

DELAWARE RESOURCES CORP.

SUITE 150 - 1300 8TH STREET S.W., CALGARY, ALBERTA T2R 1B2 / TEL. (403) 228-4426

104 B023 (see map)

FOR RELEASE: June 15, 1987

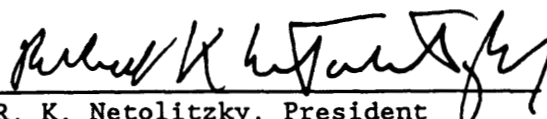
INFORMATION CIRCULAR

Delaware Resources Corp. is pleased to inform its shareholders that the 1987 exploration program on the SNIP prospect is proceeding on schedule under Cominco operatorship. Analytical results from the "lower slopes" have been received. These results extend and confirm the gold-in-soil anomalies identified last year. The DH-5 tractor has completed drill road access to the anomalous area. The first of two diamond drills is on site and evaluating the soil anomalies. The initial drilling is planned to test anomalies which are located 2400 feet west of last year's program. The geochemical targets extend over a vertical range of about 500 to 1000 feet ASL. Systematic drilling of the main mineralized zones is anticipated to commence shortly using the second drill. The camp and airstrip are fully operational.

Delaware also wishes to inform its shareholders that agreement has been reached in principle to pool the Iskut River mineral properties held by American Ore Ltd., and Golden Band Resources Ltd., and Delaware. The pooled land holdings will exceed 12,000 acres, and are contiguous to the north of the Delaware/Cominco SNIP prospect. American Ore and Golden Band each have the right to earn a 33 1/3% working interest through the expenditure of \$400,000 each. Delaware holds the remaining one-third interest, and is carried until \$800,000 has been spent by the other parties. An aggressive exploration program is planned for the 1987 season.

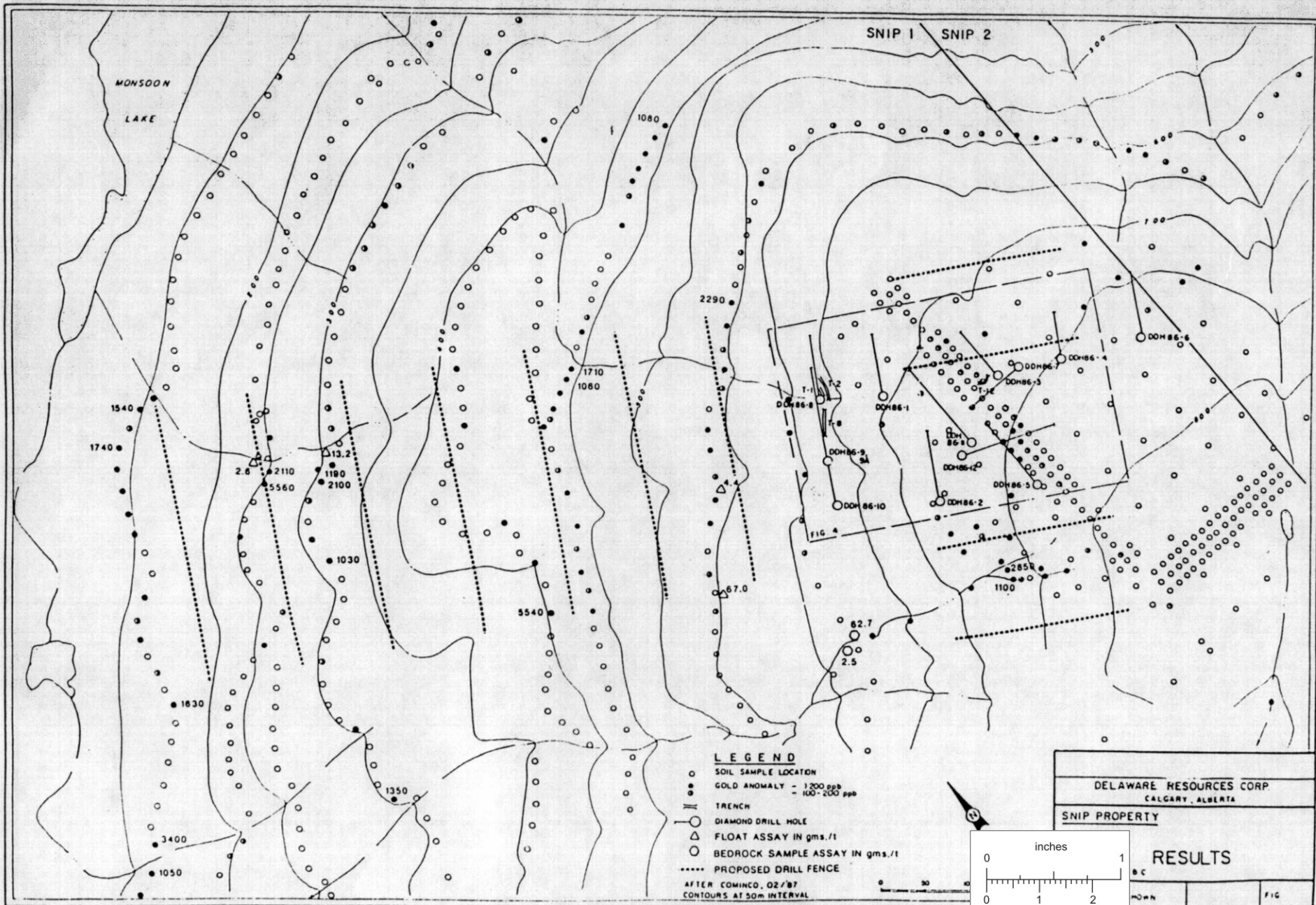
Delaware has also entered into a farm-out agreement on its Elizabeth Lake property (CBS 6213 and CBS 6214) in Saskatchewan, which totals approximately 10,100 acres in the La Ronge Greenstone Belt. Benz Gold Resources Ltd. can earn a 60% interest in the property by incurring \$100,000 in exploration expenditures.

Listed: VSE
Symbol: DLW


R. K. Netolitzky, President

This news release has been prepared by Ronald K. Netolitzky, President, on behalf of the Company, and he accepts responsibility for its contents.

The Vancouver Stock Exchange has neither approved nor disapproved the information contained herein.



Cominco back into gold

by David Duval

VANCOUVER — Describing the calculation as "fairly conservative," Cominco Ltd. President Robert Hallbauer says he is "pretty enthusiastic" about the reserve inventory established for the company's SNIP property in northwestern British Columbia.

Vancouver-based Delaware Resource has been funding work on the property and Cominco, the operator, can back in for 60% at feasibility. Inferred reserves are currently 1.2 million tons grading 0.75 oz gold, representing over 800,000 oz of recoverable metal and probably one of the largest untapped gold reserves in western Canada. The reserve has been diluted by 20% and values have been cut to approximately 4.3 oz.

In the recent past Cominco has tended to emphasize "core business activities," namely base metals (zinc, lead and copper) with little reference to gold. The company sold its Con gold mine at Yellowknife and put its Buckhorn mine in Nevada into Cominco Resources International, which incidentally has been getting most of the headlines lately on the exploration front.

But Hallbauer emphasized to The Northern Miner that Cominco's core business is "mining" which involves several commodities including gold. Indeed, Cominco has been actively exploring for precious metals in Canada and Alaska with at times impressive results. The SNIP project is just one example and he confirms "it looks very good, has a nice grade and there are no blank holes within the zone."

Dr William Wolfe, Cominco's exploration manager for western Canada, says the reserves are classified as drill-inferred because the "spacing isn't good enough for drill-indicated." Spacing was halved this year to approximately 165 ft and he is confident they have been "matching up the right things." Drilling intermediate holes between the fences was next to impossible because of topographical considerations including a 35°-45° dip on the hillside.

Cominco's project geologist, Ron Nichols, says the Twin zone has the best continuity and correlation between holes. Drilling was at right angles to the shear/vein structure which only outcrops at three locations because of overburden. The steep hillside is heavily treed which has prevented overburden from migrating down to the valley floor; but the soils give a very good geochemical response which has enabled them to isolate prospective gold-bearing areas.

Several mineral types

Several mineral types have been encountered including calcite, pyrite, quartz, biotite, and chlorite; but the gold can be associated with any one of these, he claims. The gold appears to be free milling and at this point no metallurgical problems are anticipated. Arsenopyrite has been noted locally but he confirms it is not widespread. Most of the gold occurs at sulphide margins or in gangue.

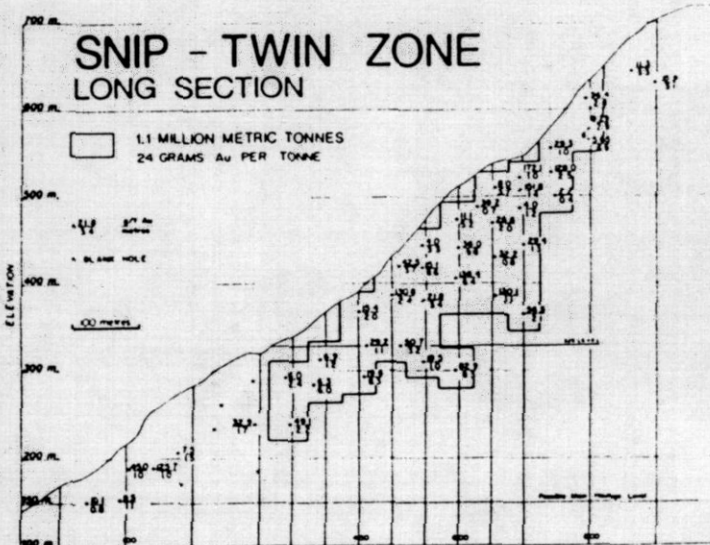
Cominco had approximately 40 people at one site this season and completed about 46,000 ft of drilling in 73 holes. Most of these (two-thirds) were on the main trend but some drilling was also done outside the Twin zone. Several good intersections were returned in parallel structures but they didn't have the continuity of the Twin zone.

An underground program is planned next year and work could get under way in February or March. The purpose of the program is to confirm the continuity and grade of the deposit through lateral and inclined development. "This underground phase will answer a tremendous number of questions," says Nichols.

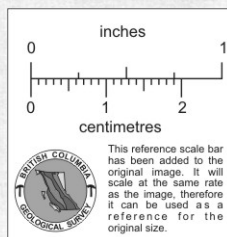
The 325 level, which is approximately 1,000 ft above sea level, could be the location for the adit, he adds. Drill stations would be cut out and the lower reaches of the zone would be tested. A haulage level could be established at the 150 level near the valley bottom which will ease access to the mine and allow gravity to work for them in the event production is feasible.

Delaware President Ronald Netolitzky confirms his company has already spent \$3.5 million on the project and believes it will take a similar amount to reach feasibility in 1988. The program will be funded through a one-million-share private placement at \$5.50 with Toronto-based Western Goldfields. There are also one million warrants attached which are exercisable within a year at \$7. The Skyline project is about 2.5 miles from the SNIP.

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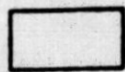
N.M. DEC. 14/87 VOL 73 #40



700 m.

SNIP - TWIN ZONE LONG SECTION

600 m.



1.5 MILLION METRIC TONNES
24 GRAMS Au PER TONNE

To convert grams per tonne to troy ounces per ton
divide grams by 34.3, or, multiply grams by 0.0291667

500 m.

21.8 $\frac{\text{g/t Au}}{3.4}$
metres

• BLANK HOLE

400 m.

100 metres

300 m.

200 m.

150 m.

100 m.

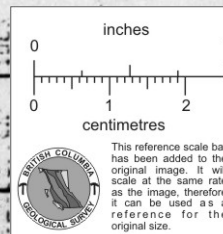
100

450

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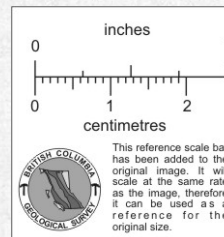
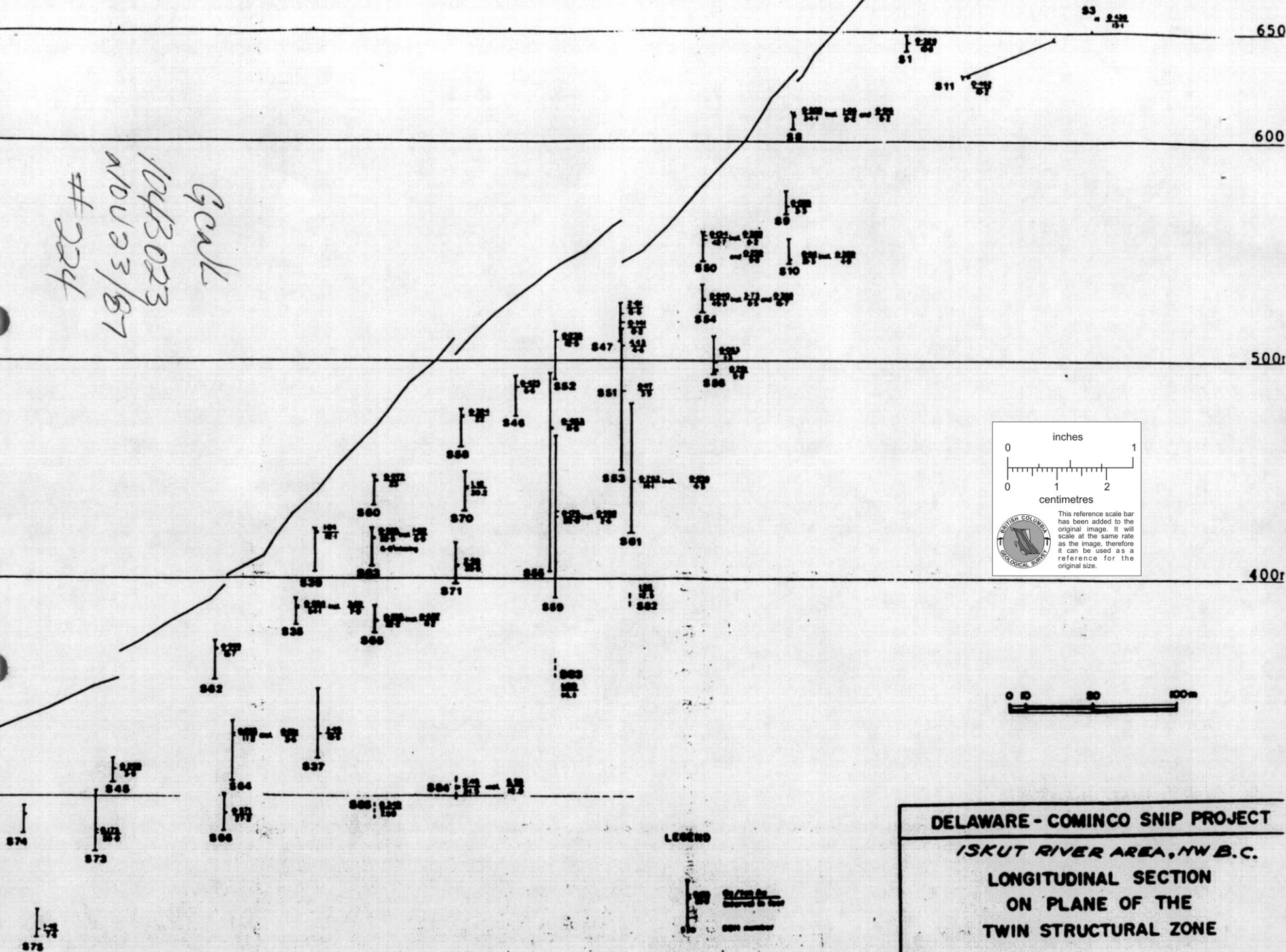
Possible Main Haulage Level



104B023

GCH DEC 7/87 #234

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DELAWARE - COMINCO SNIP PROJECT

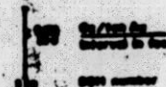
ISKUT RIVER AREA, NW B.C.

LONGITUDINAL SECTION

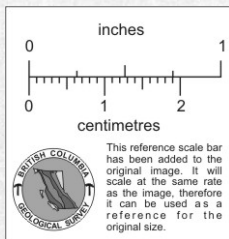
ON PLANE OF THE

TWIN STRUCTURAL ZONE

LEGEND



9/



S N I P STRUCTURAL
DRILL COLLAR LOCATION

1042023

PROGRESS REPORT: S N I P PROSPECT

For release: August 28, 1987

164B023

DELAWARE wishes to announce the receipt of further fire-assay analyses from the SNIP Project in the Iskut River area. The drill program is currently completing holes S-63 and S-64, with the majority of holes from S-45 to S-64 completing the detailed coverage of the TWIN STRUCTURAL ZONE with 50-metre spaced drill fences.

The continuity of mineralization and the presence of multiple zones is being clearly established. The fire assay intervals reported do not necessarily represent the complete assay data for these holes, nor should they be construed to indicate that holes with lower drill hole numbers are necessarily blank, as there are still considerable gaps in our fire-assay and geochemical analyses of drill core.

Highlights of the fire assay results for the Twin Structural Zone are:

ZONE	INTERVAL feet	CORE LENGTH feet	GOLD in oz/ton (uncut grade)	
S-35	139.8 - 193.9	54.1	0.667	
including	139.8 - 143.0	3.3	0.782	
including	186.0 - 193.9	7.9	3.810	previously reported
S-37	344.5 - 345.8	1.3	5.855	
	351.7 - 355.0	3.3	2.160	
	646.3 - 671.2	24.9	1.130	previously reported
S-39	27.6 - 36.1	8.5	0.171	
	50.5 - 62.6	12.1	1.311	
	145.3 - 153.2	7.9	0.343	
	173.6 - 183.4	9.8	0.458	
S-45	215.2 - 219.1	3.9	0.200	partial
	250.6 - 252.2	1.6	2.142	results
S-46	210.3 - 216.9	6.6	0.425	
	480.6 - 501.6	21.0	0.494	
including	486.2 - 490.8	4.6	2.016	

Listed: VSE
Symbol: DLW

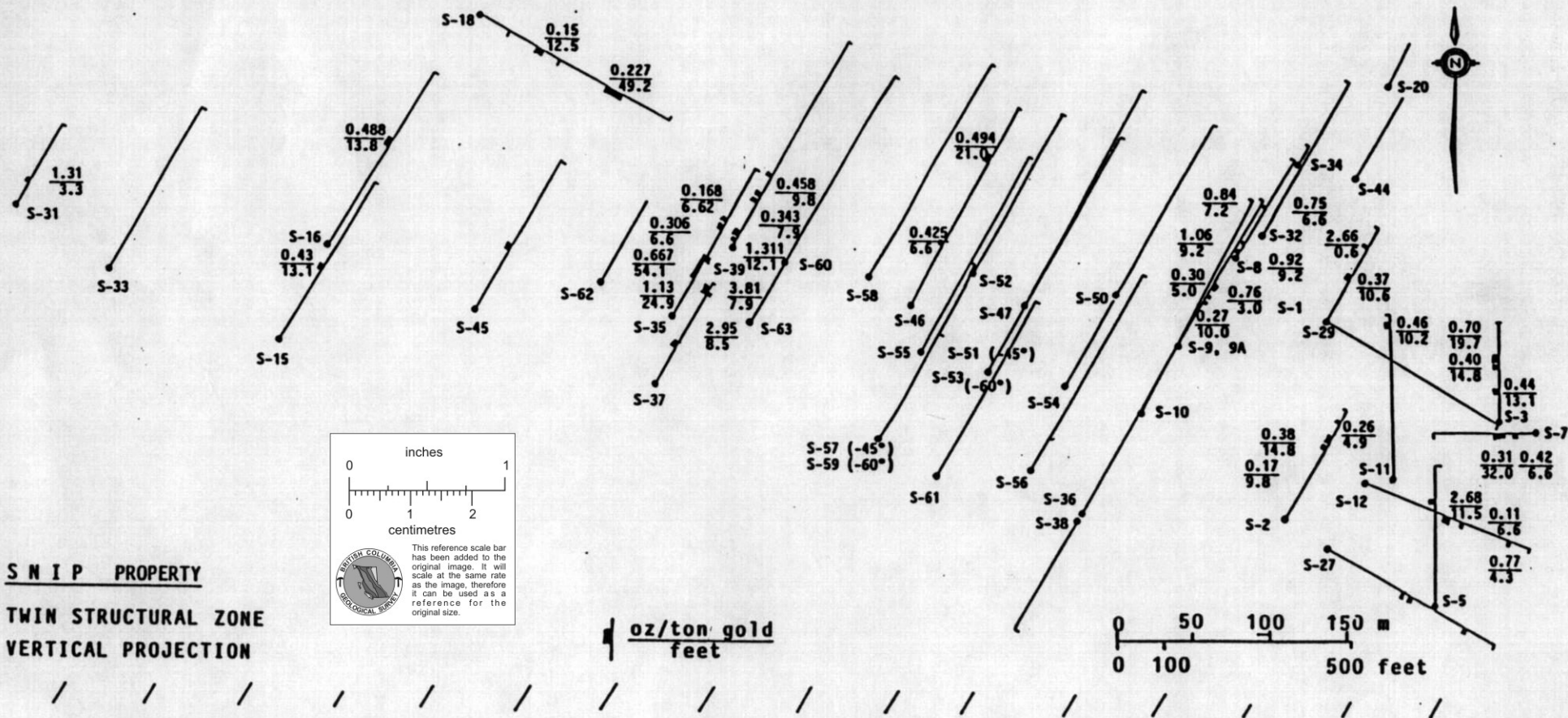

Ronald K. Netolitzky, Director

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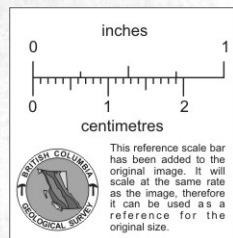
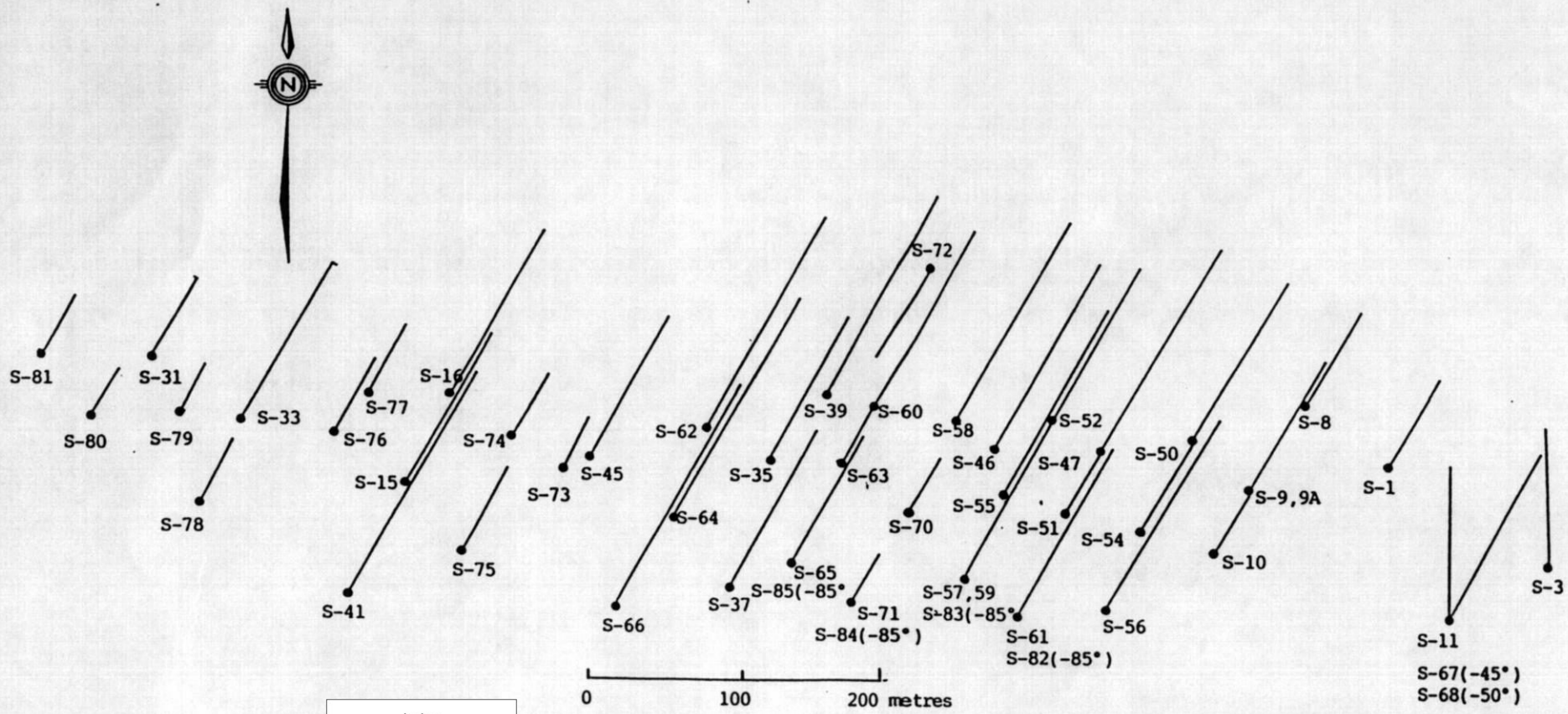
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SNIP STRUCTURAL ZONE
DRILL COLLAR LOCATIONS

10413023

67

DELAWARE RESOURCES CORP.

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1043083

PROGRESS REPORT: SNIP PROSPECT

For release: October 22, 1987

DELAWARE is pleased to announce the recent additional results from the COMINCO-operated SNIP Project in the Iskut River region of Northern British Columbia.

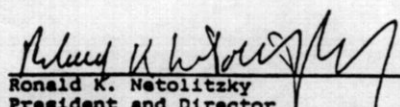
These results have confirmed Bonanza mineralization within the Twin Structural Zone as illustrated by the analytical results from DDH-S-71 which include 4 oz/ton gold over 21 feet.

	INTERVAL feet	CORE LENGTH feet	GOLD (uncut grade)
(Geochem.)	470.5 - 475.5	5.0	(4940 ppb)
(Geochem.)	475.5 - 478.0	2.5	(1800 ppb)
	478.0 - 481.9	3.9	7.478 oz/ton
	481.9 - 483.2	1.3	4.945 "
	483.2 - 486.5	3.3	0.891 "
	486.5 - 489.8	3.3	0.501 "
	489.8 - 492.4	2.6	6.663 "
	492.4 - 494.4	2.0	2.223 "
	494.4 - 495.4	1.0	7.976 "
(Geochem.)	495.4 - 497.7	2.3	(8020 ppb)
	497.7 - 499.0	1.3	10.638 oz/ton
(Geochem.)	499.0 - 504.0	5.0	(6220 ppb)

A summary of the new analytical results from the SNIP Structural Zone follows:

S-54	318.9 - 335.6	16.7	0.368 oz/ton
S-55	394.4 - 407.5	13.1	0.117 "
S-56	66.3 - 86.0	19.7	0.350 "
	632.2 - 642.0	9.8	0.281 "
S-58	117.1 - 139.1	22.0	0.324 "
	149.0 - 154.9	5.9	0.134 "
S-59	424.5 - 446.5	22.0	0.167 "
	515.4 - 520.3	4.9	0.144 "
S-60	77.4 - 100.4	23.0	0.072 "
	400.3 - 410.1	9.8	0.102 "
S-61	70.5 - 80.3	9.8	0.203 "
	438.0 - 442.3	4.3	0.858 "
S-63	70.2 - 73.2	3.0	0.431 "
	180.8 - 209.0	28.2	0.434* "
including:	180.8 - 187.7	6.9	1.020 "
	*6.6 ft assays pending, included as 0		
	260.5 - 261.5	1.0	1.460 "
	285.8 - 287.8	2.0	0.660 "
S-64	244.4 - 248.0	3.6	0.851 "
	292.0 - 298.6	6.6	0.173 "
	691.9 - 693.9	2.0	1.433 + 10.69 Ag
S-65	324.8 - 325.5	0.7	1.780 oz/ton
	345.8 - 357.0	11.2	0.637 "
S-66	392.4 - 419.6	27.2	0.571* "
	*5.6 ft assays pending, included as 0		
	702.1 - 707.3	5.2	0.488 "
	723.4 - 723.7	0.3	2.100 "
	738.5 - 749.3	10.8	0.641 "
including:	741.5 - 744.5	3.0	2.000 "

Listed: VSE
Symbol: DLW


Ronald K. Netolitzky
President and Director

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104B073

Intersections of interest from the reconnaissance drilling include:

S-22	296.9 - 306.7	9.8	0.199
	446.8 - 449.1	2.3	0.326
	510.8 - 520.6	9.8	0.120
S-26	86.3 - 91.5	5.2	0.272
S-27	259.2 - 262.2	3.0	0.150
	289.7 - 290.7	1.0	0.549
	472.4 - 472.7	0.3	1.290
S-29	61.4 - 63.0	1.6	0.123
	318.6 - 319.9	1.3	0.096
	329.4 - 336.6	7.2	0.301
	504.3 - 510.2	5.9	0.179
S-43	121.7 - 125.3	3.6	0.452
	515.1 - 519.1	3.0	0.150
	637.1 - 640.4	3.3	0.260
S-38	382.5 - 392.3	9.8	0.263

The program is continuing with drilling currently on hole S-78. The initial 30,000 foot drill program has been completed and has been extended with an additional 10,000 feet of drilling in progress.

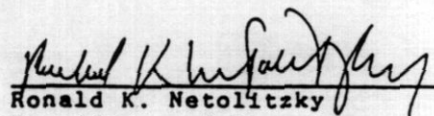
The camp is currently being winterized and the air strip is being upgraded to handle heavier aircraft in anticipation of a winter underground program.

The drilling program has established a continuous structure over 3,000 feet. In addition to the Twin Zone, drilling has identified ore grade intercepts within at least three other parallel structures over an 800-foot width.

The fill-in drilling of the Twin Zone has encountered numerous visible gold intersections.

The Joint Venture is currently assembling the data to allow drill-indicated ore reserve estimates by early October, prior to planning underground entry.

Listed: VSE
Symbol: DLW


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President and Director

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Telephone (604) 684-9595
Telefax (604) 684-9877

104B023

PROGRESS REPORT: S N I P PROSPECT

For release: October 1, 1987

DELAWARE RESOURCES CORP. is pleased to announce the results from further drilling from the COMINCO operated SNIP joint venture.

SNIP STRUCTURAL ZONE

HOLE	INTERVAL feet	CORE LENGTH feet	GOLD in oz/ton (uncut grade)
S-33	175.2 - 183.4	8.2	0.127
	194.2 - 199.1	4.9	0.218
	360.9 - 363.2	2.3	0.269
S-37	344.5 - 355.0	10.5	1.490 previously reported, partial analysis
S-47	199.8 - 206.4	6.6	2.610
	245.7 - 253.9	8.2	0.141
	317.9 - 327.7	9.8	0.112
	455.7 - 465.5	9.8	0.116
	480.3 - 485.2	4.9	0.093
S-50	59.4 - 67.6	8.2	0.388
	92.2 - 102.0	9.8	0.250
	132.2 - 135.5	3.3	0.129
	269.7 - 279.5	9.8	fire assays pending
	318.9 - 328.7	9.8	fire assays pending
S-51	352.3 - 356.9	4.6	4.430
	440.3 - 463.3	23.0	0.093
	549.9 - 559.7	9.8	0.246
S-52	153.5 - 166.0	12.5	0.234
	208.7 - 218.5	9.8	0.143
	345.8 - 360.2	14.4	0.416
	399.6 - 409.4	9.8	0.116
S-53	503.6 - 505.2	1.6	1.120
	616.4 - 621.3	4.9	0.290
	697.2 - 709.0	11.8	0.569
S-54	290.4 - 298.9	8.5	3.710
	318.9 - 335.6	16.7	incomplete fire assays
including	334.0 - 335.6	1.6	1.840
	553.5 - 554.5	1.0	9.320
	687.0 - 689.0	2.0	24.420
S-55	302.8 - 309.4	6.6	0.774
	369.4 - 374.0	4.6	1.310
	394.4 - 407.5	13.1	fire assays pending
	728.7 - 738.5	9.8	fire assays pending
	905.5 - 908.8	3.0	1.98
S-56, 57, 58, 59	Fire assays pending		
S-60	77.4 - 100.4	23.0	fire assays pending
	540.4 - 546.0	5.6	5.237

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including:	741.5 - 744.5	3.0	2.000 "

DELAWARE RESOURCES CORP. (DLW-V)

ADDITIONAL RESULTS REPORTED - Ronald K. Metolitzky,

president of Delaware

Resources Corp. has reported additional results from Cominco-Operated SNIP project in the Iskut River Region of Northern B.C.

and Drill Collar Locations

104B023

15

DELAWARE RESOURCES CORP.

SUITE 100 - 1300 8TH STREET S.W., CALGARY, ALBERTA T2R 1B2 / TEL. (403) 228-4426

Date: October 13, 1986

REPORT TO SHAREHOLDERS

Delaware Resources Corp. has made considerable progress during the last one and a half years as a public company. Most importantly, this has been achieved without undue stock dilution, although recent trading patterns indicate a lack of recognition of the fundamental value which your Company has developed.

The most significant change has come about by our funding of exploration on Cominco's SNIP property in the Iskut River region of British Columbia. Delaware entered into an agreement to fund work in return for the right to earn an interest in the property. By the end of 1986, Delaware will have attained a 50% interest by funding \$500,000 of exploration. Delaware now has the option to earn a further 10% by funding an additional \$300,000. After Delaware has earned a 60% interest, Cominco has a one-time option of funding the next \$400,000 in exploration to increase its interest to 60%.

Although Delaware is still awaiting receipt of the final geological interpretative reports, the exploration results to date have been extremely positive. As the drill reports have been released over a long period in multiple announcements, we are now presenting a brief summary of the drill holes and assays, a location map, and an interpreted longitudinal section for the Main Zone. This presentation is relatively accurate as all hole collars have been surveyed.

The Main Zone intersections appear to indicate a steeply to vertically dipping zone. Based on this interpretation, DDH #9A was stopped short of the North Zone, and DDH #10 was stopped short of the Main Zone.

Many of the drill intersections contain widespread anomalous gold. In the attached summary however, only the better values have been tabulated. Diamond drilling has indicated the presence of at least four significant mineralized structures, here referred to as the North, Main, South and Cross.

It is important to note that only the drilling of one fence of holes (DDH #8, 9, 9A, and #10) was based on surface mineralization. The balance of the drilling was predicated on interpreted structural orientations. The widespread step-out holes have identified multiple gold zones.

Significant tonnages can now be inferred from the preliminary drill results; however, management feels that, due to the distances between the holes and the fact that all the mineralized structures are open to depth and along strike, it would be premature to publish any specific mineral inventory numbers. Within the confines of the existing drilling, subject to confirmation by in-fill holes, and a modest projection to 400 feet of vertical depth to the mineralized zones, in excess of one million tons of reserves can be anticipated. A number of key intersections have been subject to core loss. This was especially bothersome on the North zone intersection in S-86-10 and on the best intersection obtained in S-86-6. Steps will be taken to ensure better core recoveries in future drilling. Insufficient drill rods on site also led to several holes being stopped short of their objectives. This will also be rectified in future programs.

Management has heard concern expressed regarding the remoteness of the property. It should be pointed out that the property is situated 65 miles by air from Stewart and only 45 miles from Wrangell, Alaska.

The Stikine River is navigable by ocean-going barges to within 30 miles of the property. The Stewart highway is less than 40 miles away along the Iskut River valley to Bob Quinn Lake. The Iskut River is contained in a broad U-shaped valley which is only 250 feet above sea level at the property. The drilling has been completed at an elevation of approximately 2000 feet in an area of steep, forested terrain. The type and scope of any infrastructure

developed would, of course, relate to the eventual size and grade of the deposit as well as the results from neighbouring properties. Larger programs would be significantly more cost effective than those completed this summer.

Exploration activities were curtailed early this season primarily due to the normal presence of fog banks in the fall which prevent the use of helicopters for drill moves. The climatic conditions are not severe and would thus permit year-round surface exploration activity or underground operations.

Management wishes to re-iterate that it has acquired an excellent package of exploration properties throughout Canada in many of the active gold camps.

A number of projects in Saskatchewan are actively being explored. Those drill targets presently being defined will be drill tested this winter. The Casa Berardi properties contain a number of airborne geophysical targets which must be confirmed by ground surveys prior to a decision to undertake drilling.

DELAWARE RESOURCES CORP.

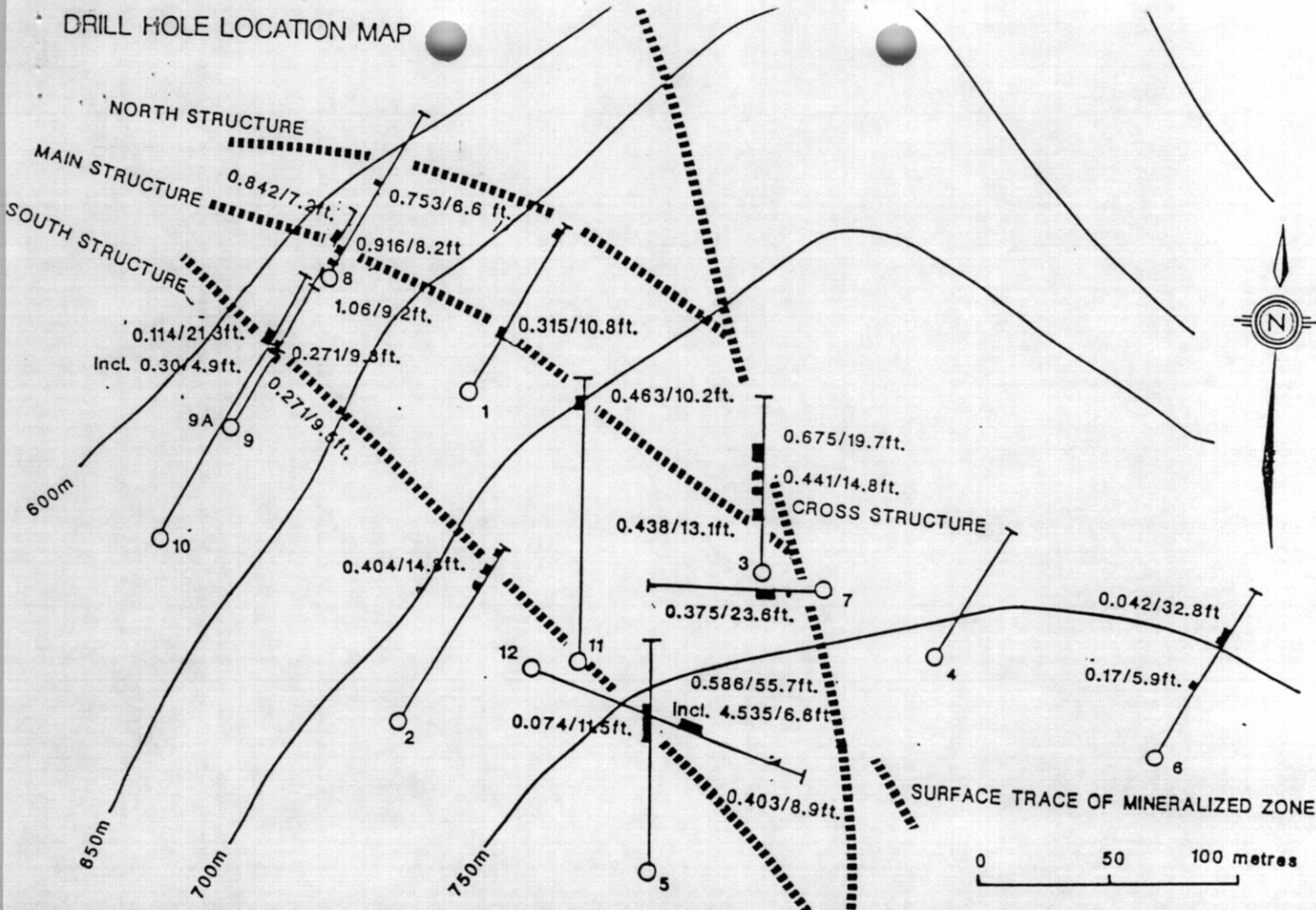


R. K. Netolitzky, M.Sc., P.Geol.
Director

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Director, on behalf of the Company, and he accepts responsibility
for its contents. The Vancouver Stock Exchange has neither
approved nor disapproved the information contained herein.

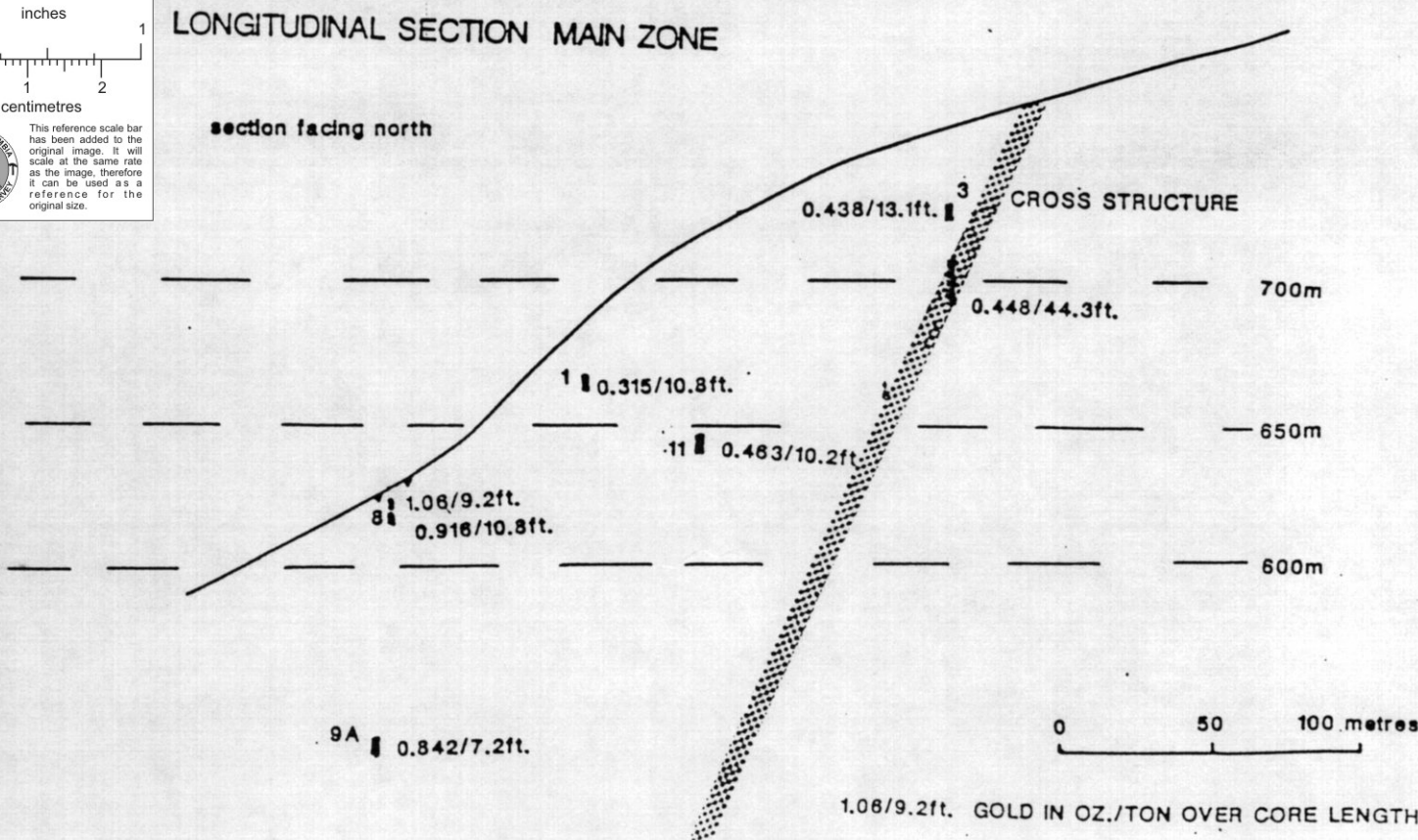
Hole No.	Bearing	Dip	Length	Elev. (ft.)	Interval (feet)	Length (feet)	Au oz/ton	Zone
S-86-1	030° Az	-45°	327'	2,269	141.0-151.8	10.8	0.315	Main
S-86-2	030° Az	-45°	368'	2,405	241.0-250.8	9.8	0.169	South
					265.7-280.5	14.8	0.404	
					329.7-334.6	4.9	0.248	
S-86-3	0° Az	-50°	332'	2,412	88.2-226.0	137.8	0.218	Main Cross Cross
					incl. 103.0-116.1	13.1	0.438	
					incl. 148.6-153.5	4.9	0.256	
					incl. 181.8-196.6	14.8	0.441	
					incl. 206.4-226.1	19.7	0.675	
S-86-4	030° Az	-45°	263'	2,490	no significant assays			
S-86-5	0° Az	-45°	423'	2,555	165.4-170.3	4.9	0.144	South
					258.9-270.4	11.5	0.074	
					303.1-308.0	4.9	0.109	
S-86-6	030° Az	-45°	353'	2,540	157.2-163.1	5.9	0.170	
					252.0-284.8	32.8	0.042	
S-86-7	270° Az	-45°	315'	2,420	60.7- 67.3	6.6	0.419	Cross
					86.9-125.6	38.7	0.264	
					incl. 102.0-125.6	23.6	0.375	
S-86-8	030° Az	-45°	333'	2,049	17.1- 26.3	9.2	1.06	Main
					43.0- 51.2	8.2	0.916	Main
					169.3-175.9	6.6	0.753	North
S-86-9	030° Az	-45°	159'	2,036	142.1-151.6	9.5	0.271	South
S-86-9A	030° Az	-45°	478'	2,036	150.9-160.7	9.8	0.271	South
					167.3-173.5	6.2	0.167	South
					307.1-310.4	3.3	0.085	
					385.8-393.0	7.2	0.842	Main
S-86-10	030° Az	-45	528'	2,049	343.5-350.1	6.6	0.090	South
					433.1-454.4	21.3	0.114	
					incl. 433.1-438.0	4.9	0.300	
S-86-11	0° Az	-45°	495'	2,445	207.3-213.9	6.6	0.086	Main
					458.0-468.2	10.2	0.463	
S-86-12	110° Az	-45°	528'	2,428	122.0-128.6	6.6	0.070	Cross
					168.0-181.1	13.1	0.044	
					230.0-237.5	7.5	0.062	
					254.3-310.0	55.7	0.586	
					incl. 259.2-265.8	6.6	4.535	
					454.7-463.6	8.9	0.403	

DRILL HOLE LOCATION MAP



LONGITUDINAL SECTION MAIN ZONE

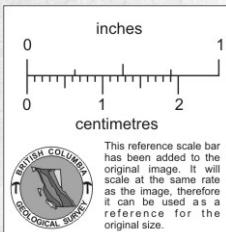
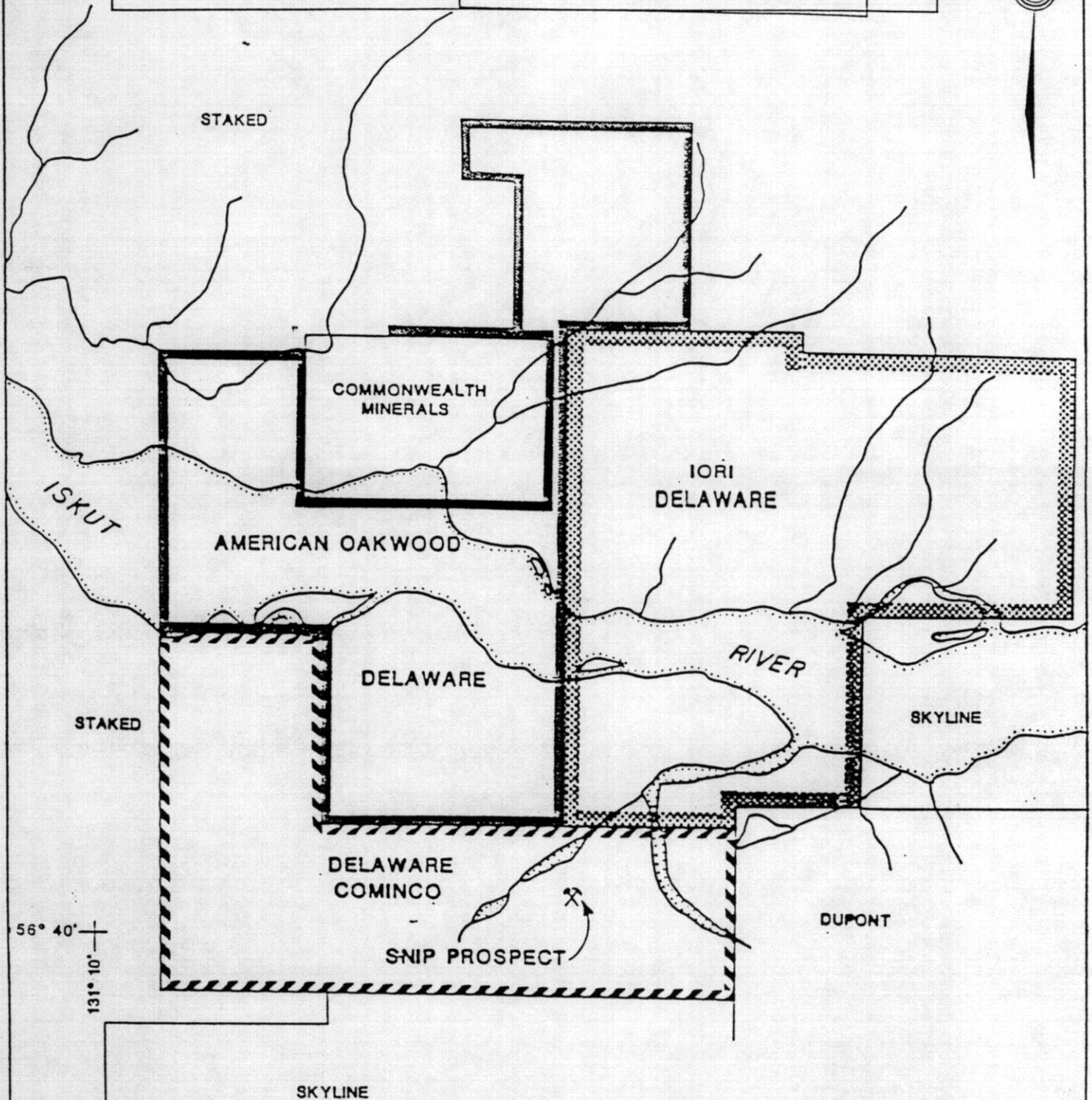
section facing north



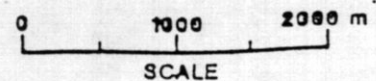
1.06/9.2ft. GOLD IN OZ./TON OVER CORE LENGTH

DELAWARE RESOURCES CORP.

SUITE 100 - 1300 8TH STREET S.W. CALGARY, ALBERTA T2R 1B2 / TEL. (403) 228-4426



CLAIM OWNERSHIP
ISKUT PROPERTY



NTS 104B/11E

DELAWARE RESOURCES CORP.

SUITE 100 - 1300 8TH STREET S.W., CALGARY, ALBERTA T2R 1B2 / TEL. (403) 228-4426

For release October 7, 1986

PROGRESS REPORT - SNIP PROPERTY, B.C.

Delaware Resources Corp. wishes to announce the following drill results from the SNIP Prospect in British Columbia:

<u>Hole No.</u>	<u>Interval (feet)</u>	<u>Length (feet)</u>	<u>Assay oz/ton</u>	<u>Zone</u>
9A	150.9-173.6	22.7	0.165	South
	incl. 150.9-154.2	3.3	0.757	
	307.1-310.4	3.3	0.085	Main
	385.8-393.0	7.2	0.842	North
10	343.5-350.1	6.6	0.090	South
	433.1-454.4	21.3	0.114	Main
	incl. 433.1-438.0	4.9	0.300	
11	458.0-475.4	17.4	0.287	Main
	incl. 458.0-468.2	10.2	0.463	
12	254.3-310.0	55.7	0.586	Cross
	incl. 259.2-265.8	6.6	4.535	
	454.7-463.6	8.9	0.403	

The mineralized interval in DDH-10 between 433.1 and 438.0 feet experienced very poor core recovery without any sludge return and may represent only minimum values for this zone.

DDH-10 and DDH-11 were not drilled to sufficient depth to intersect the North Zone mineralization. The high-grade interval reported in DDH-12 of 4.535 oz/ton was checked with a fire assay analysis on a two-assay-ton split.

Sampling results from the geological mapping and soil sampling programs were successful in outlining new mineralized areas in outcrop and in surficial material as well as indicating potential on-strike extensions of the known zones. Grab samples here returned assays up to 1.95 oz/ton gold.

Listed: VSE
Symbol: DLW


R. K. Netolitzky, Director

This news release has been prepared by Ronald K. Netolitzky, Director, on behalf of the Company, and he accepts responsibility for its contents. The Vancouver Stock Exchange has neither approved nor disapproved the information contained herein.

DELAWARE RESOURCES CORP.

SUITE 100 - 1300 8TH STREET S.W., CALGARY, ALBERTA T2R 1B2 / TEL. (403) 228-4426

For Release: September 29, 1986

PROGRESS REPORT - SNIP PROSPECT, B.C.

Exploration meetings with Cominco have confirmed that thirteen drill holes were completed this season for a total of 4,902 feet. The assay results have been received only to hole 9 and have been reported previously. Preliminary geochemical analysis of the balance of the core has indicated high-grade gold mineralization which corresponds to mineralized intervals in the core. The fire-assay results will be available shortly. All drill hole collars have been surveyed:

<u>Hole</u>	<u>Bearing</u>	<u>Dip</u>	<u>Length (feet)</u>	<u>Elevation (feet)</u>
S-86-1	030° Az	-45°	327	2,269
S-86-2	030°	-45°	368	2,405
S-86-3	0°	-50°	332	2,412
S-86-4	030°	-45°	263	2,490
S-86-5	0°	-45°	423	2,555
S-86-6	030°	-45°	353	2,540
S-86-7	270°	-45°	315	2,420
S-86-8	030°	-45°	333	2,049
S-86-9	030°	-45°	159	2,036
S-86-9A	030°	-45°	478	2,036
S-86-10	030°	-45°	528	2,049
S-86-11	0°	-45°	495	2,445
S-86-12	110°	-45°	<u>528</u>	2,428
			4,902 feet	

In addition to the drilling, detailed geological mapping, prospecting, soil geochemistry, trenching, and aerial photographic surveying were conducted. The camp is stored on site within winterized tents. This will enable an early start to the 1987 field programs.

A preliminary interpretation of the 1986 results indicates two sets of mineralized shear structures. Three separate mineralized structures trend N60°W to N70°W with dips indicated at 70°S to vertical. Major cross structures trend approximately N20°E and dip steeply to the west. DDH-3, which is near the intersection of the main structure with the cross structure, returned the best assay intersections obtained to date. -


SASKATCHEWAN PROPERTIES

Field crews have been mobilized to complete grid geophysical and geochemical surveys on the MacKay Lake claim blocks. It is anticipated additional drill targets will be developed from this program.

INDIAN LAKE, N.W.T.

Recently announced successful results from the Echo Bay/Comaplex and Petro-met joint venture confirms the significance of this belt. A crew has been mobilized onto the Delaware/Brazos Petroleum joint venture property to investigate airborne geophysical targets and to conduct reconnaissance prospecting.

Listed: VSE
Symbol: DLW


R. K. Netolitzky, Director

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DELAWARE RESOURCES CORP.

SUITE 100 - 1300 8TH STREET S.W., CALGARY, ALBERTA T2R 1B2 / TEL. (403) 228-4426

PROGRESS REPORT - COMINCO/DELAWARE : SNIP PROSPECT, B.C.

For Release: August, 05, 1986

Delaware Resources Corp. is pleased to report the following drilling results from the SNIP prospect, Iskut River area, B.C.. Fire assay results have now been received from Cominco for DDH-3 which are highlighted by the following intersections:

103-116.1 feet (13.1 feet) 0.438 oz/ton gold

181.7-226 feet (44.3 feet) 0.449 oz/ton gold

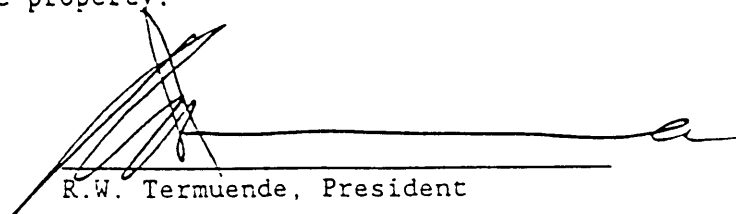
The latter intersection includes 0.871 oz/ton gold over 14.8 feet (includes 1.48 oz/ton over 4.9 feet).

The overall zone of gold enrichment extends from 83.3 to 231 feet (147.7 feet) and averages 0.2018 oz/ton gold. Within this interval are 17.4 feet of core for which analyses have not yet been received therefore no assay values for the above reported interval are included.

The main zone has now been tested over a 500 foot horizontal and 350 foot vertical distance. Trenching completed about 150 feet to the northwest of Trenches 1 & 2 exposed the mineralized structure on which sampling is currently being completed. DDH-4, completed about 300 feet to the southeast, did not intersect the structure. The soil geochemical results indicate that the hole was drilled on a geochemical low. However, anomalous soil geochemical values extend on trend for at least 1500 feet to the southeast.

The Phase II exploration program, consisting of further diamond drilling, trenching and detailed geological mapping, is presently continuing over the main zone. This Phase II program will fulfill Delaware's funding obligations for 1986. It is, however, Delaware's intent to make available a further \$200,000 in exploration funding to Cominco which, when spent, will earn Delaware a 50% interest in the property.

Listed: VSE
Symbol: DLW



R.W. Termuende, President

This news release has been prepared by Robert W. Termuende, President, on behalf of the Company, and he accepts responsibility for its contents. The Vancouver Stock Exchange has neither approved nor disapproved the information contained herein.

DELAWARE RESOURCES CORP.

SUITE 100 - 1300 8TH STREET S.W., CALGARY, ALBERTA T2R 1B2 / TEL. (403) 228-4426

PROGRESS REPORT: SNIP PROPERTY

For Release: July 21, 1986

The initial phase of drilling (522 metres in five holes) has been completed on the SNIP Property in the Iskut River area of B.C. The main zone was tested over a 200-metre strike length.

DDH-1 is located 50 metres to the east and 50 metres above trenches 1 and 2 which returned high-grade gold values in the previous programs. DDH-3 and 4 are located 100 and 200 metres respectively east of DDH-1.

A mineralized and sheared zone of metagreywacke was encountered in DDH-1 over an 85-metre interval. Disseminated pyrite and quartz-carbonate stringers are common throughout. Narrow intervals of near massive pyrite, quartz-carbonate veins, and sections with disseminated chalcopryite and sphalerite are present throughout the mineralized section. The type and intensity of mineralization observed in the drill hole is similar to that exposed in the high-grade #1 trench (0.92 oz/ton Au over 4 m; 2.17 oz/ton Au over 2.1 m and 0.29 oz/ton Au over 3 m in three separate zones).

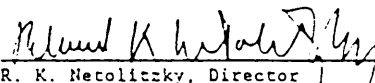
DDH-3 encountered a similar zone of mineralization while DDH-4 encountered a zone of weaker disseminated pyrite mineralization.

DDH-2 tested a parallel structure situated 100 metres southwest of the main zone. This structure was identified by surface chip samples collected in a secondary creek gully over a 200-metre horizontal and 150-metre vertical interval. Assays of grab samples collected in previous programs from this area ranged from 0.47 to 1.21 oz/ton Au. DDH-2 cased into a silicified and sheared metagreywacke mineralized with disseminated pyrite. The entire hole is mineralized with disseminated pyrite. Narrow intervals of more intense shearing, quartz-carbonate veining, massive pyrite, and disseminated chalcopryite are present. DDH-5, located 100 metres to the east, also tested this zone and encountered a similar interval of shearing and mineralization.

The geological and trenching crew are still on site completing the logging of core and planning to complete further trenches to the northwest of the two zones drilled. The very steep slopes will be more efficiently tested initially by trenching. In conjunction with the trenching, further drill pads will be prepared to assist in testing the northwest extension of the known mineralized zones.

Samples for DDH-1 to DDH-3 are currently in Cominco's laboratory for analysis. When the assays are available, including appropriate check analyses, the results will be released.

Listed: VSE
Symbol: DLW


R. K. Netolitzky, Director

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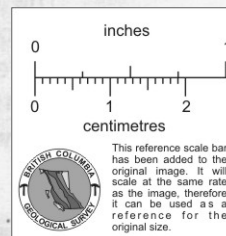
Monitor Report

Loewen, Ondaatje, McCutcheon & Company Limited



DELAWARE RESOURCES CORP.

(DLW - \$9)



Summary and Recommendation

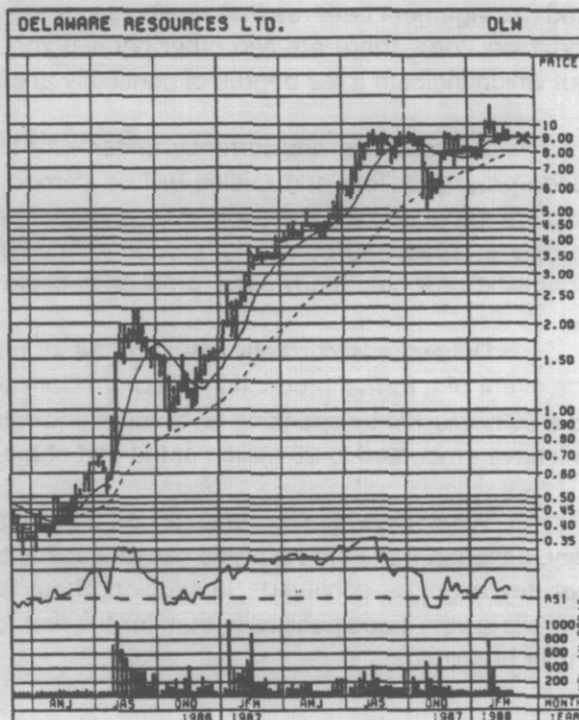
The SNIP deposit, in which Delaware Resources can earn a 40% joint venture interest, has drill indicated reserves of 1.26 million tons grading 0.74 oz. gold per ton. We believe that *this is the best discovery made in the province of British Columbia in the last two to three years. There is excellent potential for increasing ore reserves* since the deposit remains open to depth and on strike to the south, and there are adjacent parallel structures which have not been fully tested.

A production decision is likely about mid-1988 and management forecasts initial production in July of 1989. It is likely that, in the first four to five years of operations, the ore grade mined could be in the order of 1 oz. gold per ton. At this grade and based on a minimum production rate of 500 tons per day, the company could show earnings of \$1.85 per share. A more realistic operating rate is probably 750 tons per day which would suggest potential earnings of \$2.75 per share. Based on a maximum suggested mill rate of 1,250 tons per day, earnings could be \$4.60.

Although the shares are speculative, we believe that they have considerable upside potential and we rate them a buy.

The SNIP Deposit

The SNIP deposit is located in the Iskut River area of northwestern B.C., 62 miles northwest of the town of Stewart. The property lies immediately north of the Skyline property. Access is presently by way of fixed-wing aircraft or by helicopter, but discussions are taking place concerning a possible road access. Delaware Resources currently holds a 100% interest in this joint venture, but Cominco can earn a 60% interest by providing the first stages of mine financing.



The information contained in this report is drawn from sources believed to be reliable, but the accuracy or completeness of the information is not guaranteed, nor in providing it does Loewen, Ondaatje, McCutcheon & Company Limited assume any responsibility or liability. This report is not to be construed as an offer to sell or the solicitation of an offer to buy any securities. The inventories of Loewen, Ondaatje, McCutcheon & Company Limited, its affiliated companies and the holdings of their respective directors and officers and companies with which they are associated, may from time to time include the securities mentioned in this report. Loewen, Ondaatje, McCutcheon & Company Limited is a wholly owned subsidiary of Loewen, Ondaatje, McCutcheon Inc.

The SNIP deposit is composed of three to four steeply dipping parallel zones hosted within a major shear structure whose strike length has been tested for 3,000 feet. The main zone or Twin Zone has been drill tested along a 2,000 foot strike length at 165 foot centres. Widths range from 10-30 feet, with an estimated average of around 17 feet. The ore zone is remarkably continuous, with no missed holes within the strike length. The zone is open to the south and also to depth.

Drill inferred reserves on the Twin Zone are reported at 1.26 million tons, having a grade of 0.74 oz. gold per ton after 20% dilution. There is excellent potential for expanding reserves and management believes that reserves can easily be increased to 3-4 million tons. In addition to the Twin Zone, there are two other parallel zones, on which only limited drilling has been done, but which indicate a fair degree of continuity and should add to ore reserves.

Preparations are currently under way to drive an adit into the core of the main zone. Underground drilling and raising will be carried out to test the continuity of the deposit and to explore the down dip extension. Management anticipates that a production decision will be made in July of 1988 and that initial production could be achieved in July of 1989. This may be an optimistic view but, in any case, production could be achieved in 1990.

Delaware is currently spending \$4.46 million on the project to earn a 100% interest. In the event of a formal production decision, Cominco has the option to exercise its right to earn up to a 60% interest by spending an amount equivalent to twice Delaware's total expenditures, which will have amounted to \$8 million at the end of the current program.

We believe that the deposit can be initially mined at a minimum rate of 500-750 tons per day, although if the ore reserves can be substantially increased, then a rate as high as 1,250 tons per day might be achieved. In addition, there is a higher grade section within the orebody and there is a very good possibility that, for the first four to five years, a grade of approximately 1 oz. might be mined.

Earnings Forecast

The table on page 3 is our assessment of potential earnings at the various mill rates. As can be seen in our assessment, we have shown possible earnings at three different mill rates, 500, 750 and 1,250 tons per day, using a grade of 1 oz. per ton and also the mine average grade of 0.74 oz. per ton. The metallurgical testing has indicated recoveries as high as 97%. Operating costs are always difficult to assess in a new area; however, based on our research, we believe that mine operating costs can be as low as \$90 per ton. In our assessment, we have used \$100 per ton for the 500 and 750 tons per day rates, but dropping to \$90 per ton at the 1,250 tons per day rate. The cost of a 500 tons per day mill is estimated at \$35 million. Delaware currently has a cash position of \$13 million and, together with funds from Cominco, there will be sufficient funds to bring the mine into production without debt. Based on our analysis, the earnings and cash flow may be summarized as shown on page 4.

March 8, 1988

Loewen, Ondaatje, McCutcheon & Company Limited

DELAWARE RESOURCES CORP.

page 3

DELAWARE RESOURCES

Earnings Forecast (based on a full year of production)

SENSITIVITY ANALYSIS				Grade of 1.0 oz./ton			Grade of .74 oz./ton		
S.N.I.P.									
Tons Milled/Day	500	750	1,250		500	750	1,250		
Tons Milled/Year	180,000	270,000	450,000		180,000	270,000	450,000		
Gold Grade (oz./ton)	1.00	1.00	1.00		0.74	0.74	0.74		
Recovery Factor (%)	94.0%	94.0%	94.0%		94.0%	94.0%	94.0%		
Gold Produced (oz.)	169,200	253,800	423,000		125,208	187,812	313,020		
Operating Cost (\$Cdn./ton)	\$100.00	\$100.00	\$90.00		\$100.00	\$100.00	\$90.00		
Operating Cost (\$U.S./oz. Gold)	\$82.98	\$82.98	\$74.68		\$112.13	\$112.13	\$100.92		
Depreciation (\$Cdn./oz.)	\$40.00	\$45.00	\$50.00		\$40.00	\$45.00	\$50.00		
Gold Price (\$U.S./oz.)	\$450	\$450	\$450		\$450	\$450	\$450		
Exchange Rate (\$Cdn./\$U.S.)	0.78	0.78	0.78		0.78	0.78	0.78		
INCOME STATEMENT - DLW's 40%									
Revenue	\$39,046	\$58,569	\$97,615		\$28,894	\$43,341	\$72,235		
Cash Operating Cost	7,200	10,800	16,200		7,200	10,800	16,200		
Depreciation	2,707	4,568	8,460		2,003	3,381	6,260		
Operating Income	29,139	43,201	72,955		19,691	29,161	49,775		
Tax (45%)	13,113	19,440	32,830		8,861	13,122	22,399		
Net Income	\$16,026	\$23,760	\$40,125		\$10,830	\$16,038	\$27,376		
Net Income Per Share - Fully Diluted	\$1.84	\$2.73	\$4.61		\$1.24	\$1.84	\$3.15		
Shares O/S (000) - Fully Diluted	8,700	8,700	8,700		8,700	8,700	8,700		
Impact of \$25 Change in Gold Price on E.P.S. (\$Cdn.)	\$0.12	\$0.18	\$0.31		\$0.09	\$0.14	\$0.23		
CASH FLOW ANALYSIS									
Net Earnings	\$16,026	\$23,760	\$40,125		\$10,830	\$16,038	\$27,376		
Depreciation	2,707	4,568	8,460		2,003	3,381	6,260		
Deferred Tax	6,480	9,720	10,397		6,480	9,720	10,397		
Cash Flow	25,214	38,049	58,982		19,313	29,139	44,034		
Cash Flow Per Share	\$2.90	\$4.37	\$6.78		\$2.22	\$3.35	\$5.06		

March 8, 1988

DELAWARE RESOURCES CORP.

page 4

	<u>Grade of 1.0 oz./ton</u>			<u>Grade of 0.74 oz./ton</u>		
Mill rate	500	750	1,250	500	750	1,250
Net income/sh.	\$1.84	\$2.73	\$4.61	\$1.24	\$1.84	\$3.15
Cash flow/sh.	2.90	4.37	6.78	2.22	3.35	5.06

Conclusion

The SNIP ore deposit is an impressive discovery which has the potential for becoming a low cost mining operation, with operating costs in the order of \$100 per ton. Based on a grade of 1 oz. gold per ton which we believe can be achieved in the early years, cash operating costs would be under US\$90 per oz.

A mill rate of at least 500 tons per day is indicated but, because of the excellent possibility for expanding ore reserves, a more realistic mill rate is probably 750 tons per day, with an ultimate possible mill rate of 1,250 tons per day. It should be a relatively easy orebody to mine since the rocks are competent and there are good widths. The area is, at present, accessible by aircraft, but because of the high level of activity in the area, there is a good possibility that road access will be provided.

Valuing Delaware Resources vs. Junior Gold Producers

	Share Price Mar. 04/88	<u>Earnings Estimates and P/E Ratios</u>					
		<u>1988</u>	<u>P/E</u>	<u>1989</u>	<u>P/E</u>	<u>1990</u>	<u>P/E</u>
Mascot	\$9.25	\$0.85	10.9	\$1.25	7.4	\$1.25	7.4
Pioneer	\$10.25	\$0.80	12.8	\$0.85	12.1	\$1.00	10.3
Granges	\$6.13	\$0.55	11.1	\$0.85	7.2	\$0.90	6.8
Hycroft	\$4.55	\$0.60	7.6	\$1.05	4.3	\$1.10	4.1
Average			10.6		7.7		7.1
Delaware	\$9.00					\$1.84	4.9
						\$2.73	3.3
						\$4.61	2.0

The stock, currently at \$9 per share, is attractively priced in relation to other junior gold shares, as illustrated in the table above. ***As can be seen, the stock is trading at a relatively low p.e. multiple in relation to forecast future earnings and we recommend it as an attractive developing junior gold.***

Toronto, Ontario
March 8, 1988

H. Reimer (416) 869-7236
S. Anderson (416) 869-7238

DELAWARE RESOURCES CORP.

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Vancouver, B.C. V6C 1E5
Telephone (604) 684-9595
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NEWS RELEASE

January 22, 1988

DELAWARE RESOURCES CORP. wishes to announce that the Company has agreed to fund a \$4.46 million dollar program on the COMINCO operated SNIP Project to commence immediately.

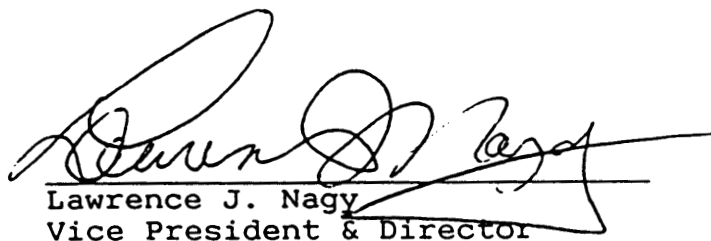
The COMINCO-DELAWARE Technical Committee has approved an exploration program to be completed by August. The program has a major underground component and will include 400 metres of main heading, 200 metres of cross-cutting, 200 metres of raising, and 4700 metres of underground drilling.

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 million on the project.

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

Listed: VSE
Symbol: DLW



Lawrence J. Nagy
Vice President & Director

This News Release has been prepared by L. J. Nagy on behalf of the Company; he accepts full responsibility for its contents. The Vancouver Stock Exchange has neither approved nor disapproved the information contained herein.

Investment Comment

Delaware's Snip venture with Cominco gives it appeal

While Toronto-based *Brown, Baldwin, Nisker Ltd.* usually reserves its judgment for larger gold mining concerns, it has come up with a research report on what it calls an exciting junior play with lots of risk-oriented appeal.

Vancouver-listed Delaware Resources either owns or is involved in a number of projects across the country but it is a 40% interest in Cominco Ltd.'s Snip property in northern British Columbia which makes Delaware a buy, says analyst Richard Cohen.

Located in the Iskut River area 110 km northwest of Stewart, B.C., the 1,675-ha-property is accessed by a 70-km dirt road that connects with the Stewart Cassiar Highway.

With inferred reserves standing at 1.2 million tons grading 0.75 oz gold per ton, the Snip property is thought to host one of the largest untapped gold reserves in western Canada. As reported (N.M., Dec 14/87), reserves are defined as drill inferred because the spacing isn't sufficient for drill indicated.

According to Cohen's research report, current reserves warrant a 500-ton-per-day mill which should

produce in excess of 115,000 oz annually at a cost of \$140(US) per oz.

Snip Claims

Under a revised agreement, Delaware is spending up to \$4 million in order to earn up to a 100% interest in the Snip claims. When Delaware has either spent the full amount, or elects not to fund the program any further, Cominco has the option to earn back up to 60% by spending 2.25 times the difference between the total expenditures of the two companies.

With 46,000 ft (73 holes) of diamond drilling completed this year, an underground exploration program, designed to confirm the continuity and grade of the deposit through lateral and inclined development, is scheduled to get underway in February.

Of the 73 holes drilled, Delaware reports that 46 had ore grade intersections and the most significant area, the Twin zone, has been drilled on 165 ft-centres over a strike length of 2,100 ft.

Additional reserves could justify up to a 1,250-ton-per-day operation

and total gold production at the higher rate is estimated at 215,000 oz annually at a similar cost, the report says.

A production decision is expected this spring and when production begins in late 1989 or early 1990, there are two possible scenarios under which the mine could operate, the Cohen report says.

Capital Costs

Under Cohen's best case scenario, a 2-million-ton deposit at a grade of 0.7 oz gold per ton will support a 500 tpd milling operation. Capital costs are estimated at \$25 million and Delaware's 40% share would add up to \$10 million.

Cohen says Delaware has sufficient financing in place to fund the majority of their capital requirements with the remainder available through gold loan facilities.

Under this set of circumstances, Cohen sees fully-diluted annual earnings at \$1 per share by 1990 assuming a gold price of \$450(US) and a British Columbia tax rate of 51%. Pre-tax cash flow would be in excess of \$2.20 per share.

As a result, the analyst says a 10-

to 15-times price-earnings multiple would imply a future stock price of between \$10 and \$15 per share.

If, under a second scenario, five million tons grading 0.5 oz are delineated (Cohen warns that the potential for this is based on very limited geological information), he believes that a deposit of that size would warrant a mill expansion to 1,250 tpd for an additional capital cost of \$15 million.

Due to economies of scale, the report says operating costs are estimated to decrease to \$90 per ton and annual production would be in the region of 205,000 oz annually.

Higher Multiple

In this scenario, earnings are estimated at approximately \$1.70 per share but since a larger operation would command a higher multiple, Cohen estimates that the stock could reach \$25 per share based on a 15 multiple.

At \$8.13 (when the report was written) on the Vancouver Stock Exchange, the stock is currently trading between 9 and 10 times 1990-91 earnings at the lower production rate of 500 tpd.

At the higher production rate, and with 7.02 million shares currently outstanding, BBN says Delaware is trading at an estimated four to five times prospective earnings.

The Delaware issue was still trading (at presstime) at \$8.13 in a 52-week range of \$9.50 and \$1.75.

"The stock price is at least 50% undervalued based on our base case estimate of two million tons in reserves," said the BBN report. "We also believe there is good potential for eventually defining a 4- to 5-million-ton deposit that could justify a tripling of the present share price," it said.

"On that basis, the risk-reward ratio looks excellent."

DELAWARE RESOURCES CORP.

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16 The Northern Miner February 1, 1988

Cominco going underground soon

VANCOUVER — Underground exploration at the SNIP gold project in northwestern British Columbia should begin sometime in February, says Cominco Ltd., the operator. **Delaware Resources will fund the \$4.5-million program which is scheduled for completion by August.**

Bill Wolfe Cominco's exploration manager for western Canada, confirms they are "walking in some equipment and are clearing the portal site" which has yet to be col-

lared. "It will probably be the middle of February at least before that happens," he estimates.

Drilling is scheduled underground as soon as possible and the company is "planning to develop a few drill subs while driving towards ore," he adds. The purpose of the program is to test for down-dip extensions to see if the vein extends to the 150 level.

Wolfe emphasizes the next six months will be critical, adding that

"if we find what we hope is there we should be in good shape to go for early production on it. That's what we are working towards."

The underground program will include about 1,300 ft of adit, 650 ft of crosscutting, 650 ft of raising, and approximately 15,000 ft of underground drilling. A preliminary economic assessment will be prepared after the work is completed which could be sufficient to proceed with production.

At the end of the program, Delaware will have spent approximately \$8 million on the project; Cominco can back in for a 60% interest by agreeing to fund two times Delaware's exploration expenditures when a production decision is announced.

Inferred reserves are currently 1.2 million tons grading 0.75 oz gold which works out to about 800,000 oz of recoverable gold. The reserve inventory is thought to be conservative and there were no blank holes within the zone which could easily continue to depth. Topographic constraints prevented further testing of the ore horizon at depth from which some impressive values were reported.

Cominco back into gold

by David Duval

VANCOUVER — Describing the calculation as "fairly conservative," Cominco Ltd. President Robert Hallbauer says he is "pretty enthusiastic" about the reserve inventory established for the company's SNIP property in northwestern British Columbia.

Vancouver-based Delaware Resource has been funding work on the property and Cominco, the operator, can back in for 60% at feasibility. Inferred reserves are cur-

rently 1.2 million tons grading 0.75 oz gold, representing over 800,000 oz of recoverable metal and probably one of the largest untapped gold reserves in western Canada. The reserve has been diluted by 20% and values have been cut to approximately 4.3 oz.

In the recent past Cominco has tended to emphasize "core business activities," namely base metals (zinc, lead and copper) with little reference to gold. The company sold its Con gold mine at Yellow-

knife and put its Buckhorn mine in Nevada into Cominco Resources International, which incidentally has been getting most of the headlines lately on the exploration front.

But Hallbauer emphasized to *The Northern Miner* that Cominco's core business is "mining" which involves several commodities including gold. Indeed, Cominco has been actively exploring for precious metals in Canada and Alaska with at times impressive results. The SNIP project is just one example and he confirms "it looks very good, has a nice grade and there are no blank holes within the zone."

Dr William Wolfe, Cominco's exploration manager for western Canada, says the reserves are classified as drill-inferred because the "spacing isn't good enough for drill-indicated." Spacing was halved this year to approximately 165 ft and he is confident they have been "matching up the right things." Drilling intermediate holes between the fences was next to impossible because of topographical considerations including a 35°-45° dip on the hillside.

Cominco's project geologist, Ron Nichols, says the Twin zone has the best continuity and correlation between holes. Drilling was at right angles to the shear/vein structure which only outcrops at three locations because of overburden. The steep hillside is heavily treed which has prevented overburden from migrating down to the valley floor; but the soils give a very good geochemical response which has enabled them to isolate prospective gold-bearing areas.

Several mineral types

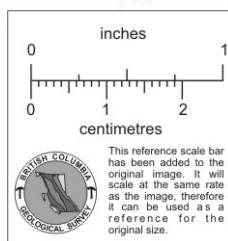
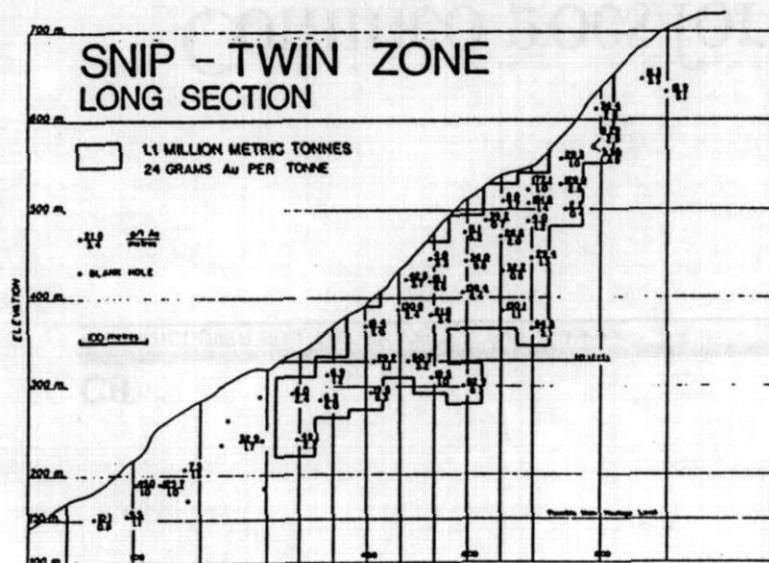
Several mineral types have been encountered including calcite, pyrite, quartz, biotite, and chlorite; but the gold can be associated with any one of these, he claims. The gold appears to be free milling and at this point no metallurgical problems are anticipated. Arsenopyrite has been noted locally but he confirms it is not widespread. Most of the gold occurs at sulphide margins or in gangue.

Cominco had approximately 40 people at one site this season and completed about 46,000 ft of drilling in 73 holes. Most of these (two-thirds) were on the main trend but some drilling was also done outside the Twin zone. Several good intersections were returned in parallel structures but they didn't have the continuity of the Twin zone.

An underground program is planned next year and work could get under way in February or March. The purpose of the program is to confirm the continuity and grade of the deposit through lateral and inclined development. "This underground phase will answer a tremendous number of questions," says Nichols.

The 325 level, which is approximately 1,000 ft above sea level, could be the location for the adit, he adds. Drill stations would be cut out and the lower reaches of the zone would be tested. A haulage level could be established at the 150 level near the valley bottom which will ease access to the mine and allow gravity to work for them in the event production is feasible.

Delaware President Ronald Netolitzky confirms his company has already spent \$3.5 million on the project and believes it will take a similar amount to reach feasibility in 1988. The program will be funded through a one-million-share private placement at \$5.50 with Toronto-based Western Goldfields. There are also one million warrants attached which are exercisable within a year at \$7. The Skyline project is about 2.5 miles from the SNIP.



Cominco goes for gold as drilling shows major find



BOB HALLBAUER:
'Results are good'

By RODNEY NUTT
Sun Business Reporter

Cominco Ltd. has made an important gold find in northwest B.C.

Cominco chief executive Bob Hallbauer said Thursday the Snip property northwest of Stewart on the B.C. Coast has estimated reserves of 700,000 ounces of gold based on the current drilling results.

At today's gold price, the reserves would have a value of about \$350 million US.

Asked whether the Snip property could develop into another Hemlo, the

Ontario gold camp, Hallbauer said: "We've drilled a lot of holes and so far the results are technically very good."

"The work has been done carefully and the results to date indicate very high grades. That's all we're saying."

Based on existing drilling results, the property contains 1.1 million tonnes of ore grading 0.7 ounces per tonne.

But there's a lot more drilling to be done, which will likely firm up more gold reserves.

An underground program is scheduled for early 1988 to confirm the

continuity and grade of the deposit.

Cominco explorations vice-president Owen Owens said there are other intersections to drill, "so we are optimistic for the property."

The Snip property is a joint-venture development with Delaware Resources Corp., which has financed the work in recent years.

However, the joint-venture agreement provides for an ultimate Cominco interest of 60 per cent.

Canarim director of research Steve Semeniuk said there's "no question it's a major find, and Delaware stock has been edging up recently in antici-

pation of good results."

The new find means the Stewart area is developing into a major gold area.

The Snip property is close to Skyline Explorations' Johnny Mountain property, expected to come into production next year, and Westmin Resources Ltd.'s Big Missouri and Silbak Premier properties, also scheduled for production in 1988.

Skyline will produce 70,000 ounces of gold a year and Westmin 80,000 ounces of gold and more than 500,000 ounces of silver a year.

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NEWS RELEASE


December 3, 1987

DELAWARE RESOURCES CORP. has been advised by COMINCO LTD. today of the following:

"The 1987 field program on the SNIP property in Northwestern B.C. has been completed. This is a joint venture project with Delaware Resources Corp. who have financed work in recent years.

Seventy three holes were drilled, forty six of which intersected significant widths and grades of gold mineralization. Thirty one of the intersections lie in the TWIN ZONE, a 45° dipping calcite-pyrite-quartz-biotite-gold vein. The drilling is at approximately 50-metre intervals, which leaves uncertainty about correlation from hole to hole and underground development will be required to adequately establish grade and tonnage. However, based on existing results, 1.1 million tonnes can be inferred at a grade of 24 grams per tonne (.7 oz per ton) with 20% dilution and cutting assays to 150 grams. The zone is 450 metres in length and open to depth. An underground program is being designed for early 1988 to confirm the continuity and grade of the deposit. The joint venture agreement provides for an ultimate Cominco interest of 60%."

Listed: VSE
Symbol: DLW



Ronald K. Netolitzky
President and Director

This News Release has been prepared by R.K. Netolitzky on behalf of the Company; he accepts full responsibility for its contents. The Vancouver Stock Exchange has neither approved nor disapproved the information contained herein.

SNIP - TWIN ZONE LONG SECTION

700 m.

600 m.

500 m.

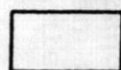
400 m.

300 m.

200 m.

150 m.

100 m.



1.15 MILLION METRIC TONNES
24 GRAMS Au PER TONNE

• $\frac{21.8}{3.4}$ $\frac{\text{g/t Au}}{\text{metres}}$

◦ BLANK HOLE

100 metres

ELEVATION

• $\frac{11.3}{3.3}$

• $\frac{15.9}{3.1}$

• $\frac{36.4}{2.8}$

• $\frac{9.29}{2.9}$

• $\frac{5.65}{6.9}$

• $\frac{29.3}{1.0}$

• $\frac{172.1}{1.0}$

• $\frac{151.8}{1.4}$

• $\frac{4.0}{1.2}$

• $\frac{26.6}{2.0}$

• $\frac{32.2}{0.8}$

• $\frac{29.4}{1.3}$

• $\frac{130.1}{1.1}$

• $\frac{56.5}{2.1}$

• $\frac{138.4}{6.4}$

• $\frac{36.0}{9.8}$

• $\frac{11.1}{5.2}$

• $\frac{39.2}{0.7}$

• $\frac{8.0}{3.7}$

• $\frac{4.0}{3.3}$

• $\frac{42.5}{3.7}$

• $\frac{15.1}{8.6}$

• $\frac{130.8}{2.4}$

• $\frac{21.8}{3.4}$

• $\frac{15.4}{2.0}$

• $\frac{29.2}{1.1}$

• $\frac{50.7}{3.2}$

• $\frac{19.5}{1.0}$

• $\frac{82.9}{8.3}$

• $\frac{6.9}{1.2}$

• $\frac{6.0}{2.4}$

• $\frac{6.3}{6.0}$

• $\frac{49.1}{2.2}$

• $\frac{32.9}{1.7}$

• $\frac{7.5}{1.5}$

• $\frac{45.0}{1.0}$

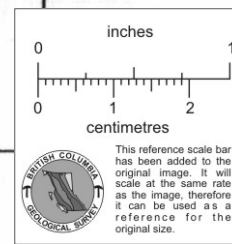
• $\frac{125.7}{1.0}$

• $\frac{10.1}{0.8}$

• $\frac{9.5}{1.1}$

325 LEVEL

Possible Main Haulage Level



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NEWS RELEASE

March 22, 1988

DELAWARE RESOURCES CORP. wishes to announce that a Directors' Circular was mailed on March 21, 1988 to Shareholders of Record regarding the Offer of Colossus Resource Equities Inc.

The Board of Directors' recommend rejection of the Offer at this time for the following reasons.

Firstly, the Company is proceeding with a major exploration program on the SNIP property which the Board of Directors feels has a very high possibility of substantially increasing the asset value of the Company. The Company is currently in a strong cash position to fund this major exploration and development effort. It has the benefit of a senior joint venture partner in COMINCO LTD. which is fully capable of taking the SNIP project to production, with the unusual advantage of having Cominco funding a significant portion of the capital costs to earn back its 60% interest.

Secondly, the average closing price of two shares of the Offeror, but ignoring the warrants, for the 20 trading days ending March 18, 1988 (being the last trading day preceding the date of the directors' circular) was \$7.20 compared to an average trading price of \$9.17 for one share of the Company. As such, the Offer is substantially below the market value of the shares.

The Company has received a letter report from ORCAN MINERAL ASSOCIATES LTD. dated March 21, 1988 and written by Robert S. Adamson, P.Eng., and C. Raymond Saunders, P.Eng. The report reviews the drill and assay data, comments upon Cominco's reserve calculation and assesses the potential for additional reserves on the property. In their report the Cominco reserve calculation is supported and it is stated that:

"When developed underground, gold vein reserves are commonly upgraded; that is, actual grades prove to be higher than drilling grades (particularly those in which high grade assays have been cut). At the nearby Skyline operation, the actual reserve grade was increased more than 50% over the drill hole reserve grade. On this premise, it will not be surprising if the Twin Zone reserve, when mined, is in the order of one ounce gold per ton (outstanding for vein gold deposits)."

PROPERTY FILE
370 2401 052 2401

The report then goes on to state that:

"On the SNIP property, there are excellent opportunities to augment reserves.

On the Twin Zone structure alone, there is a strong probability that the present reserve can be expanded. Drilling to date indicates that, downdip and eastward along strike into the hillside, the zone is decreasing in neither width nor grade. Significant drill hole intercepts have been remarkably consistent for a vein gold deposit. Thus, the potential of the Twin Zone deposit is considered to be at least as much again as the current geological reserves."

"Within the drilled area containing the Twin Zone, there are numerous intersections in both the hanging wall and footwall of the zone with sufficient grade and width to merit further exploration.... In the normal course of exploration and development of the Twin Zone, it is reasonable to expect that mineable zones will be developed on these structures and probably exploited in harmony with Twin Zone production. On the basis of the available data, it is not unreasonable to expect the tonnage in these parallel and/or branching zones to be in the order of one quarter of that in the Twin Zone. It could be appreciably larger."

"Therefore, in our opinion, a reasonable expectation of the ultimate reserves to be developed on the SNIP property could be in the order of three to five million tonnes."

The report concludes that:

"It is evident that the SNIP property has the potential to be a highly profitable, relatively long term, gold producer. The grade is sufficiently attractive, particularly within the present Twin Zone reserve where production will obviously begin, to envisage a rapid capital payback."

"On the basis of the potential reserve, it is reasonable to expect that the operation could be expanded (from a proposed 500 tons per day) in short order to 750 or 1,000 tons per day, or perhaps even to a larger rate of production."

"In summary, on the basis of the present exploration results, the SNIP property is one of the most economically attractive vein gold deposits to be discovered in recent times."

Delaware Resources Corp. announced on January 22, 1988 that it has agreed to fund a \$4.46 million exploration program on the SNIP property, with Cominco continuing as the operator. The program was approved by a joint technical committee of the two companies. The program which is presently being carried out includes 400 meters of main heading, 200 meters of cross-cutting, 200 meters of raising and 4,700 meters of underground drilling.

The prime objective of this program is to determine additional ore reserves in the proven category to support a production decision. Other objectives include an evaluation of mining procedures, determination of the continuity of ore zones, procurement of bulk samples, drilling of the Twin structure to depth and the drill investigation of other mineralized structures.

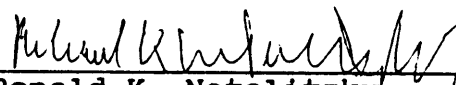
Cominco is undertaking engineering, geotechnical and environmental studies in conjunction with the exploration program to 'fast-track' this project. A project plan has been delivered to the British Columbia government on the SNIP project which indicates the objective of delivery of a Stage I report as early as July 1988 and possible production by Fall 1989.

The current exploration program which is planned to be completed by the end of July 1988 should obtain sufficient information to allow Cominco to deliver a production notice to the Company. Subject to continuing favourable results, a formal feasibility study may be waived which would result in Cominco funding expenditures to earn back a 60% interest.

Under the assumption of a \$35 million capital project, the Company would be carried for the initial \$16 million of expenditures and would be responsible for funding 40% of the remaining \$19 million of costs, namely, \$7.6 million. This amount could easily be funded by the Company through the exercise of presently outstanding warrants and options.

If the development of the SNIP property proceeds as expected, Delaware Resources Corp. will have a 40% working interest in a low-cost, high-grade gold mine without the need for additional dilution of its outstanding shares.

Listed: VSE
Symbol: DLW



Ronald K. Netolitzky
President and Director

This News Release has been prepared by R.K. Netolitzky on behalf of the Company; he accepts full responsibility for its contents. The Vancouver Stock Exchange has neither approved nor disapproved the information contained herein.

DELAWARE RESOURCES CORP.

DIRECTORS' CIRCULAR

relating to the Offer of

COLOSSUS RESOURCE EQUITIES INC.

dated March 11, 1988

to purchase common shares and warrants of
Delaware Resources Corp.

RECOMMENDATION

The Board of Directors believes that, in light of the respective trading values of the Offeror and the Company and in light of the future prospects for the Company, the Offer does not adequately reflect the present nor the future worth of the Shares and Warrants of the Company to investors. Accordingly, the Board of Directors recommends that investors should continue to hold their Shares and Warrants and should not accept the Offer.

March 21, 1988

DELAWARE RESOURCES CORP.

DIRECTORS' CIRCULAR

This directors' circular is issued by the board of directors (the "Board of Directors") of Delaware Resources Corp. (the "Company") in connection with the offer made by Colossus Resource Equities Inc. (the "Offeror") to acquire common shares and certain warrants of the Company exercisable at \$7.00 per share (the "Shares" and the "Warrants", respectively) on the basis of two common shares of the Offeror together with two share purchase warrants, each to purchase one additional common share in the Offeror at the price of \$4.00 and \$4.50, respectively, for each Share of the Company and three-quarters of a common share of the Offeror together with one share purchase warrant to purchase one additional common share of the Offeror at the price of \$4.50, for each Warrant of the Company. The terms and conditions of the Offeror's offer are contained in its offer and takeover bid circular both dated March 11, 1988 (collectively the "Offer").

CURRENT POSITION OF THE COMPANY

The Company's principal asset is its joint venture with Cominco Ltd. ("Cominco") on the SNIP property in the Iskut River region of northwest British Columbia. The property is currently owned 100% by the Company subject to Cominco's right to earn back a 60% working interest in the property. The Company estimates that Cominco would be required to fund in the order of \$16 million to acquire such 60% interest which expenditures would be made prior to the Company funding further expenditures.

The exploration results subsequent to September 30, 1987 on the SNIP property have confirmed the presence of a major gold deposit. On December 3, 1987 a joint news release was issued by Cominco and the Company which indicated the significant reserve potential of the Twin Zone as outlined by 46 drill holes. Cominco has prepared preliminary reserve estimates which, although limited to a small portion of the potentially mineralized structures, would support a commercial operation. Cominco has determined that 1.15 million tonnes (1.2 million tons) of ore can be inferred at 24 grams of gold per tonne (0.7 ounces of gold per ton) including 20% dilution and the reduction of assays higher than 150 grams of gold per tonne to 150 grams. The Twin Zone is one of several zones of mineralization on the property.

As all the 1987 exploration results become available, the above quoted reserves appear conservative in regard to the overall reserve potential of the property. The exploration program currently underway has as one of its objectives the establishment of sufficient proven reserves to support a production decision.

The Company has received a letter report from Orcan Mineral Associates Ltd. dated March 21, 1988 and written by Robert S. Adamson, P.Eng. and C. Raymond Saunders, P.Eng. The report reviews the drill and assay data, comments upon Cominco's reserve calculation and assesses the potential for additional reserves on the property. In their report the Cominco reserve calculation is supported and it is stated that:

"When developed underground, gold vein reserves are commonly upgraded; that is, actual grades prove to be higher than drilling grades (particularly those in which high grade assays have been cut). At the nearby Skyline operation, the actual reserve grade was increased more than 50 percent over the drill hole reserve grade. On this premise, it will not be surprising if the Twin Zone reserve, when mined, is in the order of one ounce gold per ton (outstanding for vein gold deposits)."

The report then goes on to state that:

"On the Snip property, there are excellent opportunities to augment reserves.

On the Twin Zone structure alone, there is a strong probability that the present reserve can be expanded. Drilling to date indicates that, downdip and eastward along strike into the hillside, the zone is decreasing in neither width nor grade. Significant drill hole intercepts have been remarkably consistent for a vein gold deposit. Thus, the potential of the Twin Zone deposit is considered to be at least as much again as the current geological reserves."

"Within the drilled area containing the Twin Zone, there are numerous intersections in both the hanging wall and footwall of the zone with sufficient grade and width to merit further exploration...In the normal course of exploration and development of the Twin Zone, it is reasonable to expect that mineable zones will be developed on these structures and probably exploited in harmony with Twin Zone production. On the basis of the available data, it is not unreasonable to expect the tonnage in these parallel and/or branching zones to be in the order of one quarter of that in the Twin Zone. It could be appreciably larger."

"Therefore, in our opinion, a reasonable expectation of the ultimate reserves to be developed on the Snip property could be in the order of three to five million tonnes."

The report concludes that:

Delaware Resources Corporation (DLW-V)

Recent Price: C\$8.13

52 Week:

High \$9.50

Low \$1.75

Shares Outstanding:

Basic: 7.02 million

F.D.: 8.45 million

Major Shareholder: Western Goldfields (28% fully diluted)

Recommendation: Exciting junior play for risk-oriented clients.

SUMMARY

Delaware -- A Significant Emerging Gold Producer

While BBN's research is primarily devoted to analysis of the senior gold companies, occasionally a property comes to our attention that warrants a hard look. After all, isn't it every investor's hope that today's junior becomes tomorrow's senior company?

Delaware Resources is presently exploring Cominco's Snip Property, located in northwest British Columbia, and only a few km north of Skyline's Stonehouse Deposit. Drill indicated reserves on one zone alone are estimated at 1.8 million tons with an average grade of 0.7 ounces of gold per ton over a mining width of 17 feet. Needless to say, grades and widths of these dimensions are spectacular. Delaware and Cominco will now begin an underground program to upgrade the reserve status and to delineate additional mineralized zones.

BBN estimates that the current reserves warrant a 500 ton per day mill which should produce in excess of 115,000 ounces per annum at a cash cost of US\$140 per ounce, of which 40% will represent Delaware's share. We also believe that there is potential for additional reserves, which if delineated, could justify up to a 1,250 ton per day operation. Total gold production at the higher rate is estimated at 215,000 ounces per annum at a similar cost.

The stock is currently trading between 9 and 10 times 1990-1991 earnings at the lower production rate of 500 tons per day. At the higher production rate, Delaware is trading at an estimated 4 to 5 times prospective earnings.

The stock is strongly recommended for investors willing to participate in the higher risks of a developing mine.



Introduction

Shares of Delaware Resources Corporation are listed on the Vancouver Stock Exchange. The company wholly owns and/or is in joint ventures on a number of properties in British Columbia, Northwest Territories, Saskatchewan and Quebec. Of particular interest is Delaware's 40% (fully diluted) interest in the Snip gold property, located in Northern British Columbia, the focus of this report.

The company has sufficient funding to carry out the terms of its exploration agreements though it may need some additional production financing.

Issued Share Capital

As of November 20, 1987, there are 7.02 million shares outstanding. A description of the shares on both a basic and fully diluted number is as follows:

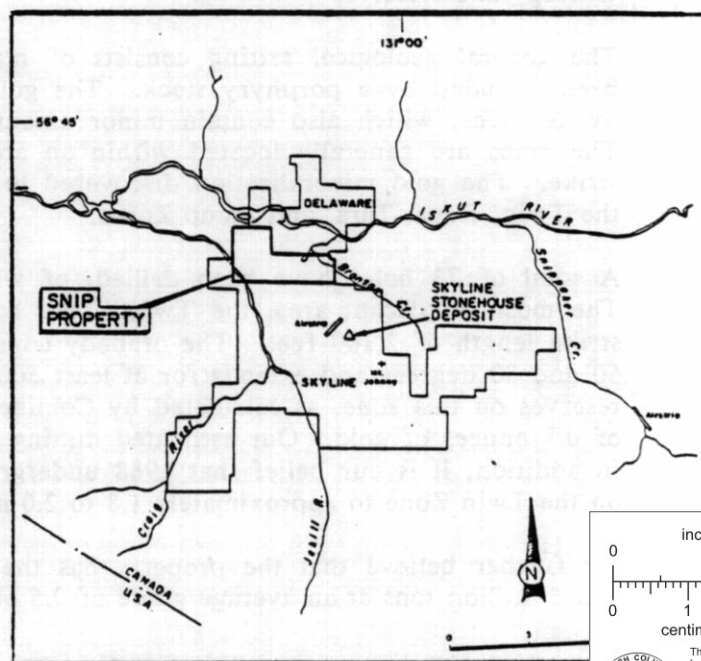
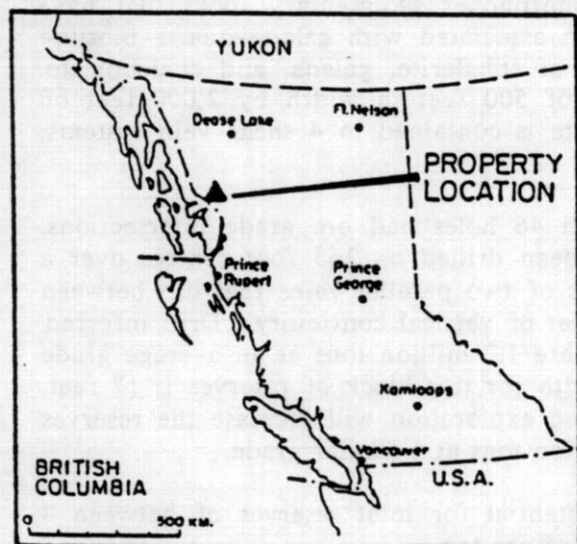
Issued Share Capital (basic and fully diluted)

	Number of shares ----- (000)
Issued share capital (basic) March 31, 1987	5,699
Shares issued to November 20, 1987	
Private placement	25
F.T. Henderson Group	150
F.T. Mintax No. 1	47
F.T. Diversiflow VI	19
F.T. Diversiflow VII	21
F.T. Diversiflow VIII	58
Western Goldfields placement	1,000
	----- 7,020
Shares to be issued:	
F.T. DOF management	63
Kitkat & Aitken	50
CLD Financial Opp. Fund	141
warrants	70
Multiple Opp. Fund	70
warrants	35
Western Goldfields warrants	1,000
	----- 1,429
Total (fully diluted)	----- 8,449
Notes:	
Western Goldfields will own 28% of the issued capital on a fully-diluted basis.	

Location

The Snip Property consists of seven claims (1,675 hectares) located near Johnny Mountain, in the Iskut River area, 110 km northwest of Stewart, B.C. The claims can be accessed by a 70 km dirt road that connects with the Stewart-Cassiar highway. There is also an airstrip located on Skyline's property, 5 km south.

The mineralized zones have been exposed on a hillside, called the "Johnny Nose", between 600 and 650 metres above sea level though drilling has outlined the deposit down to the 250 metre level.



Courtesy of Delaware Resources Corp.

History

Gold was originally discovered in the area in the early 1900's. Cominco originally staked the claims in 1929 and again in 1964. A Cominco geologist discovered a gold occurrence on the Snip property, staked by Cominco again in 1980. In 1986, Delaware optioned the property from Cominco, retaining Cominco as the operator.

The Option Agreement

Under a revised agreement dated January 1987, Delaware is spending up to \$4 million in order to earn up to a 100% interest in the Snip claims. When Delaware either has spent the full amount, or elects not to fund the program further, Cominco has the option to earn back up to 60% interest by spending 2.25 times the difference between Delaware's expenditures and Cominco's expenditures. Once a production decision has been made, Cominco's cost of earning back its 60% interest declines to 2.0 times the difference between Delaware's and Cominco's expenditures.

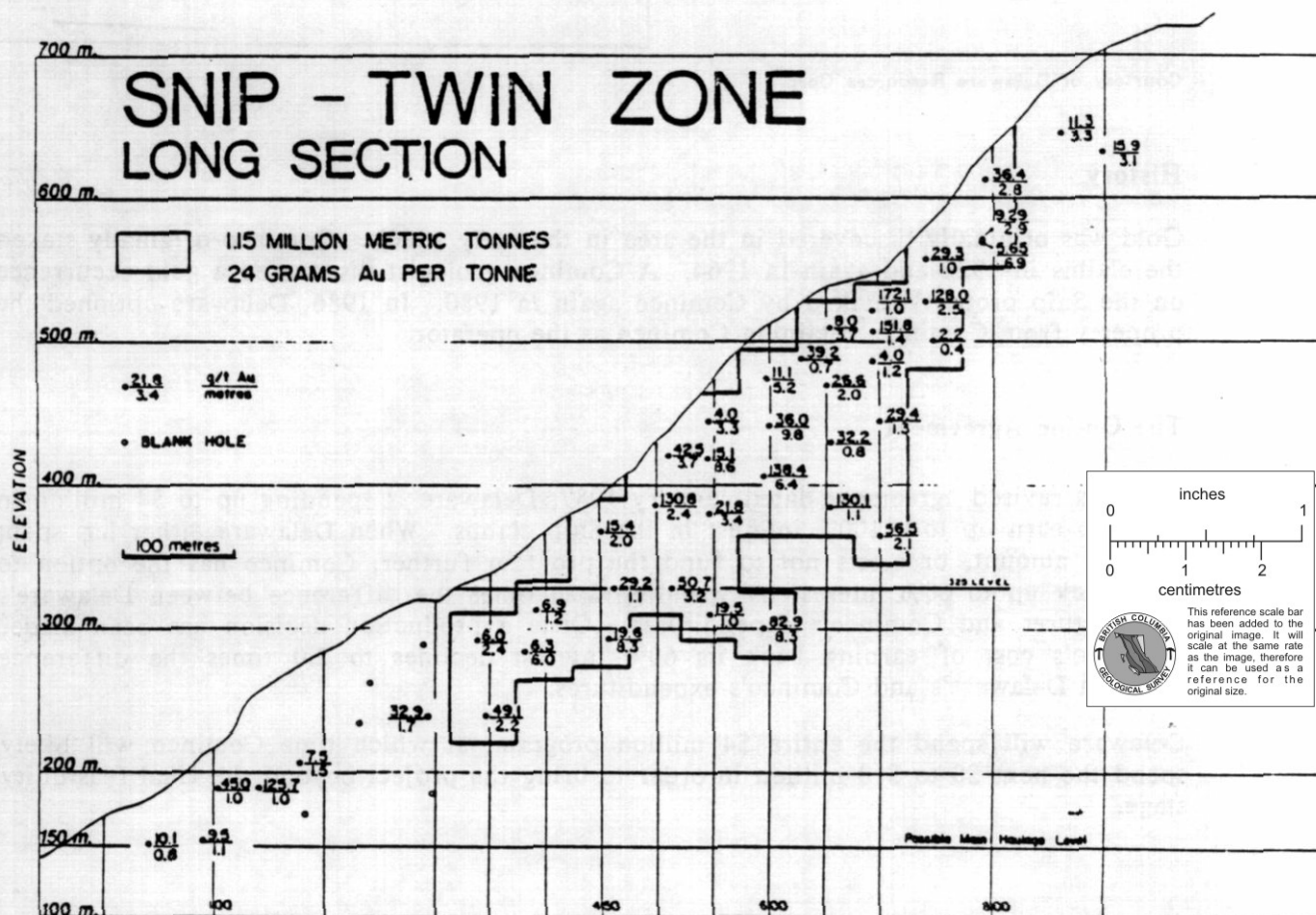
Delaware will spend the entire \$4 million program, at which time Cominco will likely spend the next \$8 to \$10 million in order to bring the project beyond the final feasibility stage.

Geology and Reserves

The general geological setting consists of metamorphosed sedimentary rocks that have been intruded by a porphyry stock. The gold is associated with calcite-quartz-biotite-pyrite veins, which also contain minor amounts of sphalerite, galena, and chalcopryrite. The veins are generally located within an area of 500 feet in width by 2,000 feet on strike. The gold mineralization discovered to date is contained in 4 shear-vein systems, the Twin, Rope, Tara, and Lamp Zones.

A total of 73 holes have been drilled, of which 46 holes had ore grade intersections. The most significant area, the Twin Zone, has been drilled on 165 foot centres over a strike length of 2,100 feet. The orebody consists of two parallel veins that dip between 50 and 80 degrees and extends for at least 500 feet of vertical continuity. Drill inferred reserves on this zone, as calculated by Cominco, are 1.2 million tons at an average grade of 0.7 ounces of gold. Our estimated mining width for this block of reserves is 17 feet. In addition, it is our belief that 1988 underground exploration will increase the reserves on the Twin Zone to approximately 1.8 to 2.0 million tons at a similar grade.

We further believe that the property has the potential for total reserves of between 4 and 5 million tons at an average grade of 0.5 ounces per ton.



Mining and Milling Parameters

The deposit will be accessed via an adit that will be driven into the hillside this winter. Our scenarios assume that mining will be performed using both open stoping and modified shrinkage stopes. Ore will be transported to a mill using trackless equipment. We do not believe that an internal shaft will be required.

Milling should be fairly straight forward using a conventional cyanide process, or a combination of cyanidation and flotation. Some early metallurgical work has indicated that a 97% recovery is achievable with cyanide, however, we have assumed a 94% recovery in our analysis.

Base case - 2 million tons scenario

Our base case scenario assumes that a 2 million ton deposit at a grade of 0.7 ounces of gold per ton will support a 500 ton per day milling operation. Capital costs, from the time that Cominco has spent its next \$8 to \$10 million, are estimated at \$25 million. Delaware's 40% share of this total would amount to \$10 million. Delaware has sufficient financing in place to fund the majority of their capital requirement with the remainder available through gold loan facilities.

Operating costs per ton are estimated at \$80 for mining, \$30 for milling, and \$14 for other items for a total cost of \$124. This translates into a cash operating cost of approximately US\$140 per ounce. We would also mention that our predicted underground mining costs of \$80 per ton are probably 15% to 20% too high, though we prefer to be cautious at this time.

Annual production is estimated at 115,000 ounces per annum, of which 46,000 ounces would accrue to Delaware's account.

A production decision will likely be made during the second quarter of 1988. Production could then commence late 1989 or early 1990.

Case 2. - 5 million tons scenario

Our second scenario assumes that 5 million tons of reserves averaging 0.5 ounces of gold per ton are ultimately delineated. It should be emphasized that this potential is based on very limited geological information. We believe that a deposit of this size would justify a mill expansion to 1,250 ton per day mill for an additional capital cost of \$15 million.

Under this scenario, operating costs are estimated to decrease to \$90 per ton as a benefit from economies of scale. As a result, operating costs per ounce would still be approximately US\$140 per ounce.

Annual production in our second case would be 205,000 ounces per annum, of which 82,000 ounces would accrue to Delaware's account.

Valuation--**High reward - low risk!**

In valuing Delaware, we constructed a detailed cash flow model over the life of the project. Highlights of both cases are presented in the following table.

In the base case, 1990 fully-diluted annual earnings are estimated at \$1.00 per share at a gold price of US\$450 gold and a B.C. tax rate of 51%. Pre-tax cash flow would be in excess of \$2.20 per share. Under this case, a 10 to 15 times price-earnings multiple would imply a future stock price between \$10 and \$15 per share. We also applied some representative capitalization rates (see Appendix 1) to our anticipated production rates. An average capitalization rate of C\$2494 per ounce of annual production implies a future stock price of \$14 per share.

In the second case, earnings are estimated at approximately \$1.70 per share. Since a larger operation would command a higher multiple, we estimate that the stock could reach \$25 per share based on a 15 multiple. Also, applying the capitalization rate of C\$2494 per ounce of production would imply a future stock price of \$23 per share.

Operating And Financial Estimates
(C\$000)

		CASE 1.	CASE 2.
		-----	-----
Gold price	(US\$/oz)	450	450
Exchange rate	(C\$/US\$)	0.75	0.75
Reserves			
Tons	(000)	2,000	5,000
Grade	(oz/ton)	0.70	0.50
Milling rate			
Tons per annum	(000)	175	438
Tons per day		500	1,250
Milling grade	(oz/ton)	0.70	0.50
Recovery	(%)	94	94
Annual Gold production	(000 oz)	115.1	205.6
Operating costs	(C\$/ton)	120	90
	(US\$/oz)	137	144
Capital costs	(C\$000)	25,000	40,000
Delaware's share of:			
Gold production	(000 oz)	46.1	82.3
Capital costs	(C\$000)	10,000	16,000

PROFORMA INCOME STATEMENT (Delaware's 40% share)

		--C\$000--	
Revenues	\$27,636		\$49,350
less: treatment	276		494
	-----		-----
	27,360		48,857
	-----		-----
Operating costs			
Mining & milling	8,400		15,750
Exploration	80		200
Depreciation	875		1,400
	-----		-----
	9,355		17,350
	-----		-----
Earnings before taxes	18,005		31,507
Taxes	9,200		16,100
	-----		-----
Net income	\$8,804		\$15,407
	=====		=====
No. of shares	(000)	8,450	9,100
Earnings per share		\$1.04	\$1.69
Pre-tax cash flow per share		\$2.13	\$3.46
Potential capitalization	(C\$/oz)	2,494	2,494
Potential stock price	(C\$)	\$14	\$23

Note: Case 2 assumes 650,000 shares are issued to fund additional capital costs.



Comparison of Canadian Mining Stocks

Company	Nov 30 price	No. of shares	Market Capitlz'n	1988 EPS *	Price Earnings	1988 E Prod'n *	Market Capitlz'n per Ounce
	(C\$)	(000)	(C\$000)	(C\$)	(X)	(000 oz)	(C\$)
Breakwater	6.00	25,804	154,824	0.35	17.1	67	2,311
Dickenson	10.25	14,961	153,350	0.60	17.1	59	2,599
Kiena	17.00	11,754	199,813	0.60	28.3	70	2,854
Sigma	17.00	8,190	139,236	0.75	22.7	63	2,210
Average					21.3		\$2,494

Notes:

* Source: Brown, Baldwin, Nisker Ltd.

Conclusion--

Delaware stock attractive--

Reserve Potential Could Increase Value Further

We believe that Delaware Resources Corporation is an attractive junior play with a very attractive gold property. Not only do the reserves have a high grade (0.7 ounces per ton), but the mining widths are unusually high as well.

The stock price is at least 50% undervalued based on our base case estimate of 2.0 million of reserves. In addition, we believe that there is good potential for eventually defining a 4 to 5 million ton deposit that could justify a tripling of the present share price. On that basis, the risk-reward ratio looks excellent.

R.M.C.

Newsrelease

104 B 250

July 21, 1988

No. 6/88
Trading Symbol: DLW

DELAWARE RESOURCES CORP.

Murray Pezim, Chairman of the Board of Delaware Resources Corp. ("Delaware"), announces up-to-date underground assay results for the 300m level of the Twin Zone of the SNIP Deposit, located approximately 65 miles northwest of Stewart, British Columbia. The average drift sampling results are more than double the previous average assays that were returned from surface diamond drilling for this portion of the ore deposit. The drifts explored the lower portion of the Twin Zone, which has drill inferred reserves of 1.2 million tons grading 0.7 ounce per ton gold (diluted by a factor of 20%). The underground results, released to Delaware by Cominco Ltd. ("Cominco"), operator of the SNIP Project, are for sampling over a 535-foot strike length of the 300m level exploration drifts on the Twin Zone. The results from west to east are:

- | | |
|--------------------|---|
| 1. West Drift | 1.54oz/ton gold over 9.0 feet x 320 feet |
| 2. West/East Drift | 0.375oz/ton gold over 42.6 feet x 80 feet |
| 3. East Drift | 0.370oz/ton gold over 9.8 feet x 135 feet |

The assay results for the West and East Drifts are the average of uncut gold assays for face samples collected for each round of advance (each round advanced an average of 10 feet). It is important to note that the widths are reported as minimum widths because the exploration drifts did not expose the entire width of the Twin Zone on this level. The face sample assays on the West and East Drifts average 1.17 ounces per ton gold over an average minimum width of 9.2 feet and a combined strike length of 455 feet (see assays 1 and 3 above). This result is more than double the weighted average assay of 0.463 ounce per ton gold over an average true width of 15.1 feet from seven surface drill holes which intersected this portion of the Twin Zone. The intervening 80-foot strike length of the Twin Zone between the West and East Drifts occurs where the 300m crosscut intersects the Twin Zone. The assay of 0.375 ounce per ton gold over 42.6 feet is from sidewall panel sampling oblique to the zone. It is interpreted to be representative of the true grade of this 80-foot portion of the Twin Zone at this point. Detailed sampling is now underway to determine the true grade and width of this 80-foot interval.

The East Drift traced the Twin Zone over a strike length of 135 feet before encountering a fault. After advancing past the fault, the drift was turned north to intercept the high-grade assay of 2.84 ounces per ton gold over 27.2 feet in drill hole S-84. This had previously been interpreted to be the Twin Zone mineralization. Re-interpretation of the underground work by Delaware shows this intercept is possibly a parallel mineralized zone in the footwall of the Twin Zone. Face sampling on this footwall zone averaged 1.82 ounces per ton gold for a minimum average width of 9.1 feet over a strike length of approximately 130 feet. This zone is open to the west and appears to be faulted to the east. Hole S-84 intersected another mineralized zone approximately 165 feet above the East Drift, which Delaware interprets to be the Twin Zone. The assay for this latter intersection was 0.225 ounce per ton gold over a core interval of 37.4 feet. The presence of the Twin Zone to the southwest of the East Drift and beyond the fault has now been confirmed by underground drilling from the drift. Hole UG-13, on the 650m Section east of the fault hit the Twin Zone at 112.9-131.2 feet, and returned an assay of 0.370 ounce per ton gold over a core interval of 18.4 feet (including 0.789 ounce per ton gold over 7.5 feet). Mineralization has also been reported in UG-16, UG-17, and UG-18; these holes have now traced the Twin Zone for a minimum strike length of 260 feet beyond the fault to the 700m Section on the 300m level.

Underground development on the 300m level was halted by the end of June to allow drilling of the Twin Zone to proceed uninterrupted. One rig is now blocking out proven reserves within the drill inferred reserve block on 78-foot (25 metre) centres from the 325m level down to the 150m level, using drill stations cut in the 300m level Hangingwall Drive. A smaller rig is being used to drill horizontal and inclined holes into the walls of the 300m level exploration drifts on 41-foot (12.5 metre) centres to determine the true width of the Twin Zone on this level. This drilling is anticipated to significantly increase the minimum true widths of the zone.

The following assay results released by Cominco are for Twin Zone intercepts predominantly below the 300m level and outside the known drill inferred reserve block (see longitudinal section accompanying this release).

DELAWARE RESOURCES CORP. News Release/3

HOLE	INTERVAL (metres)	INTERVAL (feet)	CORE LENGTH (feet)	GOLD (oz/ton)
UG-01	97.4-103.1	319.6-338.3 including 333.7-338.3	18.7 4.6	0.248 TZ 0.872
	205.7-206.3	674.9-676.9	2.0	0.207
UG-02	94.6- 96.3	310.4-316.0	5.6	0.123 TZ
	99.9-101.6	327.8-333.4	5.6	0.040
UG-03	104.7-105.8	343.5-347.1	3.6	0.038
UG-04	88.6- 95.7	290.7-314.0 including 307.1-314.0	23.3 6.9	0.082 TZ 0.240
	105.1-111.1	344.8-364.5	19.7	0.044
	217.4-218.3	713.3-716.3	3.0	0.166
UG-05	123.1-123.6	403.9-405.5	1.6	0.042 TZ
UG-06	84.6- 86.7	277.6-284.5 including 277.6-279.2	6.9 1.6	0.221 TZ 0.599
UG-07	No Twin Zone	intercept observed		
UG-08	89.3- 89.6	293.0-294.0	1.0	0.167 TZ
UG-09	99.5-106.1	326.5-348.1 including 329.4-337.0	21.6 7.6	0.521 TZ 1.09
		342.6-344.2	1.6	0.486
UG-10	161.5-165.8	529.9-544.0	14.1	0.053 TZ
UG-11	100.2-104.7	328.7-343.5 including 339.6-343.5	14.8 3.9	0.133 TZ 0.302
UG-12	134.4-141.1	441.0-463.0 including 443.3-451.5	22.0 8.2	0.624 TZ 0.984
		457.7-463.0	5.3	0.773
UG-13	34.4- 40.0	112.9-131.2 including 112.9-120.4	18.4 7.5	0.370 TZ 0.789

Assays marked by "TZ" are in the Twin Zone.

DELAWARE RESOURCES CORP. News Release/4

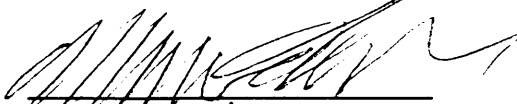
The demobilization of mining equipment from the 300m level has allowed a drive to begin on the 180m level, which has been proposed as a haulage level for the SNIP Deposit. Because of its positive gradient, this heading is planned to intersect the Twin Zone at the 190m level in the vicinity of the intercept in UG-09, which ran 0.521 ounce per ton gold over a core interval of 21.6 feet. The heading is now approximately 900 feet from the 180m portal, and based on the current rate of advance, is expected to hit the Twin Zone by the end of July.

Discussions between Delaware and Cominco are now being held to significantly increase the underground work program concurrent with a new surface drilling program, to significantly expand the reserves on the Twin Zone beyond its presently known extent. This work will also be used to evaluate other parallel zones of mineralization which have not been included in the previous reserves calculation for the SNIP Deposit.

Delaware will contract with Prime Explorations Ltd. for consulting and management services on the SNIP Project.

ON BEHALF OF THE BOARD OF DIRECTORS

per:


Murray Pezim
Chairman of the Board

1990

104B 250

Other diamond drill programs investigated base metal prospects in British Columbia, the Northwest Territories, Saskatchewan, Manitoba, and gold prospects in Ontario and Quebec, plus industrial mineral occurrences in Ontario.

Ore Reserves

Operating Mines (Measured and Indicated Ore unless otherwise noted¹)

	1990				1989			
	Ore Tons x 1000	% Pb	% Zn	Ag oz./ton	Ore Tons x 1000	% Pb	% Zn	Ag oz./ton
Sullivan	22,800	4.5	7.3	0.8	23,300	4.5	7.2	0.8
Polare	13,000	3.8	14.1	—	14,400	3.8	14.3	—
Magmont	3,500	8.2	1.3	0.3% Cu	3,690	7.5	1.2	0.3% Cu
Troya	1,749	0.8	11.3	—	1,630	1.2	12.9	—
Rubiales	660	1.1	6.6	—	1,320	1.1	6.8	—
Hellyer	15,700	6.4	12.4	4.37	16,430	6.6	12.7	4.37
Red Dog	67,000	5.4	18.5	2.7	85,000 ³	5.0	17.1	2.4
	16,000 ²	2.7	10.0	1.2				
Glenbrook	940 ⁴	1.3% Ni						
Buckhorn	200	.056 oz. Au/ton			790	0.055 oz. Au/ton		
Highland Valley	761,300	0.41% Cu			856,000 ³	0.41% Cu		
	34,700 ²	0.44% Cu						
Warm Springs	6,900	30.0% P ₂ O ₅			6,600	30.0% P ₂ O ₅		
Vanscoy	125,000	25.0% K ₂ O equiv.			127,300	25.3% K ₂ O equiv.		
Owens Lake	33,000	Na ₂ CO ₃ equiv.			33,000	Na ₂ CO ₃ equiv.		
Marte	28,000	0.045 oz. Au/ton			30,000	0.045 oz. Au/ton		
Smep	870	0.85 oz. Au/ton			1,032 ³	0.87 oz. Au/ton		
	170 ²	0.75 oz. Au/ton						
Maria	510	12.8% Cu; 0.25% Mo	1.8		850	10.6% Cu; 0.26% Mo		1.6

Advanced Projects (Measured and Indicated Ore unless otherwise noted¹)

Quebrada Blanca								
Enriched Zone	85,000	1.4% Cu			65,000	1.5% Cu		
Lobo	70,000	0.047 oz. Au/ton						
Alder	30,000	4% Garnet						
San Martin	800	65% Wollastonite						

¹ Mineral reserves of Cominco and Associated Companies are classified as measured, indicated and inferred. The reserves are reviewed annually by the Company's engineering and geological staff and are based upon individual evaluations of operating results, drilling, other engineering data and long-term metal price forecasts. The term "measured" is limited to those reserves at a mine which can be projected from one or more exposed faces on the basis of actual operating results. Reserves are classified as "indicated" where there is sufficient information about the deposit or a portion of it to form the basis of a mine production forecast. Reserves computed on the basis of more limited information but adequate geological data to form the basis of a preliminary mine production plan are classified as "inferred". Ore reserve figures are total reserves at the mines and are not limited to Cominco's interest.

² Inferred Ore.

³ Includes Inferred Ore.

⁴ Approximately 518,000 tons have been included on the strength of advanced negotiations with property owners.

Other Resources⁵

		1990			1989	
		Cominco Ltd. Interest	Ore Tons x 1000	Grade	Ore Tons x 1000	Grade
Pebble Beach	(Possible Resource)	100	200,000	.4% Cu; .012 oz. Au/ton		
Quebrada Blanca						
Protore	(Possible Resource)	70	250,000	.5% Cu		
Mariquita	(Probable Resource)	64.6	23,000	.53% Cu		
Maria Mo Zone	(Possible Resource)	31.7	400	1.8% Cu; .67% Mo	950	1.8% Cu; .44% Mo
Sheep Creek	(Possible Resource)	32.3	5,000	4% Cu		
Pinchi	(Possible Resource)	100	1,200	6.4 lb. Hg/ton	1,200	6.4 lb. Hg/ton

⁵ The term "resource" is used for an estimate of mineralization of expected economic merit, but before complete geological, mine, metallurgical and cost data is available. The term "probable resource" is used when sufficient information is known about the geology, thickness, grade, continuity and extent of the deposit to permit defined grade and tonnage figures. "Possible resource" is a projection of mineralization computed on the basis of limited drilling but a reasonable understanding of the geology and the distribution and correlation of metal values.

PROPERTY FILE

104 B 250 - Snip

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
Period			
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			
Period	Amount	Type	Cost

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 ~~Alteration~~ 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
(1.2 M short tons @ 0.7 oz Au/t)
probable and/or proven

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 \$

DELAWARE RESOURCES CORP.

SUITE 150 - 1300 8TH STREET S.W., CALGARY, ALBERTA T2R 1B2 / TEL. (403) 228-4426

104B250

NEWS RELEASE:

March 16, 1987

Delaware Resources Corp. wishes to announce that the re-negotiated agreement with Cominco on the SNIP prospect, as previously reported (January 16, 1987 news release), has been signed by both parties.

The initial 1987 program has been approved to accelerate exploration with a \$1.8 million budget. Funding for the 1987 program has been arranged as previously reported (February 17, 1987 news release).

The main components of the 1987 program are:

- a) up to 30,000 feet of diamond drilling, using two drills.
- b) construction of a 3000-foot airstrip and a winterized camp.
- c) road construction and 'cat' trenching.
- d) detailed geological, geochemical, and geophysical coverage.
- e) commencement of base line environmental studies.

The program has begun with clearing of the site and the mobilization of a new D-5 caterpillar tractor to build the airstrip. All required permits are in place for the airstrip construction.

The recent scouting of the airstrip location indicated very little snow coverage at the 400-foot elevation which permitted the decision for the early commencement of construction. If the mild winter conditions continue, an early re-commencement of the diamond drilling and cat trenching may be anticipated. One of the main objectives of this program is to gather sufficient data to enable an underground exploration decision and assist in the selection of an adit site.

The Board also wishes to announce that the officers of the Corporation have been changed such that Ronald K. Netolitzky has been appointed President, and Robert W. Termuende has resigned as President to enable Mr. Termuende to devote more time to his other corporate involvements. The Board of Directors remains unchanged.

Listed: VSE
Symbol: DLW


R. K. Netolitzky, Director

This news release has been prepared by Ronald K. Netolitzky, Director, on behalf of the Company, and he accepts responsibility for its contents. The Vancouver Stock Exchange has neither approved nor disapproved the information contained herein.

-30-

WRS -> PROPERTY FILE

DELAWARE RESOURCES CORP.

SUITE 150 - 1300 8TH STREET S.W., CALGARY, ALBERTA T2R 1B2 / TEL. (403) 228-4426

NEWS RELEASE:

March 24, 1987

Delaware Resources Corp. has received the following information regarding the SNIP Prospect from Cominco Ltd.

Sample reject material from a 13.5 metre interval of drill hole 86-3 was delivered to Bacon Donaldson & Associates of Vancouver to conduct a preliminary cyanidation test.

The sample rejects were blended and a 2 kg split riffled out. The results of the preliminary cyanidation test were as follows:

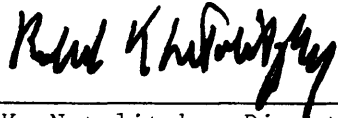
SAMPLE TIME hrs	SOLIDS ASSAY		LIQUID ASSAY		EXTRACTION	
	GOLD g/tonne	SILVER	GOLD mg/l	SILVER	GOLD %	SILVER %
48	0.446	0.857	8.86	3.10	96.9	80.8
Calc Head	13.736 (0.401 oz/ton)	5.507				
Assayed Head	14.606 (0.439 oz/ton)	4.457				
re-agent consumption: NaCN			1.82 kg/t			
Lime			1.72 kg/t			

The uncut assay result from the same interval was 15.4 g/t (0.449 oz/ton) which compares very well with the blended sample.

Clearing operations for the airstrip have commenced with the assistance of a D-5 'cat'. As soon as the airstrip and campsite are completed the cat will be used to start trenching and road building operations. As previously reported the drilling operations will start as soon as weather conditions permit.

The soil geochemical results as illustrated on the attached map indicates that the vein system could extend downhill to the north west for approximately 600 metres.

Listed: VSE
Symbol: DLW


R. K. Netolitzky, Director

This news release has been prepared by Ronald K. Netolitzky, Director, on behalf of the Company, and he accepts responsibility for its contents. The Vancouver Stock Exchange has neither approved nor disapproved the information contained herein.

