

CORDILLERAN ROUNDUP - SNAP SHOT REVIEWS
February 4, 1988

Property/Project

Name : SNIP
NTS : 104 B/11
Claims : 7 Claims (67 Units)
Acreage: 1,675 ha

Authors: Wolfe, W. J. and Nichols, R.F.
Commodities Au (Ag)

Names/Numbers

Agreements

Claims are 100% Cominco owned by staking (1980). Delaware Resources Corp. may earn 100% interest by funding all exploration costs to feasibility. Cominco retains the right to back-in for 60% interest by spending 2 times Delaware expenditures applied to first Capital Costs for mine/mill Construction.

History

| Exploration (Techniques) | | Amount | Type | Cost |
|--------------------------|------------------|------------|--|---------|
| 1965-66 | Cominco | | Prospecting/Trenching | |
| 1981-85 | Cominco | | Geological mapping, soil geochem., trenching | |
| 1986-87 | Cominco-Delaware | | Diamond drilling: 85 holes (15,350 m) | \$3.59M |
| Development | | Amount | Type | Cost |
| Period | | | | |
| Production | | Tonnage(s) | Method | Grade |
| Period | | | | |

Geology

Regional Tilted and faulted sequences of volcanic, volcanoclastic and clastic sedimentary rocks of Mesozoic Hazelton Group cut by intermediate to felsic stocks and plutons of Jurassic and younger age related to Coast Range intrusions. Tertiary block faulting and Recent basalt flow extrusion (Mt. Hoodoo).

Local

Native gold occurs in a 1-10m thick discordant banded shear vein cutting a massively bedded feldspathic greywacke-siltstone sequence. Vein consists of alternating bands of massive streaky calcite; heavily disseminated to massive ~~pyrite~~ pyrite; biotite-chlorite; quartz; pyritic to non-pyritic fault gouge. It has been traced over a 1000 m distance between 150 m and 650 m elevations on the lower slopes of Johnny Mountain and by drilling, to depths of 150 to 250 m.

Alteration

Biotite-Carbonate-K Feldspar

Current Exploration

U/G adit drive followed by drifting and raising in ore and U/G diamond drilling to commence in February, 1988,

Reserves

Geological, possible, 1.1 M metric tonnes @ 24 g Au/t
probable and/or proven (1.2 M short tons @ 0.7 oz Au/t)

| | |
|-------------------------|------------------------|
| Number of zones | <u>(1) Twin Zone</u> |
| Number of sample points | <u>33</u> |
| Average grade | <u>0.7 oz/t Au</u> |
| Average thickness | <u>3.0 m</u> |
| Cut-off grade | <u>Vein Boundaries</u> |

Costs

Recent exploration costs,
i.e. this period \$ 3.59 Million

Projected exploration costs of program
to development \$ 8.0 Million

Projected development costs given
positive economics \$

Projected operating costs given
positive economics \$