.11	.052

ASSAY REPORT: 86-3188 Oct 17/86 DATE: Oct. 5, 86 HOLE No. PAGE 1 of 1

ASSAY — LOG

X-Cut

Skyline Explorations Ltd.

2nd Floor, 675 West Hastings Street, Vancouver, B.C. V6B 4Z1 (604) 683-6865

Property: REG

SampleNo.	Stat. #	F'tage	Panel Area	Locat.	Rock Type					Oz/t Ag	Oz/T Au
2333	111	91.0	5x2	Fc X-C	3% py heavy K-spar	Qtz. bx	fault	zone		.08	.009
2334	"	"	"	"	same					.09	.001
2335	"	"	"	"	same					.04	.016
2336	"	"	"	"	same					.09	.102
2337	"	96.0	3x6	"	3% py heavy K-spar	qtz bx	tr. gal.	fault	zone	.05	.022
2338	"	"	"	"	2% py heavy K-apar	Qtz bx	fault	zone		.09	.052
2339	"	"	"	"	same					1.25	.686
2340	"	"	"	"	same					.05	.059
2341	"	"	"	"	same					.02	.004
2342	"	"	"	"	same					.06	.005
2343	"	109.0	3x4	"	5% pyheavy K-spar	Qtz bx.	fault	zone		.04	.022
2344	"	"	"	"	same					1.48	3.920
2345	"	"	"	"	same					.08	.030
2346	"	"	"	"	same					.03	.023
2347	"	106-109	3x3	Rt W1 X-C	Qtz. Bx. 5% py heavy K-spar	fault	zone			.08	.046
2348	"	"	"	"	same					.10	.042
2349	"	"	"	"	same					.04	.022
2350	"	103-106	"	"	same					.02	.001
2351	"	"	"	"	same					.03	.010
2352	"	"	"	"	same					.07	.022
2353	"	105.0	4x4	Fc X-C cutout	3% py heavy K-spar	Qtz. Bx.	fault	zone		.02	.012
2354	"	"	"	"	same					.04	.019
2355	"	"	"	"	same					2.86	.398
2356	"	"	"	"	same					.01	.006
2357	"	115.0	3x5	Fc X-C	8% py heavy K-spar	Qtz bx	fault	zone		.12	.136
2358	"	"	"	"	3% py heavy K-spar	Qtz bx	fault	zone		.19	.152
2359	"	"	"	"	8% py same					.05	.036
2360	"	"	"	"	3% py same					.02	.011
2361	"	111.0	4x4	Fc X-C cutout	same					.19	.090
2362	"	"	"	"	same					.04	.002
2363	"	"	"	"	same					.91	.192

ASSAY REPORT: 86-3188 DATE: Oct. 17/86 HOLE No.

ASSAY — LOG

X-Cut & Cloutier Drift W.

Property: Roy

Skyline Explorations Ltd.

2nd Floor, 675 West Hastings Street, Vancouver, B.C. V6B 4Z1 (604) 683-6865

SampleNo.	Sh # From	To	~~Area~~ Length	~~Location~~ Rec. %	Rock type					Ag	Au
2364	Δ111	111.0	4.0×4.0	Face X-Cut	3% py heavy K-spar Qtz bx fault zone					.07	.030
2365	"	130.0	4.0×3.5	Face X-C	5% py tr. cp. heavy K-spar Qtz. bx fault zone tr. hem.					.10	.037
2366	"	"	" "	" "	" " " " " " " "					.06	.015
2367	"	"	" "	" "	" " " " " " " "					.18	.045
2368	"	"	" "	Face X-Cut	3% py heavy K-spar Qtz bx fault zone						
2369	"	"	" "	" "	" " " " " " " "					.05	.015
2370	"	"	" "	" "	" " " " " " " "					.03	.004
2371	Δ109	84.0-87.0	3.5×3.0	Left Wall Dr. W.	5% py tr. cp. siliceous F.P.					.08	.015
2372	"	" "	4.0×3.0	" "	" " " "					.47	.055
2373	"	" "	1.5×3.0	" "	" " " "					.05	.002
2374	"	" "	3.0×3.0	Back Dr. W	10% py tr. cp. siliceous F.P.					.42	.030
2375	"	" "	" "	" "	60% py 6% py. main vein					1.20	.380
2376	"	" "	" "	" "	5% py tr. cp.					.39	.036
2377	"	" "	" "	Right Wall Dr. W.	10% py tr. cp.					.13	.013
2378	"	" "	" "	" "	" "					.09	012
2379	"	" "	" "	" "	5% py tr. cp.					.14	018
2386	"	75.0-78.0	" "	Left Wall Dr. W	5% py tr. cp. siliceous F.P.					.02	.008
2381	"	" "	" "	" "	" " " "		qtz. vein & fault zone			.02	.001
2382	"	" "	" "	" "	" " " "					.92	.045
2383	"	" "	" "	Back Dr. W	5% py tr. cp.					1.33	.129
2384	"	" "	" "	" "	60% py 5% cp. main vein.					.26	.082
2385	"	" "	" "	" "	10% py tr. cp. siliceous F.P.					.12	.025
2386	"	" "	4.0×3.0	Right Wall Dr. W.	8% py " " " "					.11	.019
2387	"	" "	3.0×3.0	" "	" " " " " "		fault zone, qtz. vein			.05	.017
2388	"	" "	2.0×3.0	" "	" " " " " "					.72	031
2389	"	66.0-69.0	3.0×3.0	Left Wall Dr. W	" " " " " "					.01	.003
2390	"	" "	3.0×3.0	" "	" " " " " "					.16	.044
2391	"	" "	3.0×3.0	" "	" " " " " "					.05	.027
2392	"	" "	3.0×3.0	Back Dr. W	" " " " " "					.16	.044
2393	"	" "	2.0×3.0	" "	60% py 6% cp. main vein					1.11	.598
2394	"	" "	4.0×3.0	" "	8% py tr. cp. siliceous	F.P.				.27	.015

86-3188

ASSAY REPORT: 3,680 Level Oct 17/86 DATE: Oct. 4 86 HOLE No.

ASSAY — LOG

Clautier Drift W. Exc

Skyline Explorations Ltd.

2nd Floor, 675 West Hastings Street, Vancouver, B.C. V6B 4Z1 (604) 683-6865

Property: Reg

SampleNo.	From	To	~~Area~~ Length	~~Location~~ Rec. %	Rock type					Ag	Au
2395	Δ109	66.0-69.0	3.0X3.0	Right Wall Dr. W	8% py tr. cp. siliceous F.P.					.19	.014
2396	"	" "	" "	" "	" " "	"				.22	.012
2397	"	" "	" "	" "	" " "	"					
2398	"	57.0-60.0	4.0X3.0	Left Wall Dr. W	" " "	"				.03	.004
2399	"	" "	1.0X3.0	" "	" " "	"				3.04	.349
2400	"	" "	4.0X3.0	" "	" " "	"				.08	.028
2401	"	" "	3.0X3.0	Back Dr. W	" " "	"				.01	.004
2402	"	" "	2.0X3.0	" "	60% py 6% cp main vein					2.80	.403
2403	"	" "	4.0X3.0	" "	8% py tr. cp siliceous F.P.					.44	.048
2404	"	" "	3.0X3.0	Right Wall Dr. W	" " "	"				.16	.014
2405	"	" "	" "	" "	" " "	"				.15	.016
2406	"	" "	" "	" "	" " "	"				.14	.184
2407	"	45.0-48.0	4.5X3.0	" "	" " "	"				.07	.038
2408	"	" "	" "	" "	" " "	"				.12	.054
2409	"	33.0-35.0	" "	" "	" " "	"				.14	.010
2410	"	" "	" "	" "	" " "	"				.42	.034
2411	"	21.0-24.0	" "	" "	" " "	"				.01	.004
2412	"	" "	" "	" "	" " "	"				.07	.028
2413	Δ111	108.0-108.5	0.5X0.5	Left Wall X-C	Qtz bx, heavy k-spar, 5% py tr. sph-gal V.G.					25.68	101.400

86-3186

ASSAY REPORT: 3,680 level

Oct. 17/86

DATE: Oct. 4, 86

HOLE No.

PAGE 3 of 3

ASSAY — LOG

Cloutier Drift West

Skyline Explorations Ltd.

2nd Floor, 675 West Hastings Street, Vancouver, B.C. V6B 4Z1 (604) 683-6865

Property: REG

SampleNo.	Stat.#	F'tage	Panel Area	Locat.	Rock Type				Cu%	Oz/T Ag	Oz/T Au
2247	109	121-124	2.5x3.0	Lft Wl	Dr W. 3% py F.P.					.33	.070
2248	"	" "	" "	"	10% py heavy K-spar 1% cp fault zone					.41	1.151
2249	"	" "	4x3	"	3% py F.P.					.33	.542
2250	"	131-132	1x4	"	Qtz vein 5% py 1% cp 1% tet V.G.					10.74	9.760
2251	"	121-124	4x3	Bck Dr W.	10% py 1% cp					.17	.097
2252	"	" "	3x3	" "	60% py 6% cp (Main Vein)					2.56	7.040
2253	"	" "	3x3	" "	same					.54	.163
2254	"	" "	3x3	Rt Wl Dr W.	5% py heavy K-spar					4.71	.454
2255	"	" "	4x3	"	5% py mod. K-spar					.15	.056
2256	"	112-115	3x3	Lt Wl Dr W.	3% py F.P.					.19	.072
2257	"	" "	3x3	"	10% py heavy K-spar 1% cp, fault zone					.67	.592
2258	"	" "	3x3	"	3% py F.P.					.05	.006
2259	"	" "	3x2	Bk Dr W	10% py 1% cp.					.08	.013
2260	"	" "	3x4	" "	50% py 5% cp (Main Vein)					1.49	.083
2261	"	" "	3x3	" "	same					.50	.108
2262	"	" "	"	Rt Wl Dr W	5% py mod K-spar					.20	.039
2263	"	" "	"	"	10% py 1% cp in qtz matrix fault zone					.10	.245
2264	"	" "	"	"	5% py mod K-spar F.P.					.02	.042
2265	"	134.0	Grab	Fc Dr W	8% py tr. cp & gold coloured mineral x?					2.58	38.850
2266	"	103-106	3x3	Lf Wl Dr W	60% py 6% cp (Main Vein)					.62	.125
2267	"	" "	"	" "	same fault zone					.48	.071
2268	"	" "	"	" "	5% py F.P. mod K-spar					.76	.025
2269	"	" "	3x2	Bk Dr W	same					.11	.009
2270	"	" "	3x4	" "	60% py 6% cp (Main Vein)					1.19	.115
2271	"	" "	3x3	" "	same (fault zone)					.37	.095
2272	"	" "	"	Rt Wl Dr W	5% py tr. cp F.P.					1.06	.203
2273	"	" "	"	" "	same					.04	.102
2274	"	" "	"	" "	15% py 1% cp fault zone					.02	.026
2275	"	94-97	"	Lf Wl Dr. W.	5% py F.P. heavy K-spar					.52	5.580
2276	"	" "	"	" "	60% py 5% cp main vein fault zone					1.06	2.090
2277	"	" "	"	" "	5% py F.P.					.04	.007

ASSAY REPORT: 86-3188 DATE: Oct 17/86 HOLE No. PAGE 1 of 3

ASSAY — LOG

CLOUTIER DRIFT E & W & X-C

Skyline Explorations Ltd.

2nd Floor, 675 West Hastings Street, Vancouver, B.C. V6B 4Z1 (604) 683-6865

Property: REG

SampleNo.	Stat #	F'tage	Panel Area	Locat.	Rock Type				Cu%	Oz/T Ag	Oz/T Au
2278	109	94 - 97	3x3	Bk Dr W	10% py tr. cp					.03	.004
2279	"	" "	"	"	60% py 6% cp (Main vein)					.30	.021
2280	"	" "	"	"	20% py 1% cp					.34	.018
2281	"	" "	"	Rt Wl Dr W	5% py 1% cp					.22	.015
2282	"	" "	"	"	10% py 1% cp Fault zone					.12	.048
2283	"	" "	"	"	5% py F.P. med K-spar					.07	.094
2284	111	35.0	4x2	Fc X-C	3% py heavy K-spar					.01	.001
2285	"	"	4x1	"	10" qtz vein & fault zone					.01	.001
2286	"	"	4x2	"	3% py heavy K-spar					.01	.001
2287	109	121-124	3x1	Rt Wl Dr W	10% py 1% cp in qtz matrix fault zone					2.17	1.895
2288	111	55.0	4x2	Fc X-C	3% py heavy K-spar					.08	.003
2289	"	"	4x2	"	12" qtz vein & fault zone					.19	.006
2290	"	"	4x2	"	3% py heavy K-spar					.03	.009
2291	109	67-70	3x3	Rt Wl Dr E	5% py heavy K-spar 0.5% cp					.07	.010
2292	"	" "	"	"	same					.21	.011
2293	"	" "	"	"	same					.44	.025
2294	"	" "	"	Bk DrE	60% py 6% cp Main Vein					1.66	.057
2295	"	" "	"	"	same					1.50	.049
2296	"	" "	"	"	same					.23	.035
2297	"	" "	"	Lf Wl Dr E	10% py 1%cp hanging wall					.29	.174
2298	"	" "	"	"	SAME					.15	.025
2299	"	" "	"	"	same					.10	.008
2300	"	76-79	"	Rt Wl Dr E	8% py 1% cp heavy K-spar					.02	.015
2301	" "	" "	"	"	same					.01	.008
2302	"	" "	"	"	same					.01	.012
2303	"	" "	"	Bk Dr E	60% py 6% cp main vein					.14	.027
2304	"	" "	"	"	same					1.72	.216
2305	"	" "	"	"	30% py 1% cp Main vein					.99	.112
2306	"	" "	"	Lf Wl Dr E	10% py 1% cp heavy K-spar					.34	.017
2307	"	" "	"	"	60% py 6% cp main vein					.21	.020
2308	"	" "	"	"	60% py 6% cp					.60	.015

86-3188 — ASSAY REPORT: | Oct. 17/86 — DATE: | HOLE No. | PAGE 2 of 3

ASSAY — LOG

cloutier drift E & X-C

Skyline Explorations Ltd.

2nd Floor, 675 West Hastings Street, Vancouver, B.C. V6B 4Z1 (604) 683-6865

Property: reg

SampleNo.	Stat #	F'tage	Panel Area	Locat	Rock Type					Oz/T Ag	Oz/T Au
2309	109	85-88	3x3	Rt Wl Dr E	10% py 1% cp heavy K-spar fault zone					.05	.012
2310	"	"	"	"	same					.03	.009
2311	"	"	"	"	same					.05	.008
2312	"	"	"	Bk Dr E	20% py 1% cp fault zone					.08	.016
2313	"	"	"	"	same					.27	.027
2314	"	"	"	"	same					.31	.010
2315	"	"	"	Lf Wl Dr E	same					.21	.011
2316	"	"	"	"	same					1.74	.124
2317	"	"	"	"	same					1.77	.372
2318	"	88.0	5x2	Fc Dr E	same					1.33	.343
2319	"	"	5x2	"	same					.06	.021
2320	111	61.0	2x3	Fc X-C	2% py mod. K-spar					.11	.013
2321	"	"	1.5x3.0	"	5% py tr. cp qtz vein fault zone					.13	.007
2322	"	"	2x3	"	3% py heavy K-spar					.02	.001
2323	"	67.0	3.5x3.0	"	same					.03	.001
2324	"	"	2.5x3.0	"	5% py tr. cp qtz vein fault zone					.08	.001
2325	"	"	3.5x3.0	"	3% py heavy K-spar					.03	.001
2326	"	80.0	3x3	"	same					.01	.001
2327	"	"	"	"	5% py tr cp qtz vein fault zone					.35	.024
2328	"	"	"	"	3% py heavy K-spar					.01	.004
2329	"	86.0	4x4	"	2% py heavy K-spar fault zone					.02	.001
2330	"	"	"	"	2% py med K-spar fault zone					.03	.001
2331	"	"	"	"	20% py 2% cp alt. rock 10% qtz.					.06	.002
2332	"	"	"	"	3% py 5% qtz. (vein)					.05	.001

86-3188 — ASSAY REPORT:

Oct 17/86 — DATE:

HOLE No.

PAGE 3 of 3

ASSAY — LOG

Cloutier Drift E & W

Skyline Explorations Ltd.

2nd Floor, 675 West Hastings Street, Vancouver, B.C. V6B 4Z1 (604) 683-6865

Property: REG

SampleNo.	Stn. No	Ftage	Panel Area	Locat	Rock Type				Cu%	Oz/T Ag	Oz/T Au
2089	109	25-28	3x3	Bk DrE	8% py 1% cp heavy K-spar, F.P.				.01	.01	.009
2090	"	" "	" "	"	60% py 6% cp 10% qtz (Main Vein)				2.07	.56	.189
2091	"	" "	"	"	same				3.52	.87	.055
2092	"	34-37	" "	"	8% py 1% cp heavy K-spar F.P.				.11	.06	.035
2093	"	" "	" "	"	80% py 8% cp 10% qtz (Main Vein)				1.69	.41	.164
2094	"	" "	" "	"	same				1.98	.61	.142
2095	"	44-47	" "	"	8% py 1% cp heavy K-S F.P.				.26	.07	.010
2096	"	" "	" "	"	80% py 8% cp 10% qtz (Main Vein				3.82	.87	.042
2097	"	" "	" "	"	same				3.97	.87	.052
2098	"	49.0	4.0x1.0	FcDrE	10% py 5% cp 10% qtz (Main Vein)				.12	.03	.018
2099	"	"	5.0x1.0	"	same				3.62	.78	.058
2100	"	45-48	3.0x3.0	BkDrW	30% py 3% cp (Main Vein)				1.73	.62	.146
2101	"	"	" "	"	50% py 5% cp (Main Vein)				1.35	.30	.024
2102	"	"	" "	"	5% py tr. cp mod K-spar F.P.				.15	.13	.032
2103	"	35.5-38.5	"	"	30% py 3% cp 10% qtz (Main vein)				.29	.12	.021
2104	"	" "	" "	"	same					.10	.009
2105	"	" "	" "	"	8% py tr. cp. F.P					.21	.012
2106	"	10 - 13	" "	Right Wall Drift E	8% py tr. cp. heavy K-spar F.P.				.13	.06	.007
2107	"	" "	" "	"	same					.10	.009
2108	"	" "	" "	"	same					.04	.015
2109	"	20-23	" "	"	25% py 2% cp heavy K-spar(Main Vein)				3.19	.86	.035
2110	"	" "	" "	"	60% py 5% cp 10% qtz (Main vein)				2.20	.59	.041
2111	"	" "	" "	"	same					.53	.318
2112	"	30-33	" "	"	same				.02	.03	.024
2113	"	" "	" "	"	same				.02	.05	.010
2114	"	" "	" "	"	same				.02	.10	.072
2115	"	40-43	" "	"	10% py 1% cp heavy K-spar F.P.				.03	.08	.170
2116	"	" "	" "	"	same				.04	.06	.108
2117	"	" "	" "	"	same					.32	.925
2118	"	17.5-22.5	1.0x5.0	Left Wall Drift E	8% py tr. cp heavy K-spar				.01	.01	.008
2119	"	22.5-27.5	" "	"	same				.02	.01	.001

ASSAY REPORT: 86-2818 DATE: Sept 26/86 HOLE No.

ASSAY — LOG

Clouteir Drift E & W

Skyline Explorations Ltd.

2nd Floor, 675 West Hastings Street, Vancouver, B.C. V6B 4Z1 (604) 683-6865

Property: REG

SampleNo.	Stat. #	Ftage	Panel Area	Locat.	Rock Type				Cu%	Oz/T Ag	Oz/T Au
2120	109	27.5-32.5	1 x 5	Lft Wl Drf E	8% py tr. cp heavy	K-spar			.01	.01	.008
2121	"	32.5-37.5	5 " "	"	same				.02	.01	.006
2122	"	37.5-42.5	5 " "	"	same				.01	.02	.001
2123	"	42.5-47.5	5 " "	"	same				.03	.03	.001
2124	"	55.0	1.0x8.0	fc Dr E	3% py Qtz stockwork tr. cp heavy	K-spar				.03	.009
2125	"	"	4.0x4.0	"	20% py 2% cp (Main Vein)					.59	.035
2126	"	"	4.0x4.0	"	same				2.84	.64	.012
2127	"	"	3.0x4.0	"	80% py 8% cp 10% qtz (Main Vein)				3.09	.81	.018
2128	"	"	3.0x3.0	"	same					1.01	.026
2129	"	55.0	3.0x4.0	Fc Dr W	8% py 1% cp				.03	.03	.003
2130	"	"	4.0x4.0	"	15% py 3% cp (Main Vein)				4.42	1.36	.186
2131	"	"	2.0x4.0	"	80% py 8% cp (Main Vein)					1.26	.098
2132	"	"	2.0x4.0	"	same					.43	.042
2133	"	"	3.0x4.0	"	5% py tr. cp med. K-spar					.14	.026
2134	"	"	3.0x4.0	"	same				1.61	.46	.044
2135	"	54.0x57.0	3x3	Lft Wl Drf E.	same				.06	.03	.004
2136	"	" "	"	"	same				.03	.04	.001
2137	"	" "	"	"	same					.05	.014
2138	"	" "	"	Bk Dr E	8% py 1% cp heavy	K-spar				.13	.019
2139	"	" "	"	"	80% py 8% cp 10% qtz (Main Vein)					.42	.039
2140	"	" "	"	"	same					.81	.035
2141	"	" "	"	Rt Wl Dr E.	20% py 2% cp (Main Vein)					.44	.018
2142	"	" "	"	"	same					.19	.034
2143	"	" "	"	"	10% py 1% cp					.12	.024
2144	"	61.0	3x8	Fc Dr E	5% py 1% cp				.74	.19	.014
2145	"	"	5x5	"	80% py 8% cp 10% qtz (Main Vein)				8.72	2.04	.044
2146	"	"	3x5	"	same					1.21	.039
2147	"	"	3x1	"	5% py 2% cp					.07	.035
2148	"	66.0	2x4	Fc Dr W	5% py tr. cp					.11	.011
2149	"	"	1.5x2.0	"	80% py 8% cp 10% qtz. (Main Vein)				5.44	1.41	.130
2150	"	"	2x3	"	same				.19	.12	.063

ASSAY REPORT: 86-2962/86-2925 DATE: Oct 3/86 HOLE No.

ASSAY — LOG

Property: REG

CLOUTIER DRIFT E & W
X-Cut Adit

Skyline Explorations Ltd.
2nd Floor, 675 West Hastings Street, Vancouver, B.C. V6B 4Z1 (604) 683-6865

SampleNo.	Sta.#	Ftage	Panel Area	Locat.	Rock Type				Cu%	Oz/t Ag	Oz/T Au
2151	109	71.0	2.0x3.0	Fc DrW	5% py tr. cp heavy K-spar				1.65	.60	.009
2152	109	"	" "	" "	80% py 8% cp 10% qtz (Main Vein)				2.45	.81	.106
2153	109	"	3.0x4.0	" "	5% py tr. cp Qtz stockwork med K-spar				.20	.18	.023
2154	109	66.0	2.0x3.0	Fc DrE	8% py 1% cp heavy K-spar					.07	.008
2155	"	"	3.0x3.0	"	80% py 8% cp 10% qtz (main vein)				2.77	.67	.012
2156	"	"	2.5x3.0	"	same					1.15	.031
2157	"	"	2/5x3/0	"	8% py 1% cp heavy K-spar				.34	.09	.011
2158	"	42-47	5.0x3.0	LtW1X-C	1% py med K-spar					.03	.001
2159	"	47-51	4.0x3.0	"	same				.03	.02	.004
2160	"	51-55	" "	"	1% py heavy K-spar				.01	.01	.004
2161	"	51-55	" "	"	2% py heavy K-spar 20% qtz fault zone					.04	.001
2162	"	51-55	" "	"	same				.01	.01	.001
2163	"	47-51	" "	"	same					.02	.001
2164	"	42-47	5.0x3.0	"	2% py heavy K-spar 10% qtz				.01	.01	.009
2165	"	55.0	3.0x3.0	FcX-C	same					.03	.001
2166	"	"	"	"	2% py heavy K-spar 20% qtz fault zone				.01	.01	.001
2167	"	"	"	"	1% py heavy K-spar				.01	.01	.001
2168	"	41-46	5.0x1.0	RWX-C	1% py mod K-spar 20% qtz fault zone				.01	.01	.001
2169	"	46-51	"	"	1% py F.P.					.02	.001
2170	"	51-56	"	"	same					.02	.001
2171	"	77.0	1.0x4.0	FcDrW	5% py mod K-spar tr. cp.					.35	.051
2172	"	"	4.0x4.0	"	80% py 8% cp (Main Vein)					1.01	.096
2173	"	"	2.5x4.0	"	5% py tr. cp Qtz stockwork					.20	.034
2174	"	"	2.0x4.0	"	same				.82	.31	.022
2175	"	71.0	5.0x1.0	FcDrE	40% py 4% cp heavy K-spar (Main Vein)				6.11	1.43	.102
2176	"	"	" "	"	same				4.99	1.25	.563
2177	"	77.0	4.5x3.0	FcDrE	80%py 8% cp 10% qtz (Main Vein)					1.47	.047
2178	"	"	2.5x3.0	"	20% py 2% cp 10% qtz (Main Vein)					.58	.040
2179	"	"	2.0x3.0	"	5% py 1% cp heavy K-spar					.17	.201
2180	"	79-82	3.0x3.0	LWDrW	80%py 8% cp heavy K-spar (Main Vein)					2.10	.270
2181	"	82.0	4.0x2.0	FcDrW	40% py 4% cp (Main Vein)					.51	.033

ASSAY REPORT: DATE: HOLE No. PAGE 3 of 3

ASSAY — LOG

CLOUTIER DRIFT E & W

Skyline Explorations Ltd.

2nd Floor, 675 West Hastings Street, Vancouver, B.C. V6B 4Z1 (604) 683-6865

Property: REG

SampleNo.	Stat. No.	Footage	Panel Area	Location	Rock Type					Oz/T Ag	Oz/T Au
2182	109	82.0	2.0x4.0	Fc DrW	40% py 4% cp (main vein)					.58	.046
2183	"	"	2.0x5.0	" "	5% py tr. cp. med. K-spar					.17	.010
2184	109	82.0	2.0x4.5	Fc DrE	80% py 8% cp 10% qtz (main vein)					2.00	.117
2185	"	"	" "	" "	same					1.61	.136
2186	"	"	" "	" "	10% py K-spar tr. cp.					.57	.025
2187	"	"	" "	" "	same					.63	.058
2188	"	87.0	1.5x4.5	Fc DrW	80% py 8%cp (Main Vein)					.67	.105
2189	"	"	2.0x4.5	" "	same					.50	.070
2190	"	"	2.5x4.0	" "	same					.44	.045
2191	"	"	2.5x3.5	10%py	10% py					.41	.047
2192	"	"	2.5x3.0	" "	" "					.23	.017
2193	109	55.0	3.0x3.0	X-ctFc	Heavy K-spar, 2% py					.01	.007
2194	"	"	" "	" "	Heavy K-spar 1% py 8% qtz Fault zone					.01	.001
2195	"	"	" "	" "	F.P. 2% py					.01	.001
2196	"	97.0	3.0x3.0	FcDrW	3% py tr. cp Alt F.P.					.12	.016
2197	"	"	3.0x3.0	" "	same					.90	.083
2198	"	"	2.0x3.0	" "	80% py 8% cp 10% qtz. (Main vein)					1.16	.078
2199	"	"	2.0x3.0	" "	3% py tr. cp Alt F.P.					1.38	7.740
2200	"	"	4.0x3.0	" "	same					.46	.106
2201	"	"	" "	" "	same					.34	.075
2202	109	106.0	2.0x2.0	FcDrW	5% py tr. cp 10% qtz					.34	.075
2203	"	"	2.0x3.0	" "	80% py 8% cp (Main Vein)					.03	.022
2204	"	"	2.0x4.0	" "	5% py tr. cp.					.12	.095
2205	"	101-106	5.0x1.5	L.W.DrW	80% py 8% cp					.68	.098
2206	109	106-111	" "	" "	same					.46	.291
2207	"	111.0	3.5x2.0	FcDrW	10% py tr. cp					.10	.041
2208	"	"	3.5x2.0	" "	80%py 8%cp					.34	.033
2209	"	"	3.5x2.0	" "	10% py tr. cp					.35	.044
2210	"	"	4.5x2.0	" "	same					.04	.029
2211	"	"	4.5x2.0	" "	80% py 8% cp					.18	.102
2212	"	"	4.5x2.0	" "	80% py 8% cp					1.80	.241

ASSAY REPORT: 86-3004 DATE: Oct. 6/86 HOLE No. Cloutier Drift

ASSAY — LOG

Cloutier Drift E & W

Skyline Explorations Ltd.

2nd Floor, 675 West Hastings Street, Vancouver, B.C. V6B 4Z1 (604) 683-6865

Property: REG

SampleNo.	Stat. No.	Footage	Panel Area	Locat.	Rock Type					Oz/T Ag	Oz/T Au
2213	109	88.0	3.5x2.0	FcDrE	80% py 8% cp 10% qtz (Main Vein)					1.28	.098
2214	"	"	4.0x2.0	" "	Heavy K-spar 10% py					.03	.003
2215	"	"	5.0x2.0	" "	5% py Heavy K-spar					.02	.001
2216	"	"	5.5x2.0	" "	same					.06	.010
2217	"	117.0	5.0x2.5	FcDrW	5% py tr. cp					.09	.038
2218	"	"	4.5x2.5	" "	Fault zone Heavy K-spar					1.13	.094
2219	"	"	4.5x2.5	" "	5% py tr. cp 10% qtz.					.42	.084
2220	"	"	5.0x2.5	" "	20% py 2% cp 10% qtz (Main Vein)					1.25	.482
2221	"	122.0	5.0x1.0	FcDrW	8% py tr. cp					.29	.025
2222	"	"	5.0x2.0	" "	15% py 2% cp Fault zone					.88	.166
2223	"	"	5.0x2.0	" "	8% py tr. cp					.73	1.860
2224	"	"	5.0x2.0	" "	40% py 2% cp (Main Vein)					2.75	8.290
2225	"	"	5.0x1.5	" "	8% py tr. cp.					.09	.066
2226	"	128.0	2.0x5.0	" "	5% py tr. cp					.10	.058
2227	"	"	3.0x4.0	" "	20% py 2% cp tr. tet.					6.59	.825
2228	"	"	1.5x3.5	" "	30% py 3% cp.tr. tet.					1.34	1.625
2229	"	"	3.0x3.0	" "	Fault zone 5% py 5% qtz.					3.12	1.610
2230	"	"	2.0x4.5	" "	same					.22	.044
2231	"	"	3.0x3.0	" "	same					2.16	6.380
2232	"	134.0	2.0x5.0	" "	2% py F.P.					.16	.098
2233	"	"	" "	" "	15% py 1% cp tr. tet.					8.81	1.260
2234	"	"	" "	" "	60% py 6% cp					3.58	.308
2235	"	"	" "	" "	8% py 2% cp tr. sp.					1.19	6.270
2236	"	"	" "	" "	8% py 1% cp 1%sp tr. tet. V.G.						
2237	"	"	" "	" "	2% py F.P.					.20	.086
2238	"	130-133	3.0x3.0	LW DrW	5% py						
2239	"	" "	3.0x3.0	" "	10% py 3% cp 1% tet V.G.						
2240	"	" "	" "	" "	3% py tr. cp.						
2241	"	" "	3.0x3.5	Bk DrW	" "						
2242	"	" "	" "	" "	30% py 3% cp Main Vein						
2243	"	" "	" "	" "	50% py 5% cp Main Vein					.83	.349

ASSAY REPORT: 86-3004 DATE: Oct 6/86 HOLE No. PAGE 2 of 3

ASSAY — LOG

Property: REG

Skyline Explorations Ltd.

2nd Floor, 675 West Hastings Street, Vancouver, B.C. V6B 4Z1 (604) 683-6865

SampleNo.	Stat. No.	Footage	Panel Area	Locat.	Rock Type					Oz/T Ag	Oz/T Au
2244	109	130-133	3.0x3.0	RW DrW	10% py 1% cp heavy	K-spar				.61	.065
2245	109	" "	" "	"	20% py 2% cp, fault	zone				.48	.040
2246	109	" "	" "	"	3% py tr. cp						
2250	109	131-132	1.0x0.4	LW1 DrW	Qtz vein 5% py 1%	cp 1% tet V.G.				10.74	9.760
2265	109	134	Grab	Fc DrW	8% py tr. cp & gold	coloured mineral x?				2.58	38.850

86-3004 | Oct 6/86 | Cloutier Drift

ASSAY REPORT: | DATE: | HOLE No. E & W | PAGE 3 of 3

APPENDIX III

REPORT ON REG GROUP, E.W. GROVE, APRIL 20, 1986

GEOLOGICAL REPORT, EXPLORATION

AND

DEVELOPMENT PROPOSAL

ON THE

SKYLINE EXPLORATIONS LTD.

REG PROPERTY

IN THE

ISKUT RIVER AREA, NORTHWESTERN BRITISH COLUMBIA

LIARD M.D.

N.T.S. 104 B11/E

BY EDWARD W. GROVE, Ph.D., P.Eng.

VICTORIA, B.C. APRIL 20,1986

E. W. Grove Consultants Ltd.

SUMMARY

This report provides a complete up date on the mineral exploration activities of Skyline Explorations Ltd. on the REG property at Johnny Mountain with emphasis on the status of the major Stonehouse Gold Zone deposit.

The REG property includes 25 staked mineral claims and 13 Crown granted mineral claims. All the claims are in good standing and are 100% owned by Skyline Explorations Ltd. Mineral exploration in this part of northwestern B.C. dates to 1907 when placer gold prospectors found copper-gold-silver-lead-zinc mineralization above Bronson Creek and recorded the RED BLUFF and ISKOOT claims. In 1956 Hudsons Bay Mining & Smelting Company prospectors discovered the Pick Axe copper-rich massive sulfide in open ground just below the receding Johnny glacier. Cominco and Texas Gulf explored portions of the ground in the mid 1960's and early 1970's for lead-zinc and copper/molybdenum deposits. In 1980 Skyline Explorations restaked the area for gold completing the cycle and opening a new era seeing the development of the first potentially commercial major gold-silver-copper deposit in the Stewart District in many years.

Since 1980 Skyline Explorations Ltd. with partners Placer Development Ltd. in 1983, Anaconda Canada Exploration Ltd. in 1984, and separately in 1985 has drilled and shown the extensive good to high grade nature of the Stonehouse Gold Zone, and has uncovered a number of new sulfide showings including the extensive Bonanza silver-gold-lead-zinc zone, as well as promising new gold/sulfide showings in the north and west parts of the property in what now appears to include both strata-bound and porphyry-like situations. Good detailed prospecting led to the Bonanza discovery while the others have resulted from stream silt/heavy mineral, detailed soil geochemistry, and combined geophysical techniques.

These major discoveries lie about 70 kilometers east of Wrangell, Alaska, and 100 kilometers north of Stewart, B.C. at Johnny Mountain on the south side of the Iskut River. The property has been supplied by boat and aircraft from Wrangell and by truck and aircraft from Terrace, B.C.

Surface sampling, trenching and about 16,000 feet of core drilling on the Stonehouse Gold Zone have outlined at least seven gold bearing sulfide rich mineral lenses and veins within only a small part of a 3,200 foot thick host rock sequence. Core drilling has now confirmed gold mineralization over a length of 4,750 feet and a width of 900 feet to a depth of 525 feet within the Gold Zone. The mineral lenses are marked by an alteration envelope of K feldspar, quartz and calcite veining,

cent Cu, Ø.6 per cent Pb, 3.5 per cent Zn, 3.7 oz./T Ag and Ø.ØØ5 oz./T Au. Selected material has assayed as high as 4Ø5.4 oz./T Ag, and 2.884 oz./T Au.

A new area, the C-3 zone, was also tested in 1985 by preliminary trenching, mapping and a geochemical soil survey. This work showed the presence of extensive massive pyrite zones within sediments. One pyrite lens assayed Ø.36 % Cu, 2.41 oz./T Ag and 1.79 oz./T Au across 12 inches.

Skyline Explorations Ltd. continued exploration and development of the REG property in 1985 has shown the potential for development of several types of mineral deposits. At the present, the major Stonehouse Gold Zone which was extended in 1985 by new work on the high grade R-19/R-2Ø veins represents the best deposit for commercial development.

In order to develop the Stonehouse Gold Zone the writer has recommended a combined surface and underground program estimated to cost about $1.5 million.

RECOMMENDATION

Exploration core drilling in the REG Stonehouse Gold Zone has intersected gold bearing mineralization to a depth of at least 525 feet below surface over a length of at least 4,5ØØ feet. The mineral lenses outlined are still open on the ends and to depth indicating further core drilling is warranted to expand the current reserves. Continued drilling using surface equipment is slow, expensive, and involves long holes because of the shallow slope of the surface and steep dip of the mineral lenses. The short field season in this area is also an impediment to effective exploration.

Because of the above factors it is recommended that development of the main Gold Zone proceed from underground headings at the 11ØØ meter level. This will involve a cross-cut heading about 5ØØ meters long, and drifting both east and west along the 11ØØ level roughly below the greatest portion of the current drill indicated mineral reserves. It is suggested that the west drift proceed in the footwall of the Cloutier mineralization to give the maximum burden and best situation for exploration drilling. The east drift should extend along the hangingwall of the '16' mineral lenses to allow deep drill exploration. Together the cross-cut, drift headings and cross-cuts to sample the mineral zone are proposed to total about 13ØØ meters. The method, that is, track or trackless, will depend upon cost and timing.

In addition to this underground development which will

new areas and the discovery of many new mineral deposits. The mid 1960's wave of copper-molybdenum exploration touched on the Johnny Mountain mineralization briefly showing the presence of significant copper along with accessory gold and silver as well as scattered lead, zinc and rare cadmium. It wasn't until 1980 when Skyline Explorations Ltd. personnel restaked the property that the gold potential of the deposit was recognized.

The REG property, owned 100% by Skyline Explorations Ltd., at Johnny Mountain now includes 25 staked mineral claims, and 13 Crown granted mineral claims. The Stonehouse Gold Zone lies mainly on the REG 4 claim and extends northwesterly onto REG 3 and southeasterly onto REG 6 at about elevation 3,800 feet on the gentle northerly slope of Johnny Mountain. This area is well above the local tree line and is covered by a thin but variable veneer of eluvial materials, and partly by ridges of thick lateral moraine.

Geological studies based upon sampling, trenching, and core drilling of the Gold Zone since 1981 have shown the presence of a major sulfide mineral zone in which gold is the major economic mineral. The presence of low temperature gold and silver minerals, K feldspar, quartz and carbonate alteration and overlapping mineral lenses shows the similarity of the REG 'Gold Zone' to the Silbak Premier. Conservative estimates based almost exclusively upon the core drill results indicate a geological mineral reserve of over 3,000,000 tons with a grade of about 0.30 ounces per ton gold plus silver and recoverable base metals to a drilled depth of 525 feet. Results of this work suggest that the Gold Zone remains open to the east and west, and at depth.

Work on the new Bonanza deposits found in 1984 has now shown the presence of at least three stratabound polysulfide zones over a length of at least 4,500 feet in a thick sedimentary sequence exposed along Benson Creek. Drilling, trenching and mapping suggest that the upper Bonanza Zone mineralization has an estimated average grade of about 0.7 per cent Cu, 0.6 per cent Pb, 3.5 per cent Zn, 3.7 oz./T Ag, and 0.055 oz./T Au over a width of up to 23 feet. Grab samples from lenses within this zone containing tetrahedrite, argentite, and electrum have yielded assay values of up to 14.1 per cent Cu, 405.5 oz./T Ag and 2.88 oz./T Au.

The new C-3 zone was partially tested in 1985 by geochemical sampling, trenching and mapping. The results showed the presence of extensive pyritization, K feldspar alteration, and quartz veining in sedimentary rocks overlain by a volcanic/ volcaniclastic sequence. One pyrite vein assayed 0.36 per cent Cu, 2.41 oz./T Ag, and 1.79 oz./T Au.

Two distinct geological/geochemical environments have now been recognized on the REG property within Lower Jurassic Unuk River Formation strata. Host rocks for the major Stonehouse Gold Zone mineral deposit comprise intercalated rhyodacitic feldspar porphyry and polymictic volcaniclastics. The second, extending from Johnny Creek north to the Iskut River comprises a thick sequence of folded sedimentary strata cut by small stocks, and dikes which have been variously deformed and faulted. A number of silver-zinc-lead, zinc-silver and gold-quartz showings have been found throughout this sequence from Craig River on the west to Bronson Creek on the east including the extensive Bonanza showings and the C-3 zone.

The writer has worked in the Stewart District since 1964 studying the mineral deposits, and local and regional geology. This report was compiled at the request of Mr. R.E. Davis, President, Skyline Explorations Ltd. and is based upon work at the property in 1981, 1983, 1984 and 1985. The writer has logged and supervised splitting and sampling of much of the drill core. The report describes the work carried out to date, the results obtained, an interpretation of the observations, and recommendations for further work.

LOCATION AND ACCESS

Skyline Explorations Ltd.'s 100% owned REG property lies about 50 miles east of Wrangell, Alaska and 70 miles northwest of Stewart in northwestern British Columbia at the north end of the mineral rich Stewart District (Figure 1). The mineral claims lie across the gently sloping north slope of Mount Johnny on the south side of the Iskut River, a major tributary of the Stikine. Claim elevations range from 300 to 500 feet ASL on Craig River and Bronson Creek to about 7,500 feet on the high ridge south of Mount Johnny. The main Stonehouse Gold Zone trends across the bouldery gently open slope between elevations 3,700 feet and 4,200 feet, well above the local timber line and below the snow line. The new Bonanza Zone lies along Bronson Creek between 2,000 and 2,650 feet in light timber.

Access to the property has since 1980 been mainly by fixed wing aircraft from Terrace to Bob Quinn Lake on the Cassiar-Stewart Highway or directly to Snippaker strip which lies about 8 miles by helicopter east of the REG camp. In 1983 a large portion of the fuel and supplies was shipped from Wrangell on the coast by river boat to Johnson Landing on the Iskut River, and then by helicopter to camp. Late in the 1983 season an airstrip was partly finished on Johnny Flats below camp which allowed fuel to be delivered on the snow strip in early 1984 and 1985.

Construction of a gravel airstrip on the REG property about 2.5 miles west of camp near the junction of the Jekill and Craig rivers would facilitate development of the property by allowing quick access from Wrangell. This strip and tote road connection to the present camp area would enjoy a considerable advantage weather- and cost-wise over the usual routes.

In addition to abundant timber resources on the lower slopes the REG property has a number of small streams and rivers which could be harnessed to provide abundant year-round hydro electric power.

REG PROPERTY

The REG property consists of 25 staked mineral claims and the thirteen ISKOOT and RED BLUFF Crown Granted mineral claims (Figure 2):

Claim	Units	Record No.	Expiry Date
RED BLUFF		Lot 2857	
HOMESTAKE		Lot 2878	
RED BIRD		Lot 2859	
MERMAID		Lot 2860	
EL ORO		Lot 2862	
DISCOVERY or SILVER KING		Lot 2863	
GOLDEN PHEASANT		Lot 2864	
BROWN BEAR		Lot 2865	
ISKOOT		Lot 2866	
SILVER DOLLAR		Lot 2867	
MARGUERITE		Lot 2868	
BLU GROUSE		Lot 2869	
COPPER QUEEN		Lot 2870	
REG 1	20	1247	April 01, 1993
REG 2	20	1248	April 01, 1993
REG 3	20	1249	April 01, 1993
REG 4	20	1250	April 01, 1993
REG 5	16	1251	April 01, 1993
REG 6	16	1252	April 01, 1993
REG 7	20	1929	July , 1993
REG 8	20	2033	August , 1993
REG 9	20	2034	August , 1993
REG 10	8	2544	September 13, 1988
SKY 1	8	2568	September 13, 1988
SKY 2	5	2569	September 13, 1988
SKY 3	20	2570	September 13, 1988
ZEEHAN 4	20	2979	October 13, 1986
ZEEHAN 5	16	2980	October 13, 1986
ZEEHAN 6	16	2981	October 13, 1986
ZEEHAN 7	16	2982	October 13, 1986

In 1980 Skyline Explorations Ltd. restaked the area and concentrated on the known Pick Axe showing and on collecting float samples. Several new sulfide bearing outcrops were also found suggesting more widespread mineralization than noted by the Cominco and Texas Gulf work.

In 1981 Skyline continued prospecting and began a series of exploration trenches to examine several of the pyritic zones found in outcrop including the new Cloutier exposure. The company also drilled six core holes (81-1 to 81-6); two on the Pick Axe and four on the new Cloutier showing. The results of the latter were particularly encouraging confirming the continuation of the Cloutier sulfide and showing the presence of high grade copper mineralization and good gold and silver.

Skyline Explorations Ltd. continued drilling in 1982 completing holes 82-7 through 82-16 extending the Cloutier Zone and locating a new lens at first thought to be part of the Pick Axe. High grade gold including two core sections with visible free gold intersected in holes 82-11, 82-14, and 82-16 proved the potential importance of this new discovery. In addition to the major extension of the known mineralization by drilling, a detailed ground E.M. survey outlined two continuous conductor axes which were correlated to the Cloutier and Pick Axe zones and suggested continuity over 2,200 feet. Sulfide float found at the east end of these anomalies was also sampled and the assay from 13 pyrite boulders averaged 2.80 ounces gold per ton. Samples of this material taken by two major companies averaged from 3.20 to 6.58 ounces gold per ton confirming the high grade nature of the McFadden Moraine.

In late 1982 negotiations with Placer Development Ltd. produced an agreement by which Placer was to expend $750,000 on the property during 1983, and $1,000,000 in 1984 plus other terms. Placer then brought in Anaconda Canada Ltd. as a partner but continued as operator for the 1983 season.

Work performed during 1983 comprised an overall saturation-type approach including resplitting some core and reassaying all the rejects from Skyline's work with satisfactory results, drilling 23 new core holes, bulldozer trenching, rock and trench sampling, detailed geochemical soil and silt sampling of three small areas, ground geophysics and a regional airborne geophysical survey including VLF-E.M., resistivity and magnetics. The results of much of this work were such that Skyline resplit much of the '83 core for reassay, completed the geochemical soil/silt grid, and did most of the geological mapping. Some work was attempted on locating the origin of the McFadden float including two core holes drilled through Johnny Glacier.

Work on the main Stonehouse Gold Zone resumed in August starting with drilling the R-19 exposure. This was followed by drilling on the Pick Axe, '16', and Cloutier mineralization. In late September trenching and drilling was resumed on the R-19 and R-20 showings resulting in the discovery of high grade gold mineralization in two veins and the extension of the Stonehouse Gold Zone another 600 feet to the east for a total length of over 4,700 feet. In 1985 drilling on the Stonehouse Gold Zone included 24 core holes totalling about 6,000 feet. This work added to the definition of the mineral deposit and allowed a substantial increase in all categories of mineral reserves.

This report provides an overall interpretation of results from the various programs. The various geologic interpretations and calculations have been made by the writer from a growing, extensive data file.

GENERAL GEOLOGY

The writer's detailed and regional studies in the Stewart District have extended from the Iskut River to Alice Arm and have resolved many of the perplexing stratigraphic and lithostructural problems which still confuse most of the current workers (Table I). During the past four years the writer has been studying several mineral deposits found along the Iskut River east of Craig River. These rocks were mapped as pre-Permian and Triassic by Kerr on the basis of appearance. The shaly units forming Snippaker Mountain are fossiliferous and appear to represent variably deformed thick slabs of Carboniferous strata trending along the river and dipping northerly down the slope very much like the zone west of Craig River. The ridge east of Snippaker was also mapped in some detail in 1983 and 1984 and deformed units which include blocks of crinoidal Mississippian limestone form the crude dip slope. The property mapping provides information which suggests that these Carboniferous slope forming slabs unconformably overlie correlatives of the Middle Jurassic Betty Creek Formation and Lower Jurassic UnuK River Formation mapped as extending from Tom McKay Lake southeasterly through Stewart to Alice Arm.

The highly contorted, deformed nature of the Carboniferous strata can be seen in the steep cliffs between Bronson Creek and Snippaker Creek. The unconformable nature of the Carboniferous/Middle Jurassic overlap is well exposed on both sides of Snippaker Ridge north of Snippaker Peak. The same unconformable relationship between these major rock units appears to extend from Forrest Kerr Creek west along the Iskut River to the Stikine River junction. Present interpretation suggests an east-west trending thrust along the axis of the Iskut River which like the King Salmon Thrust Fault pushed up

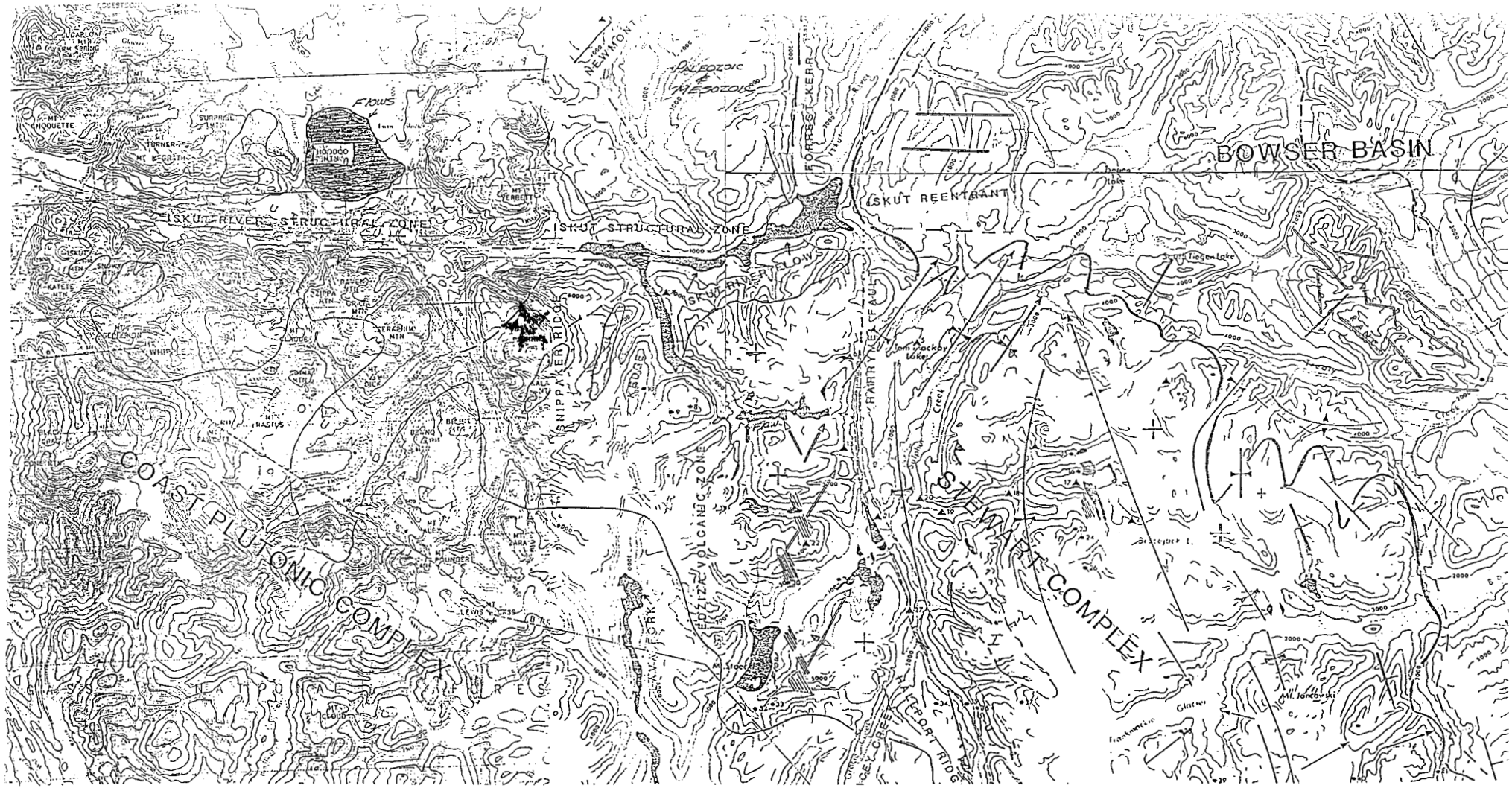


FIGURE 3

GEOLOGICAL FRAMEWORK

NORTHWESTERN BRITISH COLUMBIA

E. W. Grove Consultants Ltd.

TABLE I CONTINUED

SUMMARY TABLE OF FORMATIONS - ISKUT RIVER AREA

PLUTONIC ROCKS

COAST PLUTONIC COMPLEX

ERA	PERIOD	LITHOLOGY
CENOZOIC	Late Tertiary	granodiorite, diorite, basalt
	Intrusive Contacts	
	Early Tertiary	quartz diorite, granodiorite, quartz monzonite, feldspar porphyry, granite
	Intrusive Contact	
MESOZOIC	Middle Jurassic	quartz monzonite, feldspar porphyry, syenite
	Intrusive Contact	
	Lower Jurassic	diorite, syenodiorite, granite
	Intrusive Contact	
	Late Triassic	diorite, quartz diorite, granodiorite
PALEOZOIC	? NOT DETERMINED	quartz diorite, ?

northerly trending Forrest Kerr-Harrymel Creek fault. The locus of the easterly trending Iskut River zone, the northerly Forrest Kerr-Harrymel zone and the north-northeasterly Iskut River zone forms the vent of the Quaternary Iskut River lava flow. The southerly limit of the Stewart Complex is marked by the line of Quaternary volcanic flows that occur just south of the east-northeasterly trending Alice Arm-Illiance River lineament.

In summary, the Stewart Complex is bounded on the west by the intrusive margin of the Coast Plutonic Complex, and on the south, east, and north by high angle normal faults which are major regional tectonic features. It appears that the Stewart Complex has been essentially frozen to the east margin of the Coast Plutonic Complex, and has been involved in major uplift along with the Coast Geanticline, whereas the adjacent basin is separated by major normal faults and exhibits a relative depression.

UNUK RIVER FORMATION

The Lower Jurassic Unuk River Formation (Grove, 1973) is described here as a stratified volcanic sedimentary sequence. Scattered areas of uppermost Unuk River Formation in the Stewart and Portland Canal districts of the Stewart Complex were mapped in the past by early workers as Bear River Formation or Hazelton Group. As a result of the writer's study of the Lower Jurassic rocks of the Stewart Complex, the Unuk River Formation now supersedes and replaces the previous descriptions and nomenclature. The lithology, age, and structural relations of the formation are now fairly well known. This formation is the oldest of the Hazelton Group and unconformably overlies Triassic and older units. In turn, the Unuk River Formation is overlain by the younger members of the Hazelton Group with angular unconformity.

Within the Stewart Complex the formation is best exposed in the Unuk River area where this formation as well as the Upper Triassic rocks are strongly deformed. The base of the formation has not been identified outside the Unuk River- Treaty Creek area. The Unuk River Formation includes diagnostic Hettangian, Upper Pleinsbachian, and Lower to Middle Toarcian fossil assemblages, spans most of the Lower Jurassic period, and is a mappable unit throughout the Stewart Complex, distinguished and delimited on the basis of lithologic characteristics. In the type area this formation has a measured cumulative thickness of over 43,000 feet showing its importance in the development of the region.

and over to the south. However, this is probably only part of the explanation of the Iskut River Structural Zone, and only part of the tectonic record exposed in the area.

Together these geological studies including the detailed mineral deposit programs have served to define a geo-entity termed the Stewart Complex which along with the Bowser Basin, the Coast Plutonic Complex, and a number of other features combine to form the framework of this part of northwestern British Columbia (Figure 3).

The Stewart Complex lies along the contact between the Coast Plutonic Complex on the west, the Bowser Basin on the east, Alice Arm on the south and the Iskut River on the north. The western limit of the Stewart Complex, including the Anyox and Georgie River pendants extends from Belle Bay north along the Portland Canal to Stewart, then swings northwesterly to intersect the Iskut River. Portland Canal separates the massive, granitic Hyder pluton, localized along the eastern margin of the Coast Plutonic Complex, from the gneiss complex between Belle Bay and Stewart. At Stewart, the Portland Canal lineament extends inland along the Bear River-American Creek Valley and intersects the Bowser River lineament at the Todd Creek junction where it is offset to the east, and continues northerly along Scott Creek. In the Bear River valley at Stewart, the Portland Canal lineament is marked by the narrow Bear River cataclasite zone. In the American Creek and Scott Creek areas a graphite shear zone marks the presence of the lineament. The field data indicates that the Portland Canal lineament which forms the southwest boundary of the Stewart Complex, represents a normal fault over a large part of its length.

The west boundary of the Stewart Complex is marked by the intrusive contact between the Coast Plutonic Complex and the country rocks. The contact exhibits irregular to angular undulations, and marked reentrants in the Unuk and Leduc River areas represent old structures which have been truncated. The intrusive contact is generally steep, but the presence of the satellite Tertiary plutons suggests that the Plutonic Complex actually underlies part of the Stewart Complex at depth. It is suggested that the Anyox and Georgie River pendants represent an intrusive level comparable to the projected deep contact between the Stewart Complex and the underlying intrusives in the Unuk-Leduc River section.

The northerly boundary of the Stewart Complex is approximately along the Iskut River. Extensive chlorite to sericite schists developed along the easterly trending Iskut River Valley indicate a major fault which has offset the

volcaniclastic, feldspar porphyry and mixed sedimentary rocks (Figure 4). Most important, these rocks are marked by extensive mineralization and related alteration. The Stonehouse Gold zone lies in rocks below a regional unconformity marking the superposition of the widespread Betty Creek Formation. Fossils collected from sedimentary rocks below the Betty Creek strata in 1984 have now been identified as Toarcian making the early tentative correlation to the Lower Jurassic Unuk River Formation positive. These underlying mineralized rocks have strong similarities lithologically and structurally to the Unuk River Formation, a complex sequence in which the Silbak Premier, Big Missouri, Scottie, Granduc and several hundred other mineral deposits are now known to occur.

UNUK RIVER FORMATION (LOWER UNIT)

The Stonehouse Gold Zone mineralization is confined to part of a sequence comprising mostly volcaniclastics and feldspar porphyry partly exposed from the toe of Camp Glacier to the base of the slope where a major fault separates this sequence from a strongly folded predominantly greywacke, siltstone sequence. The Gold Zone host rocks trend about east-west and dip steep;y north forming a sequence at least 3,200 feet (1000 meters) thick. So far only a small fraction of this thick sequence has been examined in detail, mainly in drill core, because of the scant rock exposure.

Massive, extensive andesitic to rhyolitic feldspar porphyry members of the 'crackle breccia' type lying between the largely sedimentary units to the west and the deformed rhyolitic cataclasites form mappable units at the local scale. Most are marked by a close-spaced fracturing with fine grained pyrite typically outlining the fracture pattern. Chalcopyrite was found associated with the pyrite in a small number of areas and heavy sulfide was found localized along the contact of these units with intercalated deformed volcanics. Widths of up to 100 meters were measured on several of these massive units. The persistent autometamorphic textures found in these members suggest they were sills. Close-spaced quartz veining is typical of these rocks particularly at and near the upper contacts with sediments and volcaniclastics.

In thin section the feldspar porphyry comprises plagioclase phenocrysts in a very fine grained matrix which exhibits signs of crushing. Alteration is typically fine grained sericite, quartz, and some calcite. Fine pyrite is ubiquitous with concentrations along hair-line fractures.

BETTY CREEK FORMATION

The Middle Jurassic Betty Creek Formation was first recognized and mapped by the writer in the Stewart area and later extended throughout the Stewart Complex from the Iskut River to Alice Arm. This distinct volcaniclastic unit was not recognized by previous workers in the region. Recognition of this unit and its stratigraphic relationship to the underlying Unuk River Formation has provided a key to understanding the tectonic development of the region and in particular has been important in recognizing mineral deposit forming episodes. The recognition of the Betty Creek, together with the Lower Jurassic Unuk River, Middle Jurassic Salmon River, and Upper Jurassic Nass Formation, has made it possible to establish and formalize the terminology of the Hazelton Group.

Two Middle Jurassic units, both part of the Hazelton Group, and defined by the writer (1973) as the Betty Creek and Salmon River Formations, were first traced as mappable units in the Stewart Complex. The Betty Creek Formation is characterized by the common intercalation of planar bedded, bright red and green volcaniclastics, with intercalated, andesitic volcanic flows, pillow lavas, tuffs, breccias, sedimentary members inluding chert, and carbonate lenses. Fossil collections made from the various sedimentary units have defined the age of the unit as lower to middle Bajocian, that is, lower Middle Jurassic. In the type area the formation has a thickness of 2,500 feet, but at Sulphurets Creek it exceeds 4,500 feet, and in the Anyox area exceeds 8,000 feet. Apart from these regional variations which reflect warps, old topographic surfaces, and provenance the overall Betty Creek sequence maintains an unusual continuity from the Iskut River to Alice Arm and in the Smithers area.

In the Stewart Complex the Betty Creek sequence can be used as a reliable major marker horizon because of its common occurence as structural remnants. Most important to this report is the fact that in a number of situations such as at Silbak Premier, Big Missouri, and Sulphurets Creek, Betty Creek strata formed lithostructural traps, or dams, controlling mineralizing fluids, and causing the formation of major ore deposits.

LOCAL GEOLOGY

INTRODUCTION

Erosion through part of the Iskut Structural thrust zone complex on the north slope of Mount Johnny has opened a window to a partly deformed sequence of intercalated

Simple volcanic flow rocks are also fairly rare in this host rock sequence. At first pass many of the rocks in the mineralized sequence were thought to be rhyolite flows. Subsequent drilling and petrographic studies have shown that these were cataclastically deformed and altered rhyolitic volcaniclastics. Rhyolite breccia has now been recognized in hole 84-55 drilled at the deep east end of the '16' mineralization where it is intercalated with feldspar porphyry.

The overall composition of the Gold Zone sequence of rhyodacitic to andesitic members suggests a primarily acidic volcanic sequence. Deformation in these rocks has been variable with textures ranging from fine schistose to coarse breccias found over short distances. Some of these cataclasites were originally porphyritic but crushing has reduced the rocks to a chert-like aspect. Sericitization, carbonatization, and pyritization are seen as ubiquitous alteration products in thin section. Fine grained secondary biotite was seen in many of the rocks possible reflecting post deformation mineralization.

Work on the Bonanza Zone mineralization in 1985 provided considerable information about the mainly sedimentary sequence which lies north of the Gold Zone and forms the bulk of the Johnny Flats escarpment. Scattered outcrop on the Flats suggested a deformed sequence comprising mainly dark wacke and thin bedded siltstone units. Drill hole 84-51 and subsequent detailed mapping on the steep slope above Bronson Creek has disclosed a section aggregating at least 2,600 feet of intercalated argillaceous siltstone, sandstone, and conglomerate. The massive, thick units generally lack bedding features and show simple upright open folds. The thin bedded, fine grained units display abundant slump features related to rapid deposition and basin subsidence. These country rock sediments have been cut by a number of small stocks and dikes on Johnny Flats and by a large syenitic pluton located at the north between the REG property and the Iskut River. These sedimentary rocks are also partly overlain along Bronson Creek and in the C-3 area by Neogene basalt flows.

On both the local and regional scale the Unuk River Formation sequences are unconformably overlain by Lower Middle Jurassic Betty Creek Formation strata.

In summary, the Gold Zone strata underlying part of the north slope of Mount Johnny represent a 3,200(+) foot thick variably deformed, volcanic sequence of probable Lower Jurassic age. The sedimentary members include siltstone, sandstone, minor limestone, and intercalated thin rhyolite flows. The mainly volcanic sequence comprises massive sill-like porphyritic

In the main Gold Zone sequence the ridge forming feldspar porphyry members are sandwiched with less resistant medium to dark green volcaniclastics. The bulk of these fragmental rocks are polymictic, containing as many or more than twelve diverse types. The grain size ranges from sand-size particles through cobbles to boulders and angular blocks. Rhyodacite forms a ubiquitous member of many of the units mainly as a groundmass, and in a few forms the bulk of the member. Primary structures are rare in these rocks, but in a few outcrops and drill cores bedding and cross-bedding indicate water borne transport. Some of these rocks are therefore epiclastic while the bulk appear to be mudflows and fanglomerates. Tuff and ash are not prominent and form only a small part of the sequence.

Rocks on the west limits of the Camp Glacier cirque and Johnny Flats comprise a sequence of intercalated phyllitic grit, siltstone, and thin rhyolite members. These appear to grade conformably to the north and east into the main bowl of the cirque through a mixed sandstone/limestone band to massive andesite and rhyodacite porphyrys (crackle breccia type). Within the main bowl of the cirque and towards the base of the upper slope the rocks comprise a variety of phyllitic to schistose cataclasites, volcanic breccias, and less deformed feldspar porphyry units. Thin diorite and porphyritic olivine gabbro lenses are scattered through the main volcanic sequence but because of deformation are not easily recognized except under the microscope in thin section.

Microscopic study of the sedimentary units along the far northwest side of the Gold Zone indicates that many of the phyllitic rocks were originally siltstone. Very fine grained biotite and sericite now form the matrix of these rocks and impart a strong foliation to them. In the transitional zone between the bulk of the sediments and the volcanics, creamy to bluish limestone is present as discrete lenses and boudins a few centimeters to a meter wide within a distinctive brown siltstone /sandstone member. So far these sedimentary rocks have been intersected in only one core hole (84-43) drilled at the far west end of the Cloutier mineral zone. Sediments in this hole have been variably altered/deformed to phyllite, semi-schist and lie intercalated between a number of brecciated feldspar porphyry lenses. The present interpretation indicates that the sedimentary units lens or pinch-out within the thick feldspar porphyry-volcaniclastic package. That is, the sedimentary sequence expands and becomes dominant to the west and northwest, and overlies the feldspar, volcaniclastic sequence to the north. The eastern extension of this sequence and its relationship to the sedimentary rocks easterly is unknown because of the extensive thick overlying Betty Creek Formation.

STRUCTURE - REGIONAL

At present, rock structure is probably the least studied and understood element in the local geological picture, probably because of the apparent simplicity of the system. The deeply eroded Iskut River valley trends due east-west over a length of 40 miles representing a major structural zone terminated on the west by the Tertiary Coast Plutonic Complex and on the east by the Late Jurassic/Cretaceous Meziadin Hinge or Graben (Grove, 1973). The Iskut zone marks one of the region's major thrusts involving Paleozoic strata that have been pushed southerly across Mesozoic units. Prior to this major event mass gravity sliding of Middle Jurassic and younger rocks across Lower Jurassic and Triassic strata took place during development of the Bowser Basin (Grove, 1972, 73). These major structures are exposed in the REG area and probably represent only part of the region's complex tectonic development.

STRUCTURE - LOCAL

At the local scale the Stonehouse Gold Zone strata comprise a 3,200 foot thick sequence of dominantly lenticular feldspar porphyry with intercalated volcanic conglomerate and minor fine grained sedimentary members (Figure 4). These feldspar porphyry members form irregular lenses up to 450 feet thick trending about 080°/65°N. A few bedding determinations in the epiclastic and sedimentary members of this sequence confirm this general attitude. At the west end of the Gold Zone the thinned out sedimentary bands expand to the northwest and swing to attitude 100°/55°N marking the facies lens-out. Below the main Gold Zone the juncture of the hillside slope and hummocky Johnny Flats is marked by a strong northeast trending fault that separates the feldspar porphyry/volcaniclastic sequence from a thick, tightly folded, greywacke, lithic wacke, siltstone sequence. Movement on this fault is right lateral and exhibits about a 500 foot offset.

Rocks in the Gold Zone sequence have been cut by a number of discrete faults as well as more complex shears. Although numerous faults and narrow shears have been logged in the drill core only a few have been mapped in the surface outcrop. Of these the north trending faults appear to be the most important, but no major offsets have been determined. One northerly trending fault at the east end of the Gold Zone which cuts across the R-19 showing cuts across both the Betty Creek and underlying Unuk River Formation rocks forming a steep fault scarp along the west edge of Johnny Glacier. The Betty Creek strata have been dropped down on the east side suggesting a vertical offset of about 300 to 400 feet near the head of Johnny Glacier cirque.

andesites, and massive to crudely bedded thick volcaniclastics. Lenticular highly deformed diorite and olivine gabbro units scattered throughout this sequence represent thin sills, flows and perhaps dikes. Upwards, this largely volcanic-volcaniclastic sequence becomes a mainly clastic sedimentary series with a measured thickness of at least 2,600 feet. Both sequences are overlain unconformably both locally and regionally by the Lower Middle Jurassic Betty Creek Formation.

BETTY CREEK FORMATION (UPPER UNIT)

Betty Creek Formation strata form the bulk of Mount Johnny above the Stonehouse Gold Zone area and drape northerly to cover the lower slope above Johnny Flats. The lower portion of this gently dipping unit has been mapped in Camp and Johnny Glacier cirques and on parts of the adjacent ridges. Through most of the local Gold Zone area the basal unit comprises rhyolitic to polymictic volcanic breccia overlain by well stratified volcanic sediments, rhyolites, bedded tuffs and polymictic boulder conglomerate. Primary bedding features are common indicating that tops are up, that the strata are flat to gently north dipping and lie with profound unconformity across the full extent of the steep dipping Lower Unit.

In 1983 Placer drilled two core holes through Johnny Glacier in an attempt to locate the origin of the McFadden sulfide float. Both holes intersected only shallow dipping volcanic sandstone and lithic tuff. In 1984 Anaconda drilled seven more holes through the ice intersecting only tuff, volcanic sediments, and agglomerate. Core from these holes show some alteration which includes induration, quartz-chlorite veining and weak cataclasis.

At the base of the slope, east of the main Gold Zone, both the Betty Creek and the underlying Lower Unit strata exhibit strong planar deformation apparently formed by gravity sliding. Slipping of the thick Betty Creek sequence downslope on the old erosion surface is now expressed by a thin but variable dark phyllite that is partly preserved to the north and west on Johnny Flats. Some weak K feldspar veining was observed in thin sections of Betty Creek overlying the east end of the Gold Zone '19' showing. This suggests that like other parts of the Stewart Complex the Betty Creek strata may have been one of the structural contols trapping mineralizing fluids in Unuk River Formation strata and preparing these country rocks for the Gold Zone mineralization.

deposits have shown some production including the world class Hidden Creek and Granduc copper mines, the B.C. Molybdenum mine, the Silbak Premier gold-silver base metal mine, and the Torbrit-Dolly Varden silver mine, as well as 16 other major B.C. producers. All of these mineral deposits plus several hundred other small or poorly explored showings are located in Mesozoic and Cenozoic units bounded by the Coast Plutonic Complex on the west and the Upper Jurassic strata forming part of the Bowser Basin on the east. The northerly limit of this irregular area lies crudely along the Iskut River where Paleozoic strata predominate.

STONEHOUSE GOLD ZONE

Nomenclature of the various parts of the Gold Zone still retains the flavour of the original prospect finds. These showings include the original Pick Axe, P-10, P-13, No. 16, R-19, and R-20 (Figure 5). Early work on the original Pick Axe find included two short drill holes and a narrow trench which exposed a four foot wide massive sulfide lens over a length of about 40 feet comprising coarse grained pyrite with inclusions of altered country rock cut by lenses, pods and irregular veins of chalcopyrite, quartz and calcite. This material gave assays of up to 11.0 per cent copper, 8.42 ounces/ton silver, and 0.732 ounces/ton gold. Further sampling averaged 5.4% copper, 4.0 ounces silver and 0.28 ounces/ton gold across 30.0 feet. Subsequent review of the core from holes 81-1 and 81-2 confirmed the grade and showed that the host rock was a strongly brecciated, altered feldspar porphyry. In 1984 Anaconda cleaned off a large area around the Pick Axe showing exposing a zone width of at least 70 feet in which pyrite and chalcopyrite are found disseminated and as lenses, pods and veins.

In 1985 these showings were mapped and Skyline drilled five short core holes through the western end of the original Pick Axe showing. This work has revealed a zone of extensive pyritization, pods and lenses of chalcopyrite/pyrite, extensive K feldspar alteration and abundant late quartz-chlorite veining. This mineralized rock is marked by low angle cataclastic deformation and by several low angle faults. At present this portion of the zone represents only a small fraction of the overall mineral reserves.

The Cloutier mineralization was first reported from the P-12 trench prospect which revealed disseminated fine to medium grained pyrite and chalcopyrite veins in volcaniclastics. The assay results from this trench over a length of 40 feet averaged 3.62 per cent copper, 1.26 ounces silver and 0.329 ounces/ton gold across 7.2 feet. Drilling in 1982 to outline the extension of the Cloutier zone intersected high grade mineralization in

Small scale structural features in the Gold Zone rocks include various cataclasites, semi-schists, minor schists, and fractures. The deformation features are marked by the development of secondary biotite and sericite imparting a strong foliation to the crushed rocks which is sub-parallel to rock contacts. No detailed studies of the fracture systems have yet been made but strong sets are present in all the various rock types. Kink-band zones trending 160°/V are common in the volcaniclastics and are commonly marked by late quartz-green chlorite veins and veinlets. Other late vein sets are also possibly in part representing local remobilization in and around the major sulfide lenses which now also appear to be controlled by major fracture zones trending 050°-055°/60°-80°N.

Extensive outcrop areas are rare on Johnny Flats and along the steep slopes of Bronson Creek where Skyline explored a number of polymetallic sulfide showings in 1985. Scattered outcrop and trenches on Johnny Flats have revealed a ubiquitous flat to rolling phyllitic structure imposed upon the sedimentary rocks which has obscured primary structure. As previously indicated this structural feature which is sometimes marked by sericite relates to gravity sliding of the thick Betty Creek Formation strata down and across the underlying Unuk River strata.

Scattered outcrop along Bronson Creek below the phyllite zone show open upright folds in the massive wacke and conglomerate and complex slump folds in the intercalated fine grained banded sedimentary members. The overall fold structure in this thick sedimentary package is still uncertain except that deformation becomes more complex towards the Iskut River where the strata have been both intruded by at least one large stock and extensively deformed under the sole of the major Iskut River thrust.

Work along Bronson Creek has disclosed that the Bonanza Zone sulfide mineralization is confined to strong, throughgoing shears cutting sharply across the folded sedimentary rocks. Three parallel shears have now been investigated by surface mapping, trenching and geophysics and by drill hole 84-51 and found to trend uniformly at about 110°/45° W. Each of these shears is marked by sericite, calcite, quartz and sulfide alteration and replacement.

MINERALIZATION

STEWART DISTRICT

More than 500 mineral deposits have been found within the various rocks forming the Stewart Complex. Of these, 70

The attitude of these new veins as well as the strong V.L.F.-E.M. conductor axis suggest that this mineralization represents the easterly extension of the broad low grade Pick Axe showing. Most of the 850 foot long interval between these showings is covered by thick marginal moraine leaving the easterly extension for further surface trenching and core drilling.

In summary, surface work and core drilling have shown that the Stonehouse Gold Zone mineralization comprises a number of gangue minerals, simple sulfide minerals and native gold and electrum, localized as overlapping lenses within a steep, complex fracture system cutting across altered country rocks. The fracture zone has now been shown to have a length of at least 4,750 feet with a width of at least 900 feet which has so far been partly explored to a depth of only 525 feet. A number of other mineralized showings exposed in the area south of the main showings have not yet been studied and suggest that the 3,200 foot thick volcaniclastic-volcanic section requires further examination.

ZONING

Drilling has confirmed that there are at least seven overlapping sulfide-rich lenses with a similar mineralogy in the Cloutier-16 portion of the Gold Zone. The proposed outline of each of these lenses based upon the available core drilling is shown here in a composite longitudinal projection (Figure 6). Unfortunately most of the 1983 holes were drilled to intersect geophysical rather than geological targets and, as a result, some were too short or in the wrong place to intersect the mineralization. Therefore, the proposed outlines reflect only drill limits, not mineral boundaries. These flexible boundaries reflect gold assay results above 3 grams/tonne, but as can be seen by the projections, high, medium, and low grades are apparently scattered within the lens outlines. Obviously, further core drilling is required to test and extend these limits.

Most of the cores were assayed for copper, silver, and gold and some were tested for a variety of elements including lead, zinc, and mercury. Contouring of these available results has produced the indication that first, the mineral content varies from lens to lens, and second, that there are high grade shoots within each lens. Copper content appears to be strongly variable with an average 1.55% in the Cloutier Main lens and only 0.01% in the Cloutier Footwall lens. Copper content also ranges from 0.54% in the '16' Hangingwall lens to 0.04% in the Footwall lens. With regard to metal concentration, contouring all the available assay data for each lens suggests that copper

holes 82-11, and in 82-14 which included visible free gold. Core rejects from this 1982 drilling were examined by Placer geologists who recognized a wide variety of sulfide and sulfosalt minerals.

Metallic minerals identified from the high grade Cloutier drill core include:

arsenopyrite (rare)	galena	molybdenite
bornite	native gold	pyrargyrite
chalcopyrite	hematite	pyrite
covellite	ilmenite	sphalerite
electrum	magnetite	stephanite
enargite	marcasite	tetrahedrite

As a result of trenching, mapping and drilling in 1983, 1984, and 1985 the Cloutier mineralization has now been shown to extend over a length of 1,300 feet and now includes four gold-silver bearing sulfide lenses three of which are included in the mineral reserve calculations. The general trend of the mineralization which is 053°/65°N cuts across the host country rocks at an acute angle reflecting a strong fracture control. This mineral system remains open horizontally and at depth but the relationship to the '16' mineralization has yet to be determined.

The '16' mineralization was indicated by a surface V.L.F.-E.M. anomaly and confirmed by drill holes 82-15 and 82-16 which intersected good to high grade gold-silver/sulfide mineralization. Four sulfide lenses have now been outlined over a length of about 500 feet and more lenses are indicated which remain to be drilled. The mineralogy of the '16' sulfide lenses is similar to the Cloutier except that chalcopyrite is less abundant, and galena and sphalerite are more abundant. The '16' lenses lie in the footwall of the Cloutier and in the hangingwall of the Pick Axe mineralization and like the latter lie along fractures cutting the volcaniclastic and volcanic country rocks which are marked by K feldspar flooding and general pyritization.

The 1985 trenching and drilling showed that the R-19 and R-20 mineralization which had been previously disregarded in spite of the strong geochemical gold anomaly are part of a high-grade quartz-pyrite vein system which has now been traced on the surface over a length of 700 feet below the toe of Johnny Glacier. The main vein has an apparent width of up to eight feet over this length and the footwall vein a width of up to five feet over about 200 feet. These veins are largely banded coarse pyrite and quartz with "abundant" free gold, with scattered galena, tetrahedrite, and minor sulfosalts.

cobble sized clasts. These are mainly detrital and secondary epidote is minor and largely associated with carbonate. Almost all of the chlorite is found as blebs, streaks, clots and veins in late quartz-calcite stringers which cut virtually all rocks in the general area including Betty Creek strata.

BONANZA ZONE

Exploration on the REG property concentrated on the Bonanza showings during the early part of the 1985 field season. This work involved tracing extensions of the 1984 Bonanza showing by ground geophysics, soil geochemistry, mapping, and trenching. Compilation of the 1984 trenching and core drilling suggested that the polymetallic showing was localized within a strong shear (Figure 7). Soil sampling, mapping and sampling on a detailed grid showed the extensive nature of the mineralized zone, and revealed the presence of two similar sub-parallel mineralized shears at lower elevations (Figures 8, and 9). Together these zones have been traced along the slope a length of over 4,600 feet with widths of up to 60 feet.

These showing comprise essentially stratabound pyrite, pyrrhotite, chalcopyrite, sphalerite, galena plus tetrahedrite replacement mineralization which shows evidence of sulfide remobilization into secondary fractures and kink folds. The shears cut sharply across the folded sedimentary sequence at about 110° and dip about 45° westerly. Alteration includes sericitization, carbonatization, silicification and pyritization which together have produced a bleached envelope in the otherwise dark sediments. Grab samples have assayed as high as 14.1% Cu, 405.5 oz./T Ag, and 2.88 oz./T Au, but the overall results from the trenching suggest a large tonnage that would grade about 0.7 per cent Cu, 0.6 per cent Pb, 3.5 per cent Zn, 3.7 oz./T Ag, and about 0.055 oz./T Au.

Skyline's work on the Bonanza area has shown the potential for large tonnages of relatively low grade mineralization. Continued exploration would be expensive because of the structure and location, and not pressing because of the current market conditions.

C-3 ZONE

The C-3 zone mineralization was first observed in 1983 but was not examined until 1985. The C-3 comprises a 3,600 foot wide pyritic alteration zone localized in sedimentary rocks near the north boundary of the REG property. Work in 1985 involving soil geochemistry, trenching, and mapping concentrated on a small accessible area west of the main Sky Creek showings. Results from this work showed the presence of massive pyrite

and gold minerals together form crudely overlapping shoots plunging 40° to 50° northwesterly within both main lenses and in the '16' Hangingwall lens. The silver as well as the available zinc values appear to crudely follow lens outlines, but also appear to extend beyond the current outlines. Mercury results are very incomplete, but unlike gold, silver, copper, lead and zinc, mercury appears to cut across the Stonehouse Gold Zone in a roughly east-west direction forming a crude halo involving the Pick Axe, '16' and Cloutier lenses. Taken together these various clues provide possible guidance for further exploration.

ALTERATION

Macroscopic examination of the drill core revealed three major rock types including feldspar porphyry and volcanic conglomerate which are the major hosts to the local gold mineralization. The pyrite, chalcopyrite and other sulfides are intimately associated with quartz veins, calcite, biotite, sericite, K feldspar, epidote, and chlorite in late quartz veins. The writer stained 160 rock slices from 28 holes and also examined thin sections from each slice. The results of the staining show that K feldspar alteration has effected replacement of from a few per cent to almost 100 per cent of both porphyry and volcaniclastic rocks hosting the sulfides. Very fine quartz veinlets and stockwork with sulfides have cut the early K-fledspar alteration and have in turn been cut by later sulfide and calcite veins and veinlets. Rock forming minerals have also been altered to calcite, sericite, epidote and biotite clusters and lenses. Fine grained dark brown to black biotite is present throughout the mineral zone but generally in only scant amounts except in the R-19/R-20 veins. These veins comprise banded quartz and dark massive pyrite with dark selvedges against the country rock host. Very fine black biotite makes up a significant part of the pyrite banding and forms most of the selvedges. Together with the greater amount of quartz, and lesser K feldspar, this abundant dark biotite alteration marks an apparent change in the type and character of the Stonehouse Gold Zone mineralization to the east.

Although still incomplete, this study shows that the Gold Zone sulfide mineralization has an envelope of extensive K feldspar alteration and a biotite tail involving both volcaniclastics and feldspar porphyry. Because this envelope is broader and more extensive than the mineralization it provides a useful tool for local exploration.

Cataclastic deformation has imposed a platy or foliated fabric on these rocks which in part exhibit hartscheifer/recrystallization texture. Epidote is prominent in many of the volcaniclastic members ranging from small grains and pebbles to

survey is 'floating' and does not agree with the current topographic map. This poses a small problem with regard to mineral reserve calculations and could become a major problem if the proposed underground development and surface data are not tied precisely.

The calculations shown in the following reflect common operating practice, terminology and methodology. Core intersections grading 3.Ø ppm Au and greater have been included as lens boundaries and internal material grading less than 3.Ø ppm have also been included. No cut-off grade has yet been applied to the calculations, but this should be done when underground results are available. Likewise, no dilution factor has been applied to the tonnage calculations as this will probably vary from lens to lens and with mining methods. Tonnage has been calculated based upon a 65 foot (2Ø meter) square block, and a tonnage factor of 1Ø cubic feet per ton has been applied because of the generally heavy sulfide content.

REG PROPERTY

MINERAL RESERVES - 1985

TABLE II

DRILL INDICATED MINERAL RESERVES - CLOUTIER MAIN LENS

Drill Hole No.	True Width Ft.	oz./Ton Au	oz./Ton Ag	Per Cent Cu	Per Cent Pb	Per Cent Zn	Tons
3, 4, 5, 6	av. 1Ø	.216	.415	1.23	.Ø1	.Ø1	4,238
9	16.5	.134	1.Ø6	3.46	–	–	7,Ø63
1Ø	29.5	.271	1.25	3.48	–	–	1Ø,171
11	32.8	.436	.31	.32	–	–	14,126
13	9.8	.388	.26	.37	–	–	2,851
14	19.Ø	3.418	1.55	.74	–	–	8,475
18	9.8	.167	.284	2.32	–	–	4,238
25	6.6	.1Ø	.27	1.Ø1	–	–	2,825
31	6.8	.232	.Ø7	.Ø1	–	–	2,851
8Ø	13.Ø	.1Ø7	.41	–	–	–	5,595
81	25.Ø	.54Ø	.36Ø	–	–	–	1Ø,716
						TOTAL	73,194
Average (x)		.668	.663	1.55(±)	–	–	
Average (cut to 2x)		.427	.637	1.5Ø(±)	–	–	

....continued

lenses 20 feet wide in K-feldspar, quartz, calcite alteration zones within the sediments (Figure 10). One pyrite lens assayed 1.790 oz./T Au across 12 inches. Other samples showed the presence of up to 3.51 oz./T Ag, and up to 5.8 per cent Cu plus minor lead and zinc. The C-3 zone is very large, has relatively easy access early in the season and could be explored when other priorities are satisfied.

GEOCHEMICAL AND GEOPHYSICAL SURVEYS - 1985

In 1985 geochemical soil surveys were successfully combined with a pulse electromagnetometer survey on the Bonanza area in order to trace the new sulfide zone (Figures 8, 10, 11). The geophysical work on Johnny Flats located a number of strong conductors which mainly reflected pyritic/pyrrhotitic lenses and shears with relatively low amounts of commercial sulfides, gold and silver as disclosed by trenching and core drilling. The Groove Ridge conductors were not correlated to any specific structure or mineral zone.

The V.L.F.-E.M. conductor axis connecting the Pick Axe and R-19/R-20 showings remains the most interesting feature worth exploring. This in conjunction with the strong geochemical soil gold anomaly overlying the R-19/R-20 vein system at the toe of Johnny Glacier, and the overlapping McFadden moraine train provide a good target area for further surface trenching and drilling.

MINERAL RESERVES

Sufficient surface work, core drilling and assaying have now been completed to make a preliminary estimate of the mineral reserves of the Stonehouse Gold Zone. Surface drilling carried out over a length of 4,700 feet within part of the Zone over a width of 900 feet to a depth of 525 feet has now confirmed the presence of at least eight gold bearing sulfide lenses and indicates the presence of several more.

Considerable work has also been done on the compilation of drill core sections and plans showing geology, mineralization and assay values (Figure 12). This material is voluminous and is not included here but has been reduced to vertical longitudinal sections to show the relative location of the drill holes, the relationship of the mineral lenses within the drilled zone and the true widths and grades of the assay intersections (Figure 6).

Both Placer and Anaconda surveyed the drill hole sites but these show differences in location of up to ten meters as well as variations in direction. In addition, the Gold Zone

TABLE III

DRILL INDICATED MINERAL RESERVES - '16' MAIN LENS

Drill Hole No.	True Width Ft.	oz./Ton Au	oz./Ton Ag	Per Cent Cu	Per Cent Pb	Per Cent Zn	Tons
15	6	Ø.1Ø6	Ø.57	Ø.24	-	-	2,8ØØ
16	9.8	1.242	Ø.522	Ø.51	-	-	4,238
26	4	6.499	1.725	Ø.56	.Ø1	.Ø2	1,412
27	9.8	Ø.495	1.861	Ø.42	.Ø1	.Ø2	4,238
29	3.3	Ø.12Ø	1.3Ø	1.1Ø	.Ø25	.Ø32	1,412
52	1Ø	Ø.351	Ø.66Ø	Ø.415	<.1Ø	.91	4,24Ø
53	9	Ø.657	Ø.198	Ø.Ø23	<.1Ø	.22	4,236
54	9.8	Ø.466	Ø.174	Ø.185	-	-	4,238
69	5	.528	.22	Ø.17	.Ø2	.1Ø	2,152
73	23	1.43Ø	.53	-	-	-	9,898
75	6	.144	.64	-	-	-	2,825
76	21.5	.463	8.14	-	-	-	9,238
					TOTAL		5Ø,927
Average (x)		.866	2.Ø34	-	-	-	
Average (cut to 2x)		.734	1.295	-	-	-	

DRILL INDICATED MINERAL RESERVES - '16' HANGINGWALL LENS

Drill Hole No.	True Width Ft.	oz./Ton Au	oz./Ton Ag	Per Cent Cu	Per Cent Pb	Per Cent Zn	Tons
36	6.5	Ø.392	2.613	Ø.71	.Ø9	.15	2,825
38	6	Ø.498	1.579	Ø.36	.Ø3	.Ø5	2,8ØØ
43	1.2	Ø.144	Ø.47	-	-	-	425
77	6	2.15Ø	1.19	-	-	-	2,8ØØ
					TOTAL		8,85Ø
Average (x)		.737	1.316	-	-	-	
Average (cut to 2x)		.574	1.32	-	-	-	

DRILL INDICATED MINERAL RESERVES - '16' FOOTWALL LENS

Drill Hole No.	True Width Ft.	oz./Ton Au	oz./Ton Ag	Per Cent Cu	Per Cent Pb	Per Cent Zn	Tons
28	6.5	Ø.293	Ø.12	.Ø4	.Ø1	.1Ø	2,825
52	9.Ø	Ø.357	Ø.66	-	-	-	4,236
					TOTAL		7,Ø61
Average (x)		Ø.344	Ø.444	-	-	-	
Average (cut to 2x)		Ø.344	Ø.444	-	-	-	

TABLE II (Cont.d)

DRILL INDICATED MINERAL RESERVES - CLOUTIER FOOTWALL[c] LENS

Drill Hole No.	True Width Ft.	oz./Ton Au	oz./Ton Ag	Per Cent Cu	Per Cent Pb	Per Cent Zn	Tons
DDH-12	6.6	.641	.28	Ø.Ø1	-	-	2,825
72	5.0	.998	5.06	-	-	-	2,152
						TOTAL	4,977
Average (x)		.795	2.35	-	-	-	
Average (cut to 2x)		.795	2.19	-	-	-	

DRILL INDICATED MINERAL RESERVES - CLOUTIER FOOTWALL[1] LENS

Drill Hole No.	True Width Ft.	oz./Ton Au	oz./Ton Ag	Per Cent Cu	Per Cent Pb	Per Cent Zn	Tons
DDH-71	6.Ø	.332	.19	-	-	-	2,582

SUMMARY - CLOUTIER LENSES - 1985

DRILL INDICATED

Lens	oz./Ton Au	oz./Ton Ag	Per Cent Cu	Per Cent Pb	Per Cent Zn	Tons
Main	.668	.66	1.55(±)	-	-	73,194
Footwall[c]	.795	2.35	-	-	-	4,977
Footwall[1]	.332	.19	-	-	-	2,582
					TOTAL	80,753
Average (x)	.665	.749	1.55(±)			
Average (cut to 2x)	.665	.697	1.55(±)			

DRILL INFERRED

Lens	oz./Ton Au	oz./Ton Ag	Per Cent Cu	Per Cent Pb	Per Cent Zn	Tons
Main	.51	.6Ø	1.ØØ(±)	-	-	225,ØØØ
Footwall[c]	.45	.66	-	-	-	27,ØØØ
Footwall[1]	.5Ø	.2Ø	-	-	-	1Ø,ØØØ
					TOTAL	262,ØØØ
Average (x)	.5Ø	.6Ø(+)	1.ØØ(±)	-	-	

TABLE III (Cont.'d)

SUMMARY '16' LENSES - 1985 MINERAL RESERVES

DRILL INDICATED

Lens	oz./Ton Au	oz./Ton Ag	Per Cent Cu*	Per Cent Pb*	Per Cent Zn*	Tons
Main	.866	2.034	-	-	-	50,927
Hangingwall	.737	1.316	-	-	-	8,850
Footwall	.344	.444	-	-	-	7,061
					TOTAL	66,838
Average (x)	.792	1.753	*.30(±)	-	-	
Average (cut to 2x)	.668	1.212				

*incomplete

'16' LENSES - DRILL INFERRED

Lens	oz./Ton Au	oz./Ton Ag	Per Cent Cu	Per Cent Pb	Per Cent Zn	Tons
Main	.50	1.00	-	-	-	130,000
Hangingwall	.50	1.00(±)	-	-	-	70,000
Footwall	.25	.10	-	-	-	15,000
					TOTAL	215,000
Average (x)	.50	.90				

TABLE IV

DRILL INDICATED MINERAL RESERVES - PICK AXE

Drill Hole No.	True Width Ft.	oz./Ton Au	oz./Ton Ag	Per Cent Cu	Per Cent Pb	Per Cent Zn	Tons
67 (HW)	5	.172	.61	1.89	-	-	2,550
67 (FW)	5	.144	.05	.15	-	-	2,550
					TOTAL		5,100
Average		.168	.33	1.02	-	-	

DRILL INFERRED MINERAL RESERVES - PICK AXE

oz./Ton Au	oz./Ton Ag	Per Cent Cu	Per Cent Pb	Per Cent Zn	Tons
.1	.2	.7	-	-	10,000

TABLE VI

MINERAL POTENTIAL OF SKYLINE EXPLORATIONS LTD.

JOHNNY MOUNTAIN, ISKUT RIVER AREA

SUMMARY - MINERAL RESERVES - STONEHOUSE GOLD ZONE - 1985

Status	ounces/Ton* Au	Ag	Per Cent* Cu	Pb	Zn	Tons
TOTAL MEASURED	2.08	3.502	1.00(±)	-	-	19,364
Cloutier Drill Indicated	0.665	0.697	1.55(±)	-	-	80,753
'16' Drill Indicated	0.668	1.212	0.30(±)	-	-	66,838
Pick Axe Drill Indicated	0.168	0.33	1.02(±)	-	-	5,100
TOTAL DRILL INDICATED	0.650	0.916	1.00(±)**			152,691
Cloutier Inferred	0.50	0.60	1.00(±)	-	-	262,000
'16' Inferred	0.50	0.60	-	-	-	215,000
Pick Axe Inferred	0.10	0.20	0.70	-	-	10,000
R-19/R-20 Pick Axe Extension	0.60	0.30	0.50	-	-	100,000
TOTAL INFERRED	0.50(±)*	0.60(±)*	0.75(±)**			587,000

* values cut to 2x

** significant values but assays incomplete

Geological Potential Mineral Reserves

3,300,000 tons @ 0.30 ounces/st Au
@ 0.50 ounces/st Ag
+ Cu, Zn, Pb

the geological reserve forecast. The presence of a large high grade 'broken reserve' in the McFadden moraine and the huge potential of the talus below Johnny Glacier is a unique situation where low cost surface extraction methods could be employed almost at once.

Only a small fraction of the potential of the Gold Zone has been examined leaving a number of geochemical anomalies and geological structures to be carefully explored. The unique coincident anomalies below Johnny Glacier suggest mineralization localized at the Betty Creek - Unuk River contact or within the lower Betty Creek. The McFadden high grade moraine train deserves detailed geological study before more drilling funds are wasted and should entail a more careful examination of the lateral moraine as well as mapping upstream. This should be accompanied by detailed geologic mapping of the 3,200 foot thick Gold Zone sequence including both cirques.

Studies of the Stonehouse Gold Zone deposit suggest that in many respects this new deposit compares favourably to the Silbak Premier near Stewart. The geological environment, the presence of low temperature sulfosalts, sulfide minerals, and native metals, extensive related mineral alteration and strong fracture control are similar aspects also reflecting sub-volcanic genesis.

To date, the Silbak Premier mine has produced over 5 million tons grading about 0.40 ounces gold and 8.0 ounces/ton silver plus copper, lead and zinc. Current studies by Westmin have blocked out a further 6.0 million (plus) tons of low grade indicating the potential for renewed production from an open pit. Like most mines in the Stewart District, the original Premier mine did not realize its potential until underground exploration and development proved the size and grade of the orebodies.

The short season imposed upon work at the Gold Zone by weather and by the lack of reasonable access should be examined with consideration given to building a gravel strip on the east side of the Craig River connected to the development site on Johnny Mountain by a short tote road.

REFERENCES

Geology, Exploration and Mining in British Columbia, B.C. Dept. of Mines & Petroleum Resources,
1972, p. 518
1973, p. 501

Assessment Report 630: Report on Geological Survey of Bron Nos. 1 and 2 Groups, A. B. Mawer, for The Consolidated Mining and Smelting Company of Canada Limited, April 23, 1965.

Assessment Report 769: Geological Report Bronson Creek Nos. 1-3 Claim Groups, by G. Parsons, for Tuksi Mining and Development Ltd., Copper Soo Mining Co. Ltd., Cominco. May 18, 1966.

Assessment Report 1657: Geological Report on Cat Nos. 1-12 Claims, by R.G. Bagshaw, for Cominco Ltd., October 11, 1968.

Gareau, M. (1982): Mineralogy of 12 Sulfide Specimens from the REG Claims Mineral Deposit, for Placer Development Ltd

Grove, E.W. (1968): Unuk River, Ann. Rept., Min. of Mines and Pet.Res., British Columbia, pp. 45-46.

(1972): Geology and Mineral Deposits of the Stewart Area; B.C. Dept. of Mines and Pet. Res. Bull. 58.

(1973): Detailed Geological Studies in the Stewart Complex, Northwestern British Columbia, Ph.D. Thesis, McGill University.

(1974): Deglaciation - A Possible Triggering Mechanism for Recent Volcanism, Proceedings of Intern. Assoc. of Volcanology and Chemistry of Earth's Interior, Symposium on Andean and Antarctic Volcanology Problems, Santiago, Chile.

(1981): Geological Report and Work Proposals on the REG and INEL Properties of Skyline Explorations Ltd. December 11, 1981.

(1982): Unuk River, Salmon River, Anyox Map Areas; Min. of Energy, Mines & Petroleum Resources.

(1983): Geological Report and Work Proposal on the Skyline Explorations Ltd. INEL Property, Nov. 12, 1983.

APPENDIX IV

ENGINEER'S CERTIFICATE

ENGINEER'S CERTIFICATE

I, Charles K. Ikona, of #5 Cowley Court, Port Moody, in the Province of British Columbia, **DO HEREBY CERTIFY THAT:**

1. I am a Consulting Mining Engineer with offices at 215 - 543 Granville Street, Vancouver, British Columbia.

2. I am a graduate of the University of British Columbia with a degree in Mining Engineering.

3. I am a member in good standing of the Association of Professional Engineers of the Province of British Columbia.

4. I first became familiar with the Reg property in 1960 and have maintained an active interest in the property subsequently.

5. Data reported on is as supplied by Skyline Explorations Limited. The writer has restricted himself to correlations of data and has not attempted to produce metric equivalents of distances, lengths and grids presented, or to modify the plans in any manner.

DATED at Vancouver, British Columbia this 5th day of Nov, 1986.

Charles K. Ikona, P.Eng.

APPENDIX V

COST STATEMENTS, 1986 PROGRAM, JUNE 1-SEPTEMBER 30, 1986

SKYLINE EXPLORATIONS LTD.

INTERIM FINANCIAL INFORMATION

OCTOBER 1986

SKYLINE EXPLORATIONS LTD.

STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS

OCTOBER, 1986
(unaudited)

RECEIPTS			
Payment for exploration expenditure (see Note)			$ 294,970
DISBURSEMENTS			
Capital expenditure		$ 13,313	
Investment in shares of KRS Retraction Limited (see Note)		147,485	
Exploration advances		6,000	
Exploration expenditures			
Reg claims (see Note)			
Engineering fees	$ 16,536		
Wages and benefits	46,387		
Supplies - Field, underground and lab	37,108		
Transportation	18,055		
Travel and accommodation	5,062		
Equipment rent and repairs	4,015		
Printing, maps and drafting	3,880		
Assays	2,800	133,843	
Administration expenditures			
Salaries	1,867		
Office services, supplies and sundry	1,697		
Rent	1,000		
Telephone	247		
Public relations	4,768		
Legal fees	3,000		
Transfer agent fees	577		
Auto and travel	1,568		
Donation	1,050	15,774	
			316,415
EXCESS OF CASH DISBURSEMENTS OVER CASH RECEIPTS			21,445
CASH ON HAND AT BEGINNING OF MONTH			183,669
CASH ON HAND AT END OF MONTH			$ 162,224
Represented by:			
Bank - current account		145,224	
Term deposit		17,000	
			$ 162,224

(see attached Note)

Approved by the Directors:

_____ _____

SKYLINE EXPLORATIONS LTD.

NOTE TO STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS

OCTOBER, 1986

NOTE:

Under the terms of an agreement with Knight's Mineral Exploration and Company, Limited Partnership (Knight's), Skyline is incurring exploration expenditures on behalf of Knight's. These expenditures are on Skyline's mineral claims and in consideration for such expenditures Skyline is issuing treasury shares and warrants to Knight's. In connection with the agreement Skyline is renting certain exploration equipment to Knight's and Skyline's subsidiary is purchasing preferred shares in a third company.

As the attached financial statement is prepared on a cash basis, expenditures incurred on behalf of Knight's are shown as exploration expenditures and payments by Knight's for such expenditures are shown as receipts.

Morgan & Company
Chartered Accountants
1210 - 675 West Hastings Street
Vancouver, B.C. V6B 1N2
Telephone (604) 687-5841

November 26, 1986

The Directors
Skyline Explorations Ltd.
200 - 675 West Hastings Street
Vancouver, B.C.

Dear Sirs:

In connection with your Province of British Columbia "FAME" grant application we have prepared from your accounting records the attached financial statement of exploration expenditure on the Reg claims for the period May 1, 1986 to September 30, 1986.

Although your accounting records are maintained to show somewhat different categories of expenditures we have re-analysed the expenditures to put them in the categories required under the FAME reporting. In particular, as your underground adit, cross-cut and drifts are eligible only as to 25% for grants we have distinguished these costs and allocated general camp costs such as cookhouse expense on a reasonable basis between underground development and surface work.

Based on the attached financial statement our calculation of your FAME grant entitlement is as follows:

Total exploration costs per financial statement	$ 928,780
Deduct 75% of underground development costs	379,028
Expenditures eligible for grant	549,752
Grant calculation - 33 1/3 %	$ 183,250

As we understand that Skyline received an allocation of only $100,000 from the grant programme, this will be the amount receivable.

Also enclosed is a monthly reporting form for the month of September, 1986, to add to those previously sent. Please remember that these monthly

. . . 2

SKYLINE EXPLORATIONS LTD.

STATEMENT OF EXPLORATION EXPENDITURES - REG CLAIMS

FOR THE PERIOD APRIL 1, 1986 TO SEPTEMBER 30, 1986

(unaudited)

Geology		$ 95,268
Surface drilling		145,017
Other surveys		10,396
Underground development		505,369
General camp costs	$ 323,579	
Less portion included in underground development above	150,849	
		172,730
Total exploration expenditure for the period		$ 928,780

Note:

In accordance with provisions of the Income Tax Act a substantial portion of the above expenditures were incurred by Skyline Explorations Ltd. on behalf of certain investors who reimbursed Skyline for such expenditures in return for receiving treasury shares and warrants of Skyline and the income tax benefits of such expenditures. The above statement reflects the expenditures on a gross basis without provision for the reimbursements.

Morgan & Company

reports are prepared on a cash paid basis so it is necessary to add the large amount of accounts payable existing at September 30, 1986 to arrive at the total shown in the enclosed summary financial statement.

Please contact us if further information is required.

Yours very truly,

MORGAN & COMPANY

Per:

JFM:smc
encl.

COMMENTS ON UNAUDITED

INTERIM FINANCIAL INFORMATION

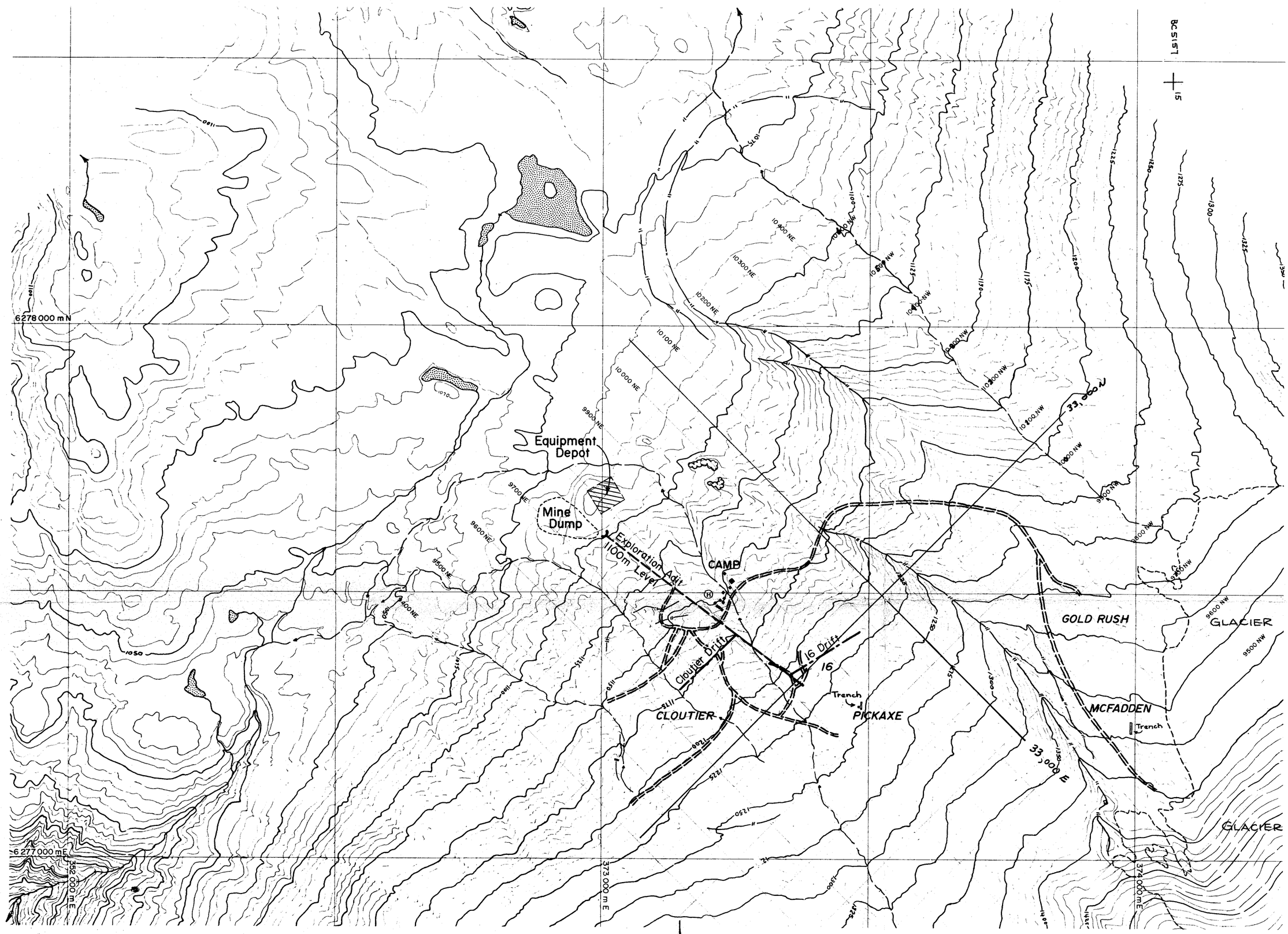
The Directors
Skyline Explorations Ltd.
Vancouver, B.C.

We have prepared the accompanying unaudited interim financial information comprising statement of exploration expenditure - Reg claims for the period May 1, 1986 to September 30, 1986 from the records of Skyline Explorations Ltd. and from other information supplied to us by the company and have reviewed such interim financial information. Our review, which was made in accordance with standards established for such reviews, consisted primarily of enquiry, comparison and discussion.

We have not performed an audit and consequently do not express an opinion on this interim financial information. The most recent audited financial statements issued to shareholders on which we have expressed an opinion were for the year ended October 31, 1985.

Vancouver, B.C.
November 24, 1986

Chartered Accountants



LEGEND

Road
Moraine Ridge
Creek - Definite
Intermittent
Pond, Seasonal
Heliport
Contours (5m interval) —1150

33,000 N, 33,000 E Location Ref for grids on Figs IV & V

GEOLOGICAL BRANCH
ASSESSMENT REPORT

15,736

SKYLINE EXPLORATION LTD.

Stonehouse Gold Deposit

— Site Layout — Proposed Mine Development

Scale	Date	Dwg. No.
1:5000	07/05/86	146·00

Fig III

GEOLOGICAL BRANCH
ASSESSMENT REPORT

15,736

34,000' N

33,500' N

33,000' N

32,500' N

32,000' N

31,500' N

31,000' E

31,500' E

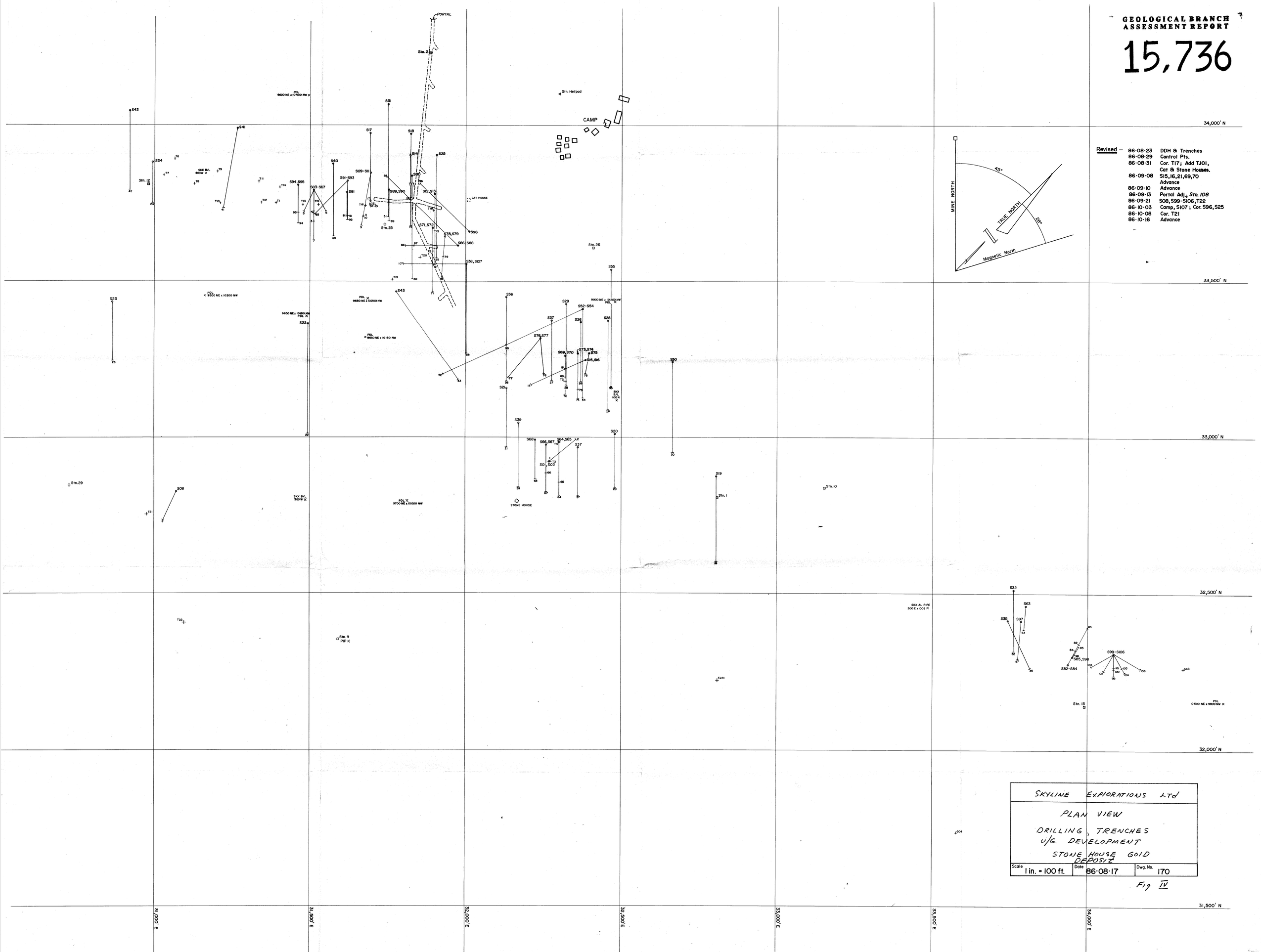
32,000' E

32,500' E

33,000' E

33,500' E

34,000' E



Revised —

86-08-23	DDH & Trenches
86-08-29	Control Pts.
86-08-31	Cor. T17; Add TJ01, Cat & Stone Houses.
86-09-08	S15,16,21,69,70 Advance
86-09-10	Advance
86-09-13	Portal Adj.; *Stn. 108*
86-09-21	S08, S99-S106, T22
86-10-03	Camp, S107; Cor. S96, S25
86-10-08	Cor. T21
86-10-16	Advance

SKYLINE EXPLORATIONS LTd

PLAN VIEW

DRILLING, TRENCHES
U/G. DEVELOPMENT
STONE HOUSE GOLD DEPOSIT

Scale	Date	Dwg. No.
1 in. = 100 ft.	86-08-17	170

Fig IV

34,300' N

34,200' N

34,100' N

34,000' N

33,900' N

33,800' N

33,700' N

31,700' E

31,800' E

31,900' E

32,000' E

32,100' E

Stn. 101

Stn. 101 B
(On Floor)

Stn. 102

Stn. 103

Stn. 104

Stn. 106

Stn. 107

Stn. 108

Stn. 109

1

2

3

4

Muck Sampling 75 lbs. grab samples
West drift
& X-Cut
inset

Muck Sampling 75 lbs. grab samples
East Drift
inset

Cloutier west drift inset

Cloutier east drift inset

Scale	Date	Dwg. No.
1 in. = 20 ft.	86·08·22	173 -

REVISED 86·08·29 Advance
86·09·03 Advance
86·09·08 Stn. 108
86·09·09 Advance
86·09·15 Advance

ASSAY PLAN
Right & Left Walls, & Face
Projected to Plan View

GEOLOGICAL BRANCH
ASSESSMENT REPORT

15,736

SKYLINE EXPLORATIONS

PLAN VIEW
UNDERGROUND Development
Sample Location MAP.
Cloutier & Zephrin Zones

partial table of assay results appendix II

Fig V