

**MOSQUITO CONSOLIDATED GOLD MINES LIMITED (MSQ-V)**

**LYON LAKE MINES LTEE. (LLL-M)**

**VANCOUVER ISLAND PROPERTY DEAL** - Cameron J. McFeely, president of Mosquito Consolidated Gold Mines Limited announces an agreement whereby Lyon Lake Mines Ltd. can acquire half of Mosquito's interest in the titles, mining and milling installations and mining titles to the former Island Mountain gold mine near Duncan on Vancouver Island, B.C., subject to regulatory approval of the terms.

To acquire the 50% interest, Lyon Lake must complete a \$6,000,000 exploration program as prepared by Kilborn and Associates in collaboration with the mining engineers and geologist of Mosquito. Aim of the program is to establish a relation between the Aurum limestone of the Island Mountain mine, which produced 559,528 ounces of gold from 1,245,255 tonnes, and the Main Band limestone of Mosquito, which produced 34,000 ounces of gold from 87,000 tonnes of ore. Both of these gold bearing limestones are present on the property.

The work includes driving a 3,200-foot adit through the stratigraphy to reach a former drift of the Island Mountain mine, exploratory drifting in the two limestones and drilling. The \$7,400,000 budget will be financed first by Mosquito as to \$1,400,000 and then by Lyon Lake as to \$6,000,000. A production feasibility study is planned for the spring of 1989.

A finder's fee of 3% of the value to be received is payable to Canarim Investment Corporation Ltd. by way of 144,000 Mosquito shares at a deemed price of \$1.25 each to be issued in stages contingent upon Lyon Lake spending the required funds by the prescribed dates.

**DELAWARE RESOURCES CORP. (DLW-V)**

**COMINCO LTD. (CLT-V,T)**

**MAJOR UNDERGROUND PROGRAM FUNDED FOR IMMEDIATE START**

Delaware Resources Corp. has agreed to provide \$4,600,000 for an underground program to start immediately on the Snip property in the Iskut River area, 100 km north of Stewart, B.C. (See GCM No.204 and No.205 for drill hole assay results and map.)

Cominco Ltd. is operator. The Cominco-Delaware technical committee has approved an exploration program to be completed by August 1988. The program has a major underground component and will include 400 meters of main heading, 200 meters of cross-cutting, 200 meters of raising and 4,700 meters of underground drilling.

A preliminary economic assessment will be prepared at the end of this program and, subject to confirmed positive results, may be sufficient to proceed to a production decision.

Upon delivery of production notice from Cominco to Delaware, Cominco can earn back a 60% interest in the project by funding two times Delaware's exploration expenditures. By the end of the next program, Delaware will have funded a total of approximately \$8,000,000 on the project.

Under the agreement, Cominco will be obliged to provide the first portion of the cost of constructing the mine and production facilities to earn back a 60% interest.