

PRODUCT GOLD
PRODUIT

PROVINCE OR TERRITORY PROVINCE OU TERRITOIRE

British Columbia

N.T.S. AREA 104 B/11
RÉGION DU S.N.R.C.

REF. AU 1
RÉF.

NAME OF PROPERTY REG 4 (PICK-AXE) (CAT)
NOM DE LA PROPRIÉTÉ

OBJECT LOCATED - Pick Axe showing.
OBJET LOCALISÉ

UNCERTAINTY 600 m FACTEUR D'INCERTITUDE	Lat. 56°37'30"	Long. 131°03'40"
Mining Division Liard Division minière	District District	Cassiar
County Comté	Township or Parish Canton ou paroisse	
Lot Lot	Concession or Range Concession ou rang	
Sec Sect.	Tp. Ct.	R. R.

OWNER OR OPERATOR/PROPRIÉTAIRE OU EXPLOITANT

DESCRIPTION OF DEPOSIT/DESCRIPTION DU GISEMENT

The host rock is an andesitic-rhyolitic-tuffaceous sequence of Early Jurassic age. Copper-gold massive sulphide mineralization has been located in three zones, the Pick Axe, Cloutier and McFadden; the latter consists of mineralized boulders in an area 245 metres by 45 metres.

Drilling found stratabound massive sulphides high in gold in tuffs and rhyolite breccias along sill-like rhyolite bodies in a zone some 300-400 feet above a major sediment-volcanic contact marked by a lensy six foot thick carbonate zone. Drilling indicated that while some of the gold is in the massive sulphides, a substantial amount forms a 'halo' in the breccias adjoining the sulphides. Mineralization consists of near massive chalcopyrite and pyrite in a quartz or quartz carbonate gangue. Hole 81-4 cut 19' at 1.8% Cu, 0.265 oz/t Au, 0.68 oz/t Ag. Drill hole 82-14 cut 14' at 0.60% Cu, 4.45 oz/t Au, 1.95 oz/t Ag. Hole 82-16 cut 17' at 0.51% Cu, 1.24 oz/t Au, 0.52 oz/t Ag.

Associated minerals or products - Copper, silver.
Minéraux ou produits associés

HISTORY OF EXPLORATION AND DEVELOPMENT
HISTORIQUE DE L'EXPLORATION ET DE LA MISE EN VALEUR

The property is located on Mt. Johnny, on the south side of the Iskut River some 100 kilometres northwest of Stewart. The showings are at the 4,000' elevation on the northwesterly slope of the mountain about 2,700 metres northwest of its 7,468' summit.

The Pick-Axe and high grade float showings were discovered and staked by Hudson's Bay Mining and Smelting Co., Limited in 1954. Work included 810' of diamond drilling in 5 holes in 1961; results were disappointing and the claims were allowed to lapse.

Cominco Ltd. staked the showings in 1964 as the Cat 1-12 claims. Geological mapping and sampling were reported; the latest in 1968. Ecstall Mining Limited restaked the showings, and the nearby Iskut property (104 B/11, Cu 1) as the Quinella claims in 1974. Work included geophysical and geochemical silt surveys; the claims were allowed to lapse in 1977.

Skyline Explorations Ltd. staked the Reg 1-6 claims (112 units) in 1980 to cover the Iskut property and extending to the Pick-Axe showings (Reg 4 claim). Prospecting in 1980 located new showings which were trenched and sampled. An electromagnetic survey and diamond drilling was carried out in 1981-82 (drilling totalled more than 750 m in 8 holes).

Placer Development Limited optioned a 60% interest in the Reg group in September 1982. In mid 1983 Placer sub-optioned a 30% interest to Anaconda Canada Exploration Ltd. Work in 1983 included airborne and ground geophysical surveys (resistivity, magnetic and VLF-EM), geochemical soil and silt surveys, bulldozer trenching, and 2 406 m of diamond drilling in 23 holes. Placer opted out of the agreement, leaving Anaconda to assume Placer's position in the original option agreement. Diamond drilling by Anaconda in 1984 totalled 1 339 m in 12 holes, including 4 on the Stonehouse Zone, 1 on the Bonanza showing, and 7 drilled through Johnny Glacier in search of the source of the McFadden float zone. Anaconda abandoned the option agreement in late 1984 and the property reverted to Skyline. Work by Skyline in 1984 included diamond drilling in 4 deep holes on the Stonehouse zone. Skyline in 1985 carried out an electromagnetic survey over 52 km, 2,446' of diamond drilling in 7 holes on anomalies in the Johnnie Flats area, and about 6,000' of drilling on the Stonehouse zone in 24 holes. Proven, probable and possible

REFERENCES/BIBLIOGRAPHIE

Report of Minister of Mines, British Columbia:
1968, p. 41.

Geological Fieldwork; British Columbia Dept. of Mines:
1982, pp. 175-178; 1987, p. 199.

Serensma, P.H.; Johnny Mountain, a Timmins type
felsic volcano; Western Miner, June 1982, p. 28.

Western Miner, February 1983, p. 21.

George Cross News Letters: July 26/82; Aug. 11/82;
Sept. 23/82; 1983, No. 138; 1984, No. 13, 44, 79, 156,
178, 210; 1985, No. 8, 99, 161, 171, 175, 182, 194, 206;
1986, No. 67, 114, 129, 143, 160, 165, 171; 1986, No. 180,
200, 211, 214, 217, 227, 246, 250; 1987, No. 12, 26, 103,
134, 156, 194, 213, 235; 1988, No. 10, 47, 76, 88, 115,
138, 181.

Grove, E.W.; Report on the Reg group, 3/04/85 - in Skyline
Explorations Ltd Statement of Material Facts, 25/05/85.

Exploration in British Columbia; BCDM: 1980, p. 469;
1983, p. 524; 1985, p. C 381; 1986, pp. A19, A42.

Mineral Exploration Review; BCDM: 1983, p. 8; 1984, p. 11;
1985, p. 13.

Mineral Policy Sector; Corporation Files: "Skyline
Explorations Ltd".

MAP REFERENCES/RÉFÉRENCES CARTOGRAPHIQUES

Map 311 A, Stikine River Area (South Sheet), (Geol.), Sc. 1":
2 miles - accomp. Memoir 246, Geol. Surv. of Canada.

#Mount Johnny prospect (location and mineralized zones), Figs.
60 and 61, Geological Fieldwork 1982, pp. 175, 176.

*Map 104 B/11, Craig River, (Topo.), Sc. 1:50,000.

REMARKS/REMARQUES

Comp./Rev. By Comp./rév. par	DMacR	DMacR	DMacR				
Date	06-83	09-86	07-88				

PRODUCT
PRODUIT GOLD

PROVINCE OR PROVINCE OU
TERRITORY TERRITOIRE British Columbia

CARD 2
N.T.S. AREA 104 B/11
RÉGION DU S.N.R.C.

REF. Au 1
RÉF.

NAME OF PROPERTY
NOM DE LA PROPRIÉTÉ REG 4 (PICK-AXE) (CAT)

HISTORY OF EXPLORATION AND DEVELOPMENT (con't)
HISTORIQUE DE L'EXPLORATION ET DE LA MISE EN VALEUR

reserves in the Stonehouse zone were reported as 745,000 tons at 0.612 oz/t Au (George Cross News Letter, 08/04/86).

In 1986, an airstrip and 6km road was built to the upper portal site. A crosscut adit at 3,690 feet elevation, begun in July, was driven southerly, cutting the Discovery vein at 600 feet and the No. 16 vein at 1,066 feet from the portal. Drifting on both veins totalled about 400 feet. Diamond drilling was reported in 21 surface and 35 underground holes. A lower crosscut adit at 3,526 feet elevation, begun in July 1987, was driven 1,900 feet, cutting the Discovery vein and the 16 vein 150 feet below the upper adit. Construction of a 200 ton per day mill adjacent to the lower adit began late in 1987 and milling operations began in July 1988; production began officially on Aug. 17, 1988. Drill proven reserves in the Discovery, Zephin, No. 16, and Pick Axe zones were reported as 139,340 tonnes at 23.0 g/mt Au, 33.3 g/mt Ag, 0.78% Cu (Exploration in British Columbia, 1986, p. A42). Drill indicated and inferred reserves were reported as 1,058,000 tons at 0.644 oz/t Au (Skyline Exploration Report to Shareholders, 14/01/88).