

# Weather slows Cominco startup

## Lower costs expected for remote Snip gold mine

By Patrick Durrant  
Business Reporter

Cominco Ltd.'s first new mine in British Columbia since Highland Valley Copper started up in July 1986 is off to a cold start.

"It has been very cold here and this has hampered the final stages of construction," said Merlyn Royea, manager of Cominco Ltd.'s Snip project, in a telephone interview from the mine site.

The property is nestled on the valley floor at the foot of Johnny Mountain, where Bronson Creek flows into the Iskut River, in north-western B.C.'s most active exploration area.

It isn't far from Skyline Gold Corp.'s ill-fated Johnny Mountain gold mine, which suspended operations last fall because the company couldn't continue to develop new reserves with ore grades economical at today's gold prices.

Project construction began last summer and much of the work was done before winter descended on the region.

"We are nearly finished on the construction phase and the ore crusher started up before Christmas," Royea said. "Commissioning of the concentrator has also started, but it's difficult to say yet when actual production will begin — hopefully it will be this month or early in February."

Snip is 60-per-cent owned by Cominco, which is the operator. The remaining 40 per cent is held by Prime Resources Group Inc. (a Murray, Pezim company), which acquired its interest from Delaware Resources Corp.

At full production, the mining rate will be 300 tonnes per day, with annual gold output exceeding 93,000 ounces. Present ore reserves amount to 936,000 tonnes grading 30 grams per tonne (0.87 oz. per ton), with minor silver and copper values.

Despite the mine's remote location, the company expects to be able to keep operating costs below \$200 US an ounce because of the high ore grade, said David Johnston, Cominco's vice-president of mine operations.

Snip will employ about 150 people on a schedule of four weeks in and two weeks out. While at the mine, they will live in a two-storey complex consisting of single-occupancy rooms, dining and games rooms, and laundry facilities.

The 1,675-hectare Snip property is located about 100 kilometres north of Stewart in the mountainous terrain that is typical of this part of B.C. There is no road access to the mine, although this will be remedied when a 92-km road is completed from Bob Quinn on Highway 37 to connect with the Snip, Johnny Mountain and Eskay Creek properties.

In the meantime, Cominco relies on air and water transport to ferry personnel in and out and to move equipment and supplies to the property.

Smithers, about 300 km southeast of Snip, is the main staging point for regular flights to the 1,500-metre-long airstrip at the minesite.

The company has come up with a novel way to transport heavier equipment to the property. A hovercraft, purchased last year from an Australian resort, has been converted into an open-deck, 10-tonne freighter that plies the Stikine and Iskut rivers from Wrangell, Alaska, about 90 km to the west. When Snip is producing, the vessel will carry out the concentrate.



Staff map by Catherine MacDonald



Cominco photo by Raeff Miles

Snip's hovercraft on the Iskut River was converted to a 10-tonne freighter to ferry supplies from Alaska.



# DELAWARE RESOURCES CORP. (DLW-V)

HOLE	INTERVAL, FT.	FOOTAGE	OZ. GOLD/T	MORE BONANZA GOLD VALUES REPORTED
S-70	329.1 - 359.3	30.2	1.12*	
S-71	470.5 - 504.0	33.5	2.59*	Lawrence J. Nagy
S-84	677.2 - 708.7	31.5	2.43*	vice president
Incl.	683.4 - 696.2	12.8	5.58*	exploration of
S-61	287.1 - 306.8	19.7	0.263	Delaware Resources
	690.3 - 694.6	4.3	0.262	Corp., announces
S-62	149.9 - 165.6	15.7	0.599*	the receipt of
S-63	176.5 - 209.0	32.5	0.383*	additional fire-
	761.2 - 771.0	9.8	0.118	assay analyses
S-69	250.0 - 252.0	2.0	0.528	from the Cominco
S-73	218.5 - 238.5	20.0	0.173*	operated SNIP
S-74	151.9 - 159.4	7.5	0.142	project in the
S-75	429.1 - 436.6	7.5	1.420*	Iskut River region
S-79	191.6 - 194.9	3.3	3.660	some 60 miles NW
S-80	246.4 - 253.6	7.2	0.216	of Stewart, B.C.
S-81	152.6 - 155.2	2.6	0.223	Priority has been
	318.6 - 321.6	3.0	2.180	given to the anal-
S-82	334.6 - 338.9	4.3	0.553	ysis of core from
	656.5 - 669.0	12.5	1.080*	the Twin Zone,
S-83	446.2 - 460.3	14.1	1.000*	especially from
S-84	515.7 - 569.2	53.5	0.197	deep drill tests
S-85	431.4 - 439.3	7.9	0.349*	numbered S-82 to

## \* Twin Zone Intersections

Nov 23/87 #224 important in the selection of the site for the initial underground entry.

The bonanza mineralization in S-71 (GCNL 204(87) overleaf P.1 refers) has been confirmed by results from S-84 and S-70. S-70 is about 280 feet down dip from the projected subcrop of the Twin Structure. S-71 is 160 feet down dip from S-70, and S-84 is 430 feet down dip from S-71.

The analytical results from these 3 holes substantially enhanced the grade and tonnage potential of the SNIP property. To date, 85 diamond drill holes have been completed on the property and sufficient data are now in hand to calculate preliminary drill indicated estimates for a portion of the Twin structural zone. The reserve estimates will be prepared by an independent consultant. (SEE DRILL DIAGRAM OVERLEAF).

First assays of other significant intersections not previously reported, or previously reported as partial analyses, are also shown in the adjoining table starting with Hole S-61. All values shown in the table are uncut.

## Delaware Resources Corp

DLW

Shares issued: 5,872,784 Nov 20 close: \$7.625

News Release

Mr Lawrence Nagy reports:

The company announces the receipt of additional fire-assay analyses from the Cominco-operated Snip project in the Iskut River region of northern BC.

Priority has been given to the analysis of core from the Twin zone, especially from deep drill tests numbered S-82 to S-85 which were important to the side selection for the initial underground entry.

The bonanza mineralization reported in S-71 has been confirmed by the results from S-84 and S-70. S-70 is about 280 feet down dip from the projected subcrop of the Twin structure. S-71 is 160 feet down dip from S-70, and S-84 is 430 feet down-dip from S-71. The analytical results from these three holes are reported below. Partial results from S-71 were previously reported.

	INTERVAL FEET	CORE LENGTH FEET	GOLD OZ/T
S-70	329.1-359.3	30.2	1.12
S-71	470.5-504.0	33.5	2.59
S-84	677.2-708.7	31.5	2.43
incl.	683.4-696.2	12.8	5.58

These results substantially enhance the grade and tonnage potential of the Snip property. To date, 85 diamond drill holes have been completed on the property and sufficient data are now in hand to calculate preliminary drill indicated estimates for a portion of the Twin structural zone. The reserve estimates will be prepared by an independent consultant.

Fire assays of other significant intersections not previously reported, or previously reported as partial analyses, are tabulated below.

	INTERVAL FEET	CORE LENGTH FEET	GOLD OZ/T
S-61	287.1-306.8	19.7	0.263
	690.3-694.6	4.3	0.262
S-62	149.9-165.6	15.7	0.599*
S-63	176.5-209.0	32.5	0.383*
	761.2-771.0	9.8	0.118
S-69	250.0-252.0	2.0	0.528
S-73	218.5-238.5	20.0	0.173*
S-74	151.9-159.4	7.5	0.142*
S-75	429.1-436.6	7.5	1.420*
S-79	191.6-194.9	3.3	3.660
S-80	246.4-253.6	7.2	0.216
S-81	152.6-155.2	2.6	0.223
	318.6-321.6	3.0	2.180
S-82	334.6-338.9	4.3	0.553
	656.5-669.0	12.5	1.080*
S-83	446.2-460.3	14.1	1.000*
S-84	515.7-569.2	53.5	0.197
S-85	431.4-439.3	7.9	0.349*

\*Twin zone intersections.

## COMINCO LTD. (CLT-V,T,M)

### DELAWARE RESOURCES CORPORATION (DLW-V)

CURRENT INFERRED RESERVE IS - The 1987 field program has 1,000,000 TONS 0.7 OZ. GOLD/T been completed on Cominco Ltd's Snip gold property in the Iskut River region of NW B.C. (See property location overleaf on the Teuton Resources claims map of the Iskut-Sulphurets gold camp.) This is a joint venture project on which Delaware Resources Corporation has financed work in recent years to earn an ultimate 40% interest.

This year, 73 holes were drilled, 46 of which cut significant widths and grades of gold mineralization, see long section overleaf page two and a drilling diagram in GCNL 205(87) overleaf page 2. 31 of the intersections lie in the Twin zone, a 45 degree dipping calcite-quartz-biotite-gold vein. The drilling being intervals of about 50 meters, correlation from hole to hole is uncertain, thus, underground development will be required to establish grade and tonnage. However, based on existing results, 1,100,000 tonnes can be inferred at a grade of 24 grams per tonne (0.7 ounce per ton) allowing 20% dilution and cutting assays to 150 grams. The zone is 450 meters long and open to depth.

An underground program is being designed for early 1988 to confirm the deposit's continuity and grade.

## Delaware Resources Corp

DLW

Shares issued: 6,022,784 Dec 4 close: \$8.00

News Release

Mr Ronald Netolitzky reports:

The company has been advised by Cominco Ltd. of the following:

The 1987 field program on the Snip property in northwestern BC has been completed.

Seventy-three holes were drilled, 46 of which intersected significant widths and grades of gold mineralization. 31 of the intersections lie in the Twin zone, a 45 degree 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, 1.1m tonnes can be inferred at a grade of 24 grams per tonne 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%.



Delaware Resources Corp DLW  
Shares issued: 5,872,784 Aug 17 close: \$8.50  
News Release

Mr Ronald Netolitzky reports: SW  
The company announces the results of additional fire-assay analyses on the Delaware-Cominco Snip project. 104B023

HOLE	INTERVAL (ft)	LENGTH (ft)	GOLD Oz/t
S-31	70.5 - 73.8	3.3	1.31
S-37	646.3 - 671.2	24.9	1.13
incl.	646.3 - 654.8	8.5	2.95

The intersection reported for No. 37 is the same zone previously reported for No. 35 (7.9 feet of 3.81 oz ton). The No. 37 intersection is about 390 feet below the No. 35 intersection and about 520 feet below surface.

Fire-assay and geochemical analyses are pending for the balance of holes 35, 37 and 39. Based on the available geochemical results, we have intersected at least three well-mineralized structures by this fence of holes.

The drill program is continuing with two drills that are completing fill-in fences of drill holes at 100 and 50m sections on the Twin Structural zone. Based on the visual examination and preliminary geochemical analyses, the continuity of mineralized structures is being confirmed.

Delaware Resources Corp DLW  
Shares issued: 5,872,784 Oct 22 close: \$7.25  
News Release

Mr Ronald Netolitzky reports:  
SNIP PROSPECT

Delaware is pleased to announce the recent additional results from the Cominco-operated Snip project in the Iskut River region of northern British Columbia. OCT 23/87  
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. 104B023

	INTERVAL (ft)	LENGTH (ft)	GOLD
S-71	470.5 - 475.5	5.0	4940 ppb
G/C	475.5 - 478.0	2.5	1800 ppb
G/C	478.0 - 481.9	3.9	7.478 opt
	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 "
G/C	495.4 - 497.7	2.3	8020 ppb
G/C	497.7 - 499.0	1.3	10.638 opt
G/C	499.0 - 504.0	5.0	6220 ppb

G/C geochem.

A summary of the new analytical results from the Snip structural zone follows:

S-54	318.9 - 335.6	16.7	0.368 opt
S-55	394.4 - 407.5	13.1	0.117 opt
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	4.9	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 - 7.2	3.0	0.431 "
	180.8 - 209.0	28.2	0.434 "
incl:	180.8 - 187.7	6.9	1.020 "
* 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	0.1433 + 10.69 Ag
S-65	324.8 - 235.5	0.7	1.780 opt
	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 "
incl:	741.5 - 744.5	3.0	2.000 "

DELAWARE RESOURCES CORP. (DLW-V)  
COLOSSUS RESOURCE EQUITIES INC. (CZK-V) 104B259

FEASIBILITY STUDY NEARS COMPLETION - In announcing that G.C.N.L. #10 Jan 16/89 Delaware Resources Corp. and Colossus Resource Equities Inc. had received shareholder approval for their merger on the basis of 1 share for each share of Delaware and 1 share for each 1.15 shares of Colossus, Murray Pezim, chairman of Delaware reported that COMINCO LTD. (CLT-V,T,M) is nearing completion of a feasibility study on the Snip property. Cominco anticipates production at 300 tonnes per day by the fourth quarter of 1989, subject to the issuance of necessary permits.

Delaware has a 40% interest and Cominco, which manages operations at the Snip property 100 miles north of Stewart, B.C., will have earned a 60% interest once the property has been put into production.

Capital Costs are estimated at \$50,000,000 to \$55,000,000. The facilities will be readily expandable to produce at a rate of 500 metric tonnes per day at minimum additional capital cost, if the orebody during the first year of production proves to be amenable to producing at that rate. Watts, Griffiths and McQuat have reviewed reserves at the Snip property and estimated reserves in all categories to be 2,219,000 tonnes grading 22.23 g/tonne, or 2,446,000 short tons grading 0.648 oz. gold/ton. The reserve figure was arrived at after dilution of 30% and cutting high grade assays to 150 g/tonne. Exploration continues on the property and reserve figures above do not reflect all work completed

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

ZONE	INTERVAL, FT.	FOOTAGE	OZ. GOLD/T	MORE GOOD GOLD
S-35	139.8-193.9	54.1	0.667	ASSAYS REPORTED
	includes	3.3	0.782	
	and	7.9	3.810	Delaware
S-37	344.5-345.8	1.3	5.855	Resources Corp.
	351.7-355.0	3.3	2.160	announces results of
	646.3-671.2	24.9	1.130	further fire assays
S-39	27.6- 36.1	8.5	0.171	from the SNIP
	50.5- 62.6	12.1	1.311	project in the Iskut
	145.3-153.2	7.9	0.343	River area 60 miles
	173.6-183.4	9.8	0.458	NW of Stewart, B.C.
S-45	215.2-219.1	3.9	0.200	Currently, Holes
	250.6-252.2	1.6	2.142	S-63 and 64 are
S-46	210.3-216.9	6.6	0.425	being completed.
	480.6-501.6	21.0	0.494	Most of the holes
	includes	4.6	2.016	from S-45 to S-64

detailed coverage of the Twin Structural zone with 50-meter spaced drill fences. *104B023*

Director Ronald K. Netolitzky says continuity of mineralization and the presence of multiple zones is being clearly established. Assay intervals reported do not necessarily represent complete assay data as there are still considerable gaps in fire-assay and geochemical analyses of drill core. (See preceding report in GCNL 157(87)P.1

## **GCNL 169 MT. CALVERY RESOURCES LTD. (MCY-V) Sept 87**

**DIAMOND DRILLING** - Diamond drilling will start shortly OF SNIP TO START on the Snip property, Iskut River, 50 miles north of Stewart, B.C. Mt. Calvery Resources has the right to earn a 50% direct property interest by spending \$1,000,000 over a 5-year period. Teck Explorations Limited will act as operator for the project. A budget of \$235,000 has been approved for the 1987 season.

Past exploration outlined a large intense gold soil geochemical anomaly with values in excess of 300 ppb gold measuring 3,000 feet by 900 feet. The anomaly is associated in part with the Blue Ribbon Zone where gold values up to 0.27 ounces of gold per ton occur in a 30 foot wide zone of silification. The horizontal extent of the Blue Ribbon zone is now being explored. (SEE MAP OVERLEAF).

A diamond drill has been mobilized to the property and will proceed to test the Blue Ribbon Zone and other mineralization within the gold geochemical anomaly.

The company has the right to earn a 50% direct property interest by spending \$1,000,000 over a 5-year period. Teck Explorations Limited will act as operator for the project. A budget of \$235,000 has been approved for the 1987 season.

Past exploration of the property outlined a large intense gold-in-soil geochemical anomaly with values in excess of 300 ppb gold measuring 3,000 feet by 900 feet. The anomaly is associated in part with the Blue Ribbon zone where gold values up to 0.27 ounces of gold per ton occur in a 30 foot wide zone of silification. The horizontal extent of the Blue Ribbon zone is now being explored.

A diamond drill has been mobilized to the property and will proceed to test the Blue Ribbon zone and other mineralization within the gold geochemical anomaly.

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

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

**MORE GOOD DRILL RESULTS REPORTED** - Ronald K. Netolitzky, president of Delaware Resources Corp., announces results of further drilling by the Cominco-operated SNIP joint venture in the Iskut River area some 60 miles north of Stewart, B.C. *104B023 GCNL* *OCT 7/87*

The richest assay reported is 24.42 oz. gold/ton over 2 feet of core in Hole S-54. Other intersections in that hole are 1 foot grading 9.32 oz. gold/t, 8.5 feet of 3.710 oz/t and 1.6 feet of 1.48 oz/t. The longest intersection reported is 23 feet in Hole S-51 grading 0.093 oz. gold/t. Other intersections in that hole are 9.8 feet of 0.246 oz/t and 4.6 feet of 4.430 oz/ton.

The program continues 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. *ISSUE #193*

The camp is 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 3 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. (SEE GCNL 151(87)P.3 for a previous drilling report)

By spending \$4,000,000 on the property, Delaware can earn 100% interest in it, subject to Cominco Ltd. backing in for 60% interest by spending \$2.25 for every dollar of pre-feasibility expenditure by Delaware.

*SW Aug 29/87*

Delaware Resources Corp DLW  
Shares issued: 5,872,784 Aug 28 close: \$9.125  
*104B023 250* News Release

Mr Ronald Netolitzky reports:

The company announces 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 50m 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	FROM (feet)	TO (feet)	LENGTH (ft)	GOLD Oz/t
S-35	139.8	193.9	54.1	0.667
incl:	139.8	143.0	3.3	0.782
incl:	186.0	193.9	7.9	3.810*
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*
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*
	250.6	252.2	1.6	2.142*
S-46	210.3	216.9	6.6	0.425
	480.6	501.6	21.0	0.494
incl:	486.2	490.8	4.6	2.016

\* Previously reported

+ Partial results

*SW Sept 1/87*

Mount Calvery Resources Ltd MCY  
Shares issued: 4,185,995 Aug 31 close: \$0.42  
*SW (Teck)* News Release

Mr John Brock reports: *104B023*

The company has concluded an agreement with Teck Corporation for the exploration and development of the Snip claim in the Iskut River area of northwestern B.C. The Snip property covers a gold bearing zone located within a 10 mile trend that hosts gold deposits being explored and developed by Skyline Explorations, Cominco-Delaware joint venture and Western Canadian Minerals.

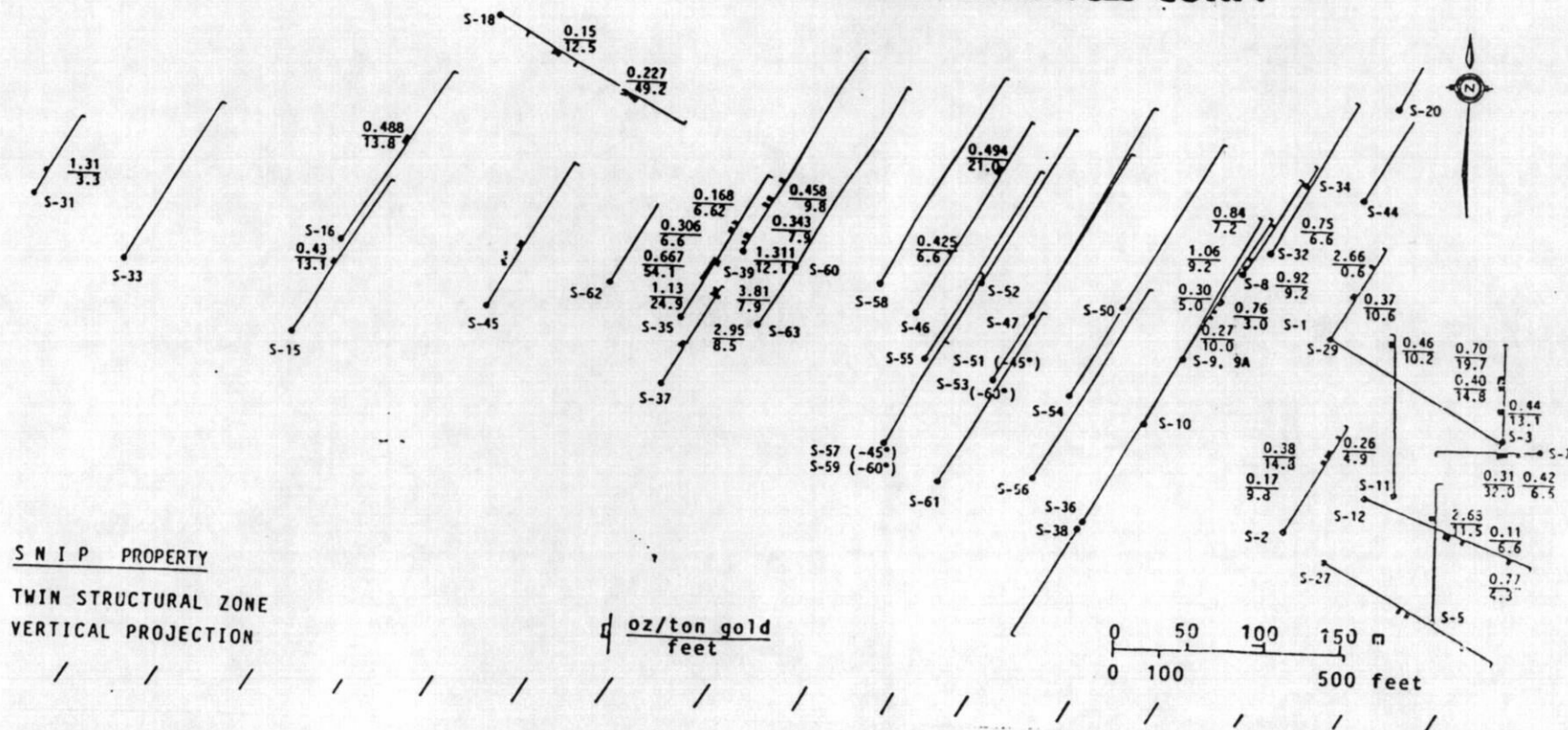
The company has the right to earn a 50% direct property interest by spending \$1,000,000 over a 5-year period. Teck Explorations Limited will act as operator for the project. A budget of \$235,000 has been approved for the 1987 season.

Past exploration of the property outlined a large intense gold-in-soil geochemical anomaly with values in excess of 300 ppb gold measuring 3,000 feet by 900 feet. The anomaly is associated in part with the Blue Ribbon zone where gold values up to 0.27 ounces of gold per ton occur in a 30 foot wide zone of silification. The horizontal extent of the Blue Ribbon zone is now being explored.

A diamond drill has been mobilized to the property and will proceed to test the Blue Ribbon zone and other mineralization within the gold geochemical anomaly.



# DELAWARE RESOURCES CORP.





# DELAWARE RESOURCES CORP.

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

## PROGRESS REPORT: S N I P P R O S P E C T

For release: August 14, 1987

DELAWARE RESOURCES CORP. is pleased to announce the results of additional fire-assay analyses on the Delaware-Cominco SNIP Project.

<u>Drill Hole</u>	<u>Interval (feet)</u>	<u>Core Length</u>	<u>Gold in oz/ton (Uncut Grade)</u>
S-31	70.5 - 73.8	3.3	1.31
S-37	646.3 - 671.2	24.9	1.13
including	646.3 - 654.8	8.5	2.95

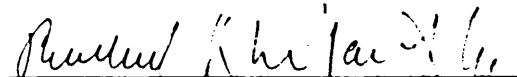
The intersection reported for #37 is the same zone previously reported for #35 (7.9 feet of 3.81 oz/ton). The #37 intersection is about 390 feet below the #35 intersection and about 520 feet below surface.

Fire-assay and geochemical analyses are pending for the balance of holes 35, 37 and 39. Based on the available geochemical results, we have intersected at least three well-mineralized structures by this fence of holes.

The drill program is continuing with two drills that are completing fill-in fences of drill holes at 100 and 50-metre sections on the Twin Structural Zone. Based on the visual examinations and preliminary geochemical analyses, the continuity of mineralized structures is being confirmed.

1043023

Listed: VSE  
Symbol: DLW

  
Ronald K. Netolitzky, Director

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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.

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# DELAWARE RESOURCES CORP.

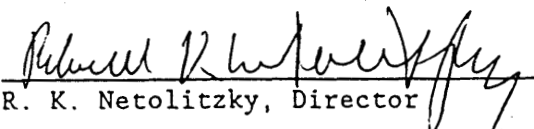
SUITE 100 - 1300 8TH STREET S.W., CALGARY, ALBERTA T2R 1B2 / TEL. (403) 228-4426

FOR RELEASE: AUGUST 4, 1987

Delaware Resources Corp. wishes to announce the receipt of further fire-assay analyses from the SNIP project. Highlights of the assays received to date are:

DRILL HOLE	INTERVAL(FEET)	CORE LENGTH	GOLD IN OZ/TON
S-14	309.7 - 319.5	9.8	0.129
S-15	240.5 - 253.9	13.4	0.430
S-16	351.4 - 365.2	13.8	0.488 reported previously
S-18	116.1 - 272.6	156.5	0.060
	429.5 - 479.0	49.5	0.227
including	429.5 - 439.3	9.8	0.786
S-35	186.0 - 193.9	7.9	3.81

Listed: VSE  
Symbol: DLW

  
R. K. Netolitzky, Director

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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.

104B023

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# DELAWARE RESOURCES CORP.

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

104B023

## PROGRESS REPORT: S N I P P R O S P E C T

For release: July 28, 1987

To July 22, a total of 30 new drill holes have been completed on the property (Table I and Fig.1). This phase of the program has tested exploration targets over a 3000 by 1500 foot area with widely spaced holes. Visual logging of drill core and limited analytical results (geochemical and fire assays) currently available have traced the Twin Structural Zone, which contains the Twin, Tara, and Rope zones as defined by the 1986 drilling, over a minimum horizontal distance of 3000 feet and a vertical interval of 1500 feet.

Highlights from the limited analytical results include two separate mineralized zones in the DDH-15 and 16 fence of holes. Fire assay results are available for the DDH-16 zone:

	Interval	Footage	Gold (oz/ton)
DDH-16	351.4 - 365.2	13.8	0.488

The drill fence with holes 35, 37, and 39 have intersected very well mineralized structures, with visible gold observed in DDH-35 and 37 (assays pending). This mineralization is exposed in the drainage below the fence from which high-grade surface samples have been collected. The zone is also exposed in a road cut about 200 feet above the drill fence. Considerable gold can be panned from the weathered surface material at this site. Assay results from surface sampling are pending.

Other drill highlights include intersections of mineralization on the Lamp zone in step-out drilling (assays pending) and the intersection of other mineralized structures for which fire assay results are not currently available.

The surface geological program has located new mineralized zones, two of which will be drill-tested. Surface samples from one of these zones returned values of 0.872, 0.314, and 0.215 oz/ton gold.

We are currently about halfway through the 1987 phase I drill program. To allow analytical results to catch up to drilling operations, we are operating with one drill. The objectives of the balance of the program are: to drill off the Twin Structural Zone with 50-metre spaced fences; to continue drilling the Lamp zone once assay results become available; and to drill-test at least two of the new surface targets.

DELAWARE and COMINCO plan to hold meetings within a two to three-week period, once sufficient assay data are available, to plan the balance of the 1987 program. DELAWARE management is confident that the next phase of exploration will include an underground exploration program.

Listed: VSE  
Symbol: DLW

  
Ronald 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.



Table I

104B023

S N I P  
DRILL HOLE SUMMARY

Drill Brg	Dip	Northing	Easting	Elev	Start	Finish	OB ft	OB m	Final hole	Final hole	Total Feet	Total Metres	Avg. hole depth	m per shf
No.									dep. ft	dep. m				
S-13	040	-50	11797.13	8166.09	250.9	06/12	06/14	10	3.0	575	175.3	575	175.3	
S-14	030	-50	11739.98	8134.51	285.6	06/15	06/17	5	1.5	649	197.8	1224	373.1	
S-15	030	-45	11416.87	8076.65	294.8	06/18	06/19	67	20.4	545	166.1	1769	539.2	
S-16	030	-45	11478.16	8107.27	324.1	06/20	06/21	15	4.6	599	182.6	2368	721.8	
S-17	030	-45	11630.08	8202.35	376.1	06/21	06/23	5	1.5	549	167.3	2917	889.1	
S-18	120	-45	11628.08	8204.35	376.1	06/24	06/26	5	1.5	639	194.7	3556	1083.8	
S-19	030	-45	11694.16	8272.25	397.6	06/27	06/29	35	10.7	599	182.6	4155	1266.4	
S-20	030	-45	11589.07	8783.00	640.6	06/29	07/01	25	7.6	719	219.2	4874	1485.6	185.7 39.1
S-21	030	-45	11495.52	7711.56	149.9	06/30	07/02	56	17.2	629	191.7	5503	1677.3	
S-22	030	-45	11701.45	8833.31	587.3	07/01	07/02	10	3.0	539	164.3	6042	1841.6	
S-23	120	-45	11514.46	8873.91	635.0	07/02	07/04	15	4.6	555	169.2	6597	2010.8	
S-24	030	-45	11540.93	7776.96	156.61	07/03	07/04	17	5.2	637	194.1	7234	2204.9	
S-25	120	-45	11466.26	8852.63	704.5	07/04	07/06	15	4.6	529	161.2	7763	2366.1	
S-26	310	-45	11550.98	7845.77	192.1	07/05	07/06	17	5.2	379	115.5	8142	2481.6	
S-27	120	-45	11285.13	8736.73	740.2	07/06	07/07	15	4.6	649	197.8	8791	2679.4	
S-28	030	-45	11817.49	8062.09	186.7	07/06	07/07	65	19.8	499	152.1	9290	2831.6	177.0 44.2
S-29	120	-45	11435.00	8742.00	692.0	07/07	07/10	9	2.7	599	182.6	9889	3014.2	
S-30	310	-60	11674.90	7605.72	166.35	07/07	07/10	10	3.0	659	200.9	10548	3215.1	
S-31	030	-45	11501.10	7908.04	212.75	07/10	07/11	15	4.6	274	83.5	10822	3298.6	
S-32	030	-45	11491.67	8702.15	633.13	07/10	07/12	15	4.6	530	161.5	11352	3460.1	
S-33	030	-45	11459.58	7967.67	254.75	07/11	07/12	10	3.0	559	170.4	11911	3630.5	
S-34	030	-45	11537.86	8725.76	633.92	07/13	07/13	7	2.1	62	18.9	11973	3649.4	
S-35	030	-45	11437.60	8325.39	425.60	07/13	07/14	35	10.7	509	155.1	12482	3804.5	
S-36	030	-45	11313.46	8586.72	621.25	07/13	07/15	35	10.7	668	203.6	13150	4008.1	
S-37	030	-55	11352.53	8292.07	430.50	07/14	07/16	15	4.6	689	210.2	13839	4218.3	
S-38	210	-45	11309.03	8584.72	621.25	07/15	07/17	32	9.7	549	167.3	14388	4385.6	
S-39	030	-45	11482.30	8363.96	431.50	07/17	07/20	15	4.6	714	217.6	15102	4603.2	
S-40	120	-45	11210.78	9090.36	842.40	07/17	07/19	17	5.2	629	191.8	15731	4795.0	176.9 42.8
S-41	030	-45	11336.97	8053.66	288.35	07/20	07/23	10	3.0	808	246.3	16539	5041.3	
S-42	120	-45	11145.21	9039.42	827.80	07/19	07/21	5	1.5	463	141.1	17002	5182.5	
S-43	030	-45				07/23								

DATE : July 23, 1987

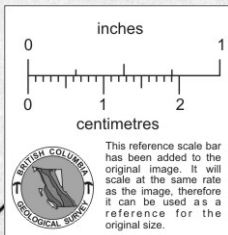


FIGURE 1

CONTOUR INTERVAL 50M

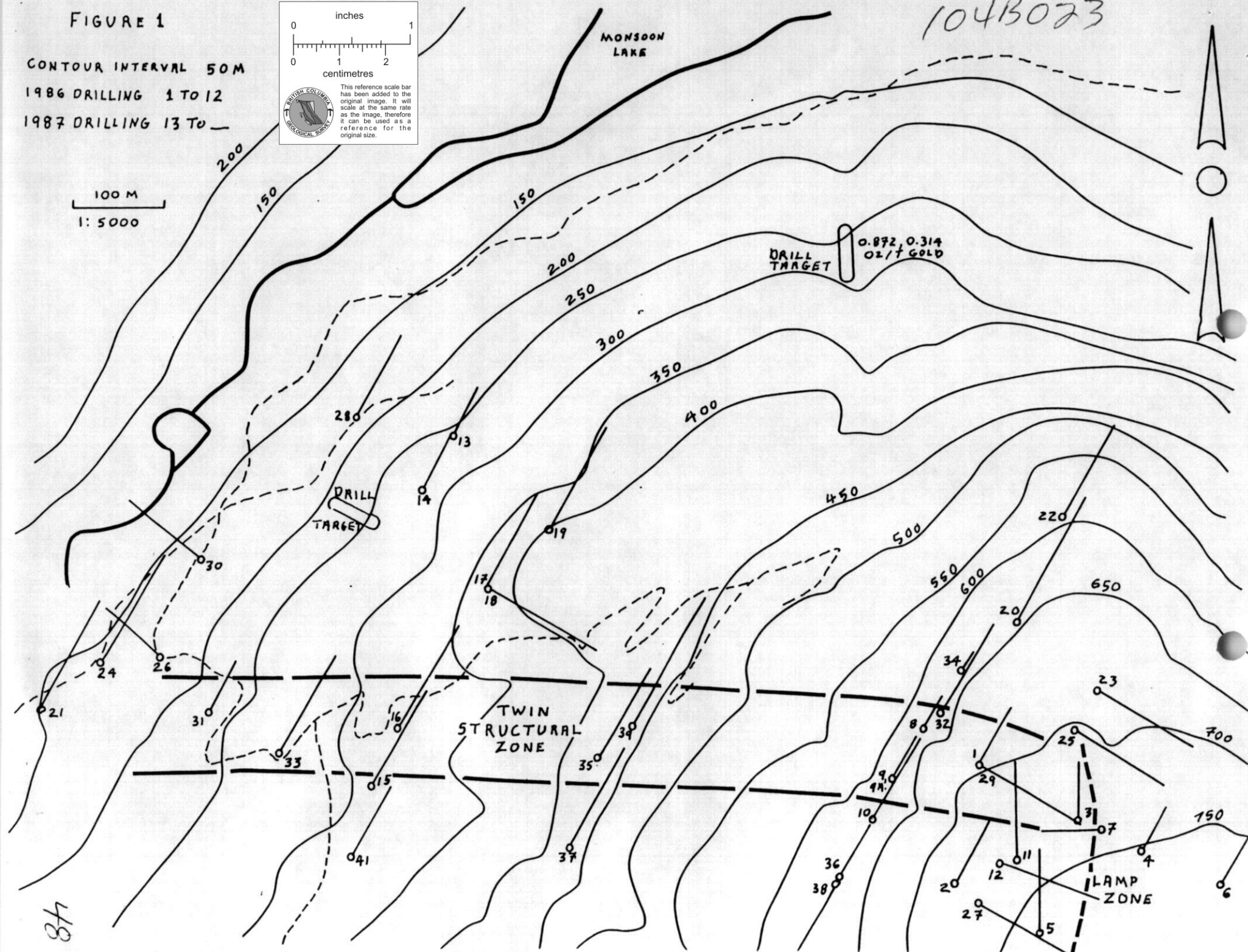
1986 DRILLING 1 TO 12

1987 DRILLING 13 TO



100 M  
1: 5000

104B073



48



# CROSS SECTION LOOKING EAST

1416 feet A.S.L.

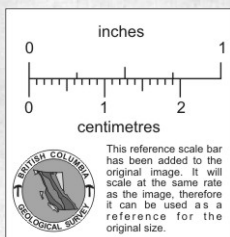
1396 feet A.S.L.

1412 feet A.S.L.

S-39

S-35

S-37



←---  $\frac{3.81 \text{ oz/ton Au}}{7.9 \text{ feet}}$

1,000 feet  
A.S.L.

←-- Mineralized  
Structures  
Fire-assay results  
pending

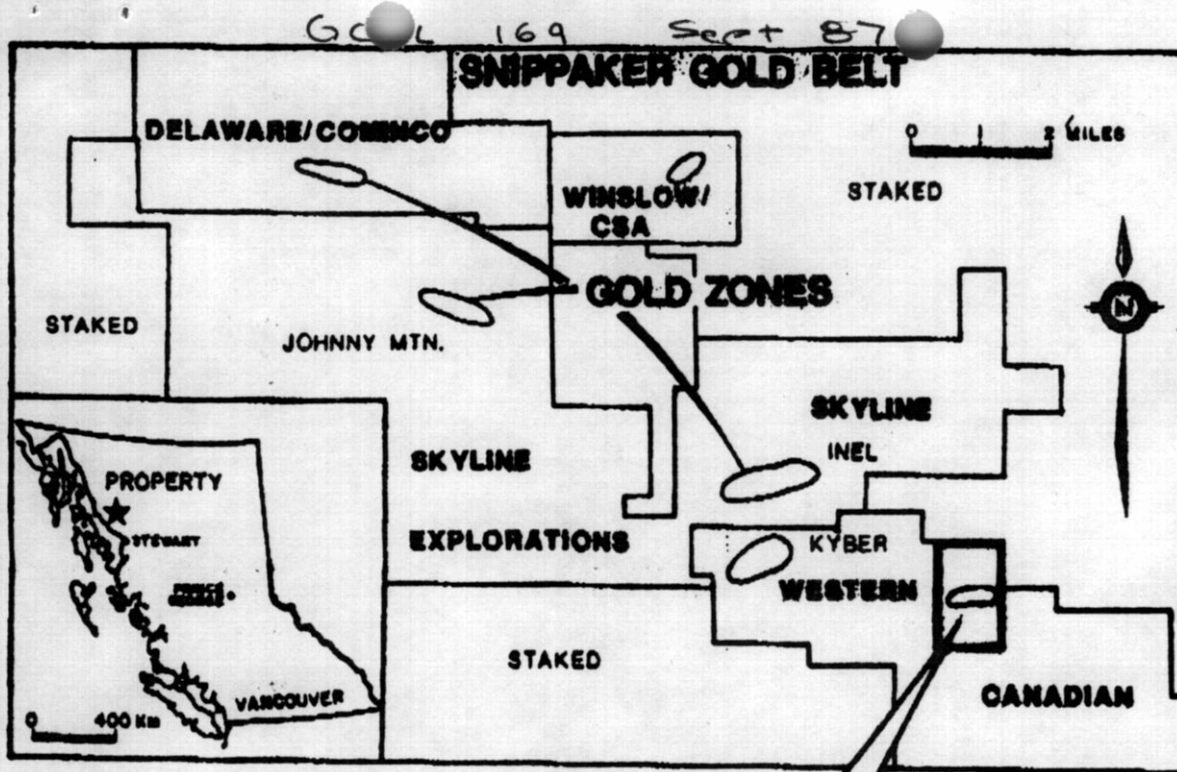
104B023

←---  $\frac{1.13 \text{ oz/ton}}{24.9 \text{ feet}}$   
including  $\frac{2.95 \text{ oz/ton}}{8.5 \text{ feet}}$

100 feet

45





104B023

See associated article

## MT. CALVERY - TECK JOINT VENTURE

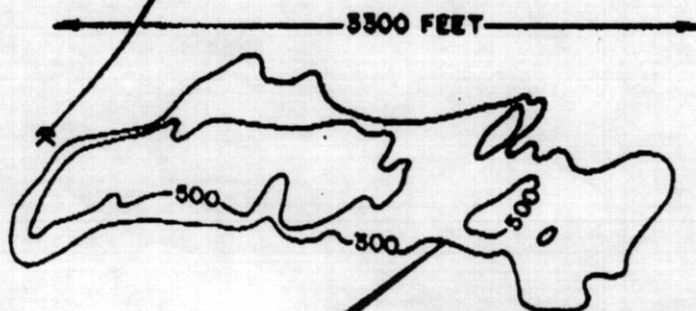
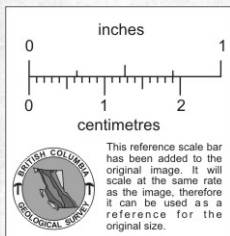
### SNIP PROPERTY

#### BLUE RIBBON ZONE

SAMPLED ALONG 80 FEET

GRAB SAMPLES TO 6.277 OZ/TON Au

CHP SAMPLES AVERAGE 0.10 OZ/TON Au OVER 26 FEET



**GOLD SOIL ANOMALY**  
3300 FT. X 1000 FT.  
(GOLD VALUES IN ppb)



GOLDEN BAND RESOURCES INC. (GBN-V)

DELAWARE RESOURCES CORP. (DLW-V)

AMERICAN ORE INC. (AOE-Alberta)

GCNL

INITIAL DRILLING PROGRAM STARTED - Golden Band Resources, Delaware Resources and American Ore, as to one third working interest each, are exploring the property which adjoins the Delaware-Cominco Snip project, 60 km north of Stewart, B.C. Existing trenches were cleared and resampled. The best gold value reported was 0.952 oz./per ton across 0.5 meter. Silver values ranged from 1.4 oz. per ton to 25.81 oz. per ton, copper values from 2.9% to 8.32% and zinc from 1.51% to 12.02%. The trenches are over a 30-meter strike length within a gold soil geochemical anomaly which is 500 meters long. An initial 6 drill holes are planned to test the area of the trenches.

DELAWARE RESOURCES CORP. (DLW-V)

UNDERGROUND EXPLORATION EXPECTED - R.K. Metolitsky, a

GCNL 104B023 director of Delaware Resources Corp., reports that 30 new drill holes were completed up to 22 July 87 on the SNIP gold joint venture project with Cominco Ltd. some 60 miles NW of Stewart in NW B.C. This work tested exploration targets over a 3000 by 1500 foot area with widely spaced holes. Visual logging of drill core and limited geochemical and fire assays currently available have traced the Twin Structural Zone, which contains the Twin, Tara, and Rope zones as defined by the 1986 drilling, over a minimum horizontal distance of 3000 feet and a vertical interval of 1500 feet. Fire assay results from diamond drill hole 16 showed 13.8 feet grading 0.488 oz. gold/ton. The drill fence with holes 35, 37 and 39 intersected very well mineralized structures with visible gold observed in DDH-35 and 37 (assays pending). The surface geological program has located new mineralized zones, two of which will be drill tested. Surface samples from one of these zones returned values of 0.872, 0.314 and 0.215 oz/ton gold. The objectives of the balance of the program are: to drill off the Twin Structural Zone with 50-metre spaced fences; to continue drilling the Lamp zone and to drill test at least two of the new surface targets.

Delaware management is confident that the next phase of exploration will include an underground exploration program.

DELAWARE RESOURCES CORP. (DLW-V)

GCNL  
104B023  
HIGH GOLD VALUES REPORTED - Delaware Resources Corp. has reported fire assays from the SNIP project, 60 miles northwest of Stewart, B.C.

DRILL HOLE	INTERVAL FEET	LENGTH	OZ. GOLD/TON
S-14	309.7-319.5	9.8	0.129
S-15	240.5-253.9	13.4	0.430
S-16	351.4-365.2	13.8	0.488
S-18	116.1-272.6	156.5	0.060
	429.5-479.0	49.5	0.227
including	429.5-439.3	9.8	0.786
S-35	186.0-193.9	7.9	3.81

The results from S-35 reflect a previously reported visible gold intersection. (See GCNL No. 149, P3, Aug. 5, 1987 for review of current drilling).

BCNL 118 REGAL PETROLEUM LTD. (RGA-V) JUNE 19/87

TWO-PHASE EXPLORATION OF - Neil Dragovan, a director, ISKUT RIVER CLAIMS PLANNED reports that Regal Petroleum Ltd. is planning an immediate 2-phase gold exploration program on its 3,200 acre property in the Iskut River area of NW B.C., 65 miles NW of Stewart. The property consists of the FOR 3,4 and 5 claims and is owned 100% by Regal.

Ms. Dragovan points out that the claims are all located with respect to new gold discoveries in the Iskut River area. The Stonehouse gold deposit, being developed by Skyline Explorations Ltd., is 9 miles NE of the property with reserves of 938,000 tons grading 1.73 oz. gold/ton. Skyline has scheduled the project to go into production in 1988. Two miles north of the Stonehouse deposit is Cominco's Snip property, under option to Delaware Resources Corp. Drilling in 1986 by Cominco defined a gold zone with a minimum strike length of 800 feet over a vertical interval of 400 feet, with drill intercepts up to 0.449 oz. gold/t over 44.3 feet. Twelve miles NE of the Regal property is Skyline's auriferous polymetallic Inel prospect. In addition, Tungco Resources Corporation has reported gold and silver mineralization on its property 14 miles NE of Regal's claims. Grab samples here returned assays of 1.74% copper, 1.87 oz. silver/t and 0.897 oz. gold/t; 1.71 oz. silver/t and 2.873 oz. gold/t; and 0.493 oz. gold/t.

Mapping by the Geological Survey of Canada indicates the rocks underlying Regal's property belong to the same formation which hosts the Stonehouse gold deposit.

Regal's Phase I exploration will consist of stream sediment, rock and soil sampling, and prospecting. This is expected to take one month to complete. Phase II, a detailed program of sampling, mapping, trenching and diamond drilling, will evaluate targets outlined by Phase I. Regal will contract with Galveston Explorations Ltd. to manage the exploration.



GCNL 7191 3 OCT 1986

DELAWARE RESOURCES CORP. (DLW-V)

PRELIMINARY INTERPRETATION OF - Exploration meetings with  
DRILLING ON B.C. GOLD CLAIMS COMINGO LTD. (CLT-V,T,M)

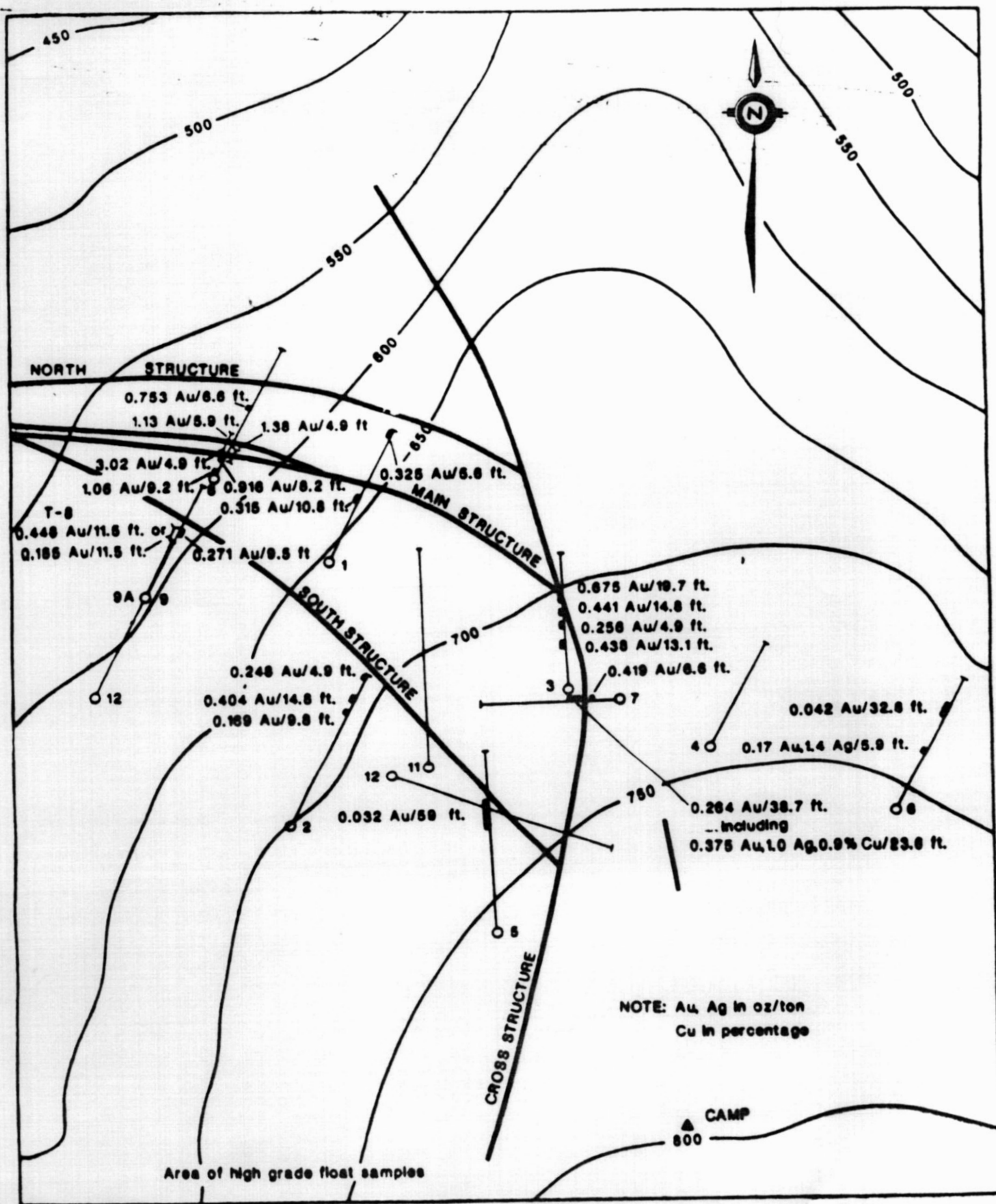
have confirmed that 4,902 feet were drilled in 13 holes this season on the Snip gold property of Delaware Resources Corp. on the Iskut River in northern B.C. The assay results have been received only to hole 9 and are shown on the diagram overleaf. (The results for Holes, 6, 7, 8 and 9 were also reported in GCNL 172(86) and for Hole 3 in GCNL 150). R.K. Netolitzky, a director, says 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; all holes have been drilled at a down dip of 45 degrees. Detailed geological mapping, prospecting, soil geochemistry, trenching and aerial photographic surveying were conducted. The camp is stored on site within winterized tents; this will facilitate 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 about 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, being 13.1 feet grading 0.438 oz.gold/ton and 44.3 feet grading 0.449 oz.gold/t. (GCNL 150(86) P.2 refers).

In Saskatchewan, 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. Delaware has acquired 50% interest in CBS 8021 with COLCHIS RESOURCES LTD. (CLK-V) in the Pine Channel area. This 1,200-acre gold prospect was acquired for the cost of staking.

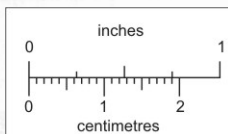
At Indin Lake, N.W.T., results from the Echo Bay/Comaplex and Petromet joint venture confirms the significance of this belt. A crew has been mobilized into the Delaware/Brazos Petroleum joint venture property to investigate airborne geophysical targets and to conduct reconnaissance prospecting.

In the Ungava area of Quebec Delaware holds interest in more than 100,000 acres of which 80,000 acres are held in 50% joint venture with STOCKMEN ENERGY LTD. (SKM-Alberta). In progress since early August, the prospecting and mapping program, now completed, concentrated on re-sampling documented nickel/copper occurrences and numerous sulphide zones associated with layered mafic to ultramafic sills. Samples are being analyzed for platinum group elements gold, and base metals. Chromite-rich layers, often associated with platinum group elements, have been sampled as well. Within other geological settings of the Cape Smith belt, felsic volcanics have been noted and sampled to evaluate their gold potential.



0 50 100 Metres

Scale 1:2500



This reference scale bar has been added to the original image. It will scale at the same rate as the image, therefore it can be used as a reference for the original size.

**DELAWARE RESOURCES CORP.**

*Iskut River Area, B.C.*  
SNIP Claims



GCNL #198 15 OCT 1986

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

HOLE	INTERVAL/FT	LENGTH/FT	OZ. GOLD/TON	ZONE
9A	150.9-173.6	22.7	0.165	Main
incl.	150.9-154.2	3.3	0.757	
	307.1-310.4	3.3	0.085	Main
	385.8-393	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	4.9	0.300	
11	458 -475.4	17.4	0.287	Main
incl.	458 -468.2	10.2	0.463	
	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	

**ADDITIONAL GOLD ASSAYS REPORTED - Delaware Resources**

104B023(10W) Corp. has announced drill results from the Snip prospect, B.C. Delaware is in the process of earning a 50% interest in the property from Cominco. The mineralized interval in DDH-10 between 433.1 to 438 ft. had very poor core recovery without any sludge return and may represent only minimum values for this zone. (SEE GCNL NO.191,P2. Oct.3, 1986.

DDH-10 and 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. gold per 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.gold/ton.

Delaware has arranged a private placement flow through sale of 180,000 shares at \$1.75 each to provide \$315,000, subject to regulatory approval.

MINER 20 OCT 1986

**Delaware reports gold intercepts**

Drill results have been reported by Delaware Resources from its SNIP prospect in the Ikut River area of B.C.

Hole 12 drilled on the Cross zone returned a 55.7-ft intersection grading 0.586 oz gold per ton, including a 6.6 ft section of 4.535 oz. The company says this latter high-grade interval was checked with a fire assay on a 2-assay-ton split.

Hole 9A returned a 22.7 ft section from the South zone which graded 0.165 oz, including a 3.3 ft section of 0.757 oz.

From the Main zone, Hole 9A pulled a 3.3-ft section of 0.085 oz gold per ton. And from the North zone this hole returned a 7.2 ft intersection of 0.842 oz.

Holes 10 and 11 were not drilled to sufficient depth to intersect the North zone mineralization, the company says.

Hole 10 did return a 6.6 ft section from the South zone which graded 0.090 oz gold per ton and a 21.3 ft section from the Main zone of 0.114 oz.

Hole 11 returned a 17.4 ft section from the Main zone which graded 0.287 oz. This included a

10.2 ft section of 0.463 oz.

The company says sampling results from 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.

104B/10W  
(104B CR3)

AUG 25/86 H. MINER

## Delaware reports gold intercepts 1048023

VANCOUVER — Two highly encouraging gold intercepts have been reported by Delaware Resources from its SNIP prospect in the Iskut River area of B.C.

Cominco, operator for the project, says hole No 3 returned 13.1 ft of 0.438 oz gold and 44.3 ft of 0.449 oz. The latter intersection includes 0.87 oz gold over 14.8 ft and 1.48 oz across 4.9 ft. Cominco says the overall zone of gold enrichment extends from 83.3 ft to 231 ft and averages 0.2 oz gold per ton.

The main zone has been tested over a 500-ft horizontal distance and to a vertical depth of 350 ft. One hole drilled 300 ft to the southeast missed the structure but the joint venture claims it was drilled on a geochemical low. Anomalous soil values do extend on trend for at least 1,500 ft to the southeast, the companies say.

A phase 2 drill program, which will also include trenching and detailed geochemical mapping, now is under way over the main zone and expenditures for the work will fulfill its funding obligations for 1986.

GCNL #172 8 SEPT 1986

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

HOLE	INTERCEPT, FEET	FOOTAGE	OZ. GOLD/TON
86-6	157.2-163.1	5.9	0.170
	252.0-284.8	32.8	0.042
86-7	60.7- 67.3	6.6	0.419
	86.9-125.6	38.7	0.264
includes	102.0-115.8	13.8	0.499
86-8	17.1- 26.3	9.2	1.060
	43.0- 51.2	8.2	0.916
	169.3-175.9	6.6	0.753
86-9	142.1-151.6	9.5	0.271

PROPERTY ON ISKUT RIVER — Further diamond drill hole YIELDS GOOD GOLD ASSAYS assay results from the Phase III program on the SNIP project of Delaware Resources Corp. and Cominco Ltd. in the Iskut River area of NW B.C. are presented by Delaware director K.W. Netolitzky. (SEE TABLE).

Mr. Netolitzky says Hole 86-6 contained geochemically anomalous gold values throughout the core interval. Poor core recovery was experienced through the best mineralized section. Hole 86-7 intersected a mineralized zone at a high angle to the drill hole. This zone may represent a separate parallel zone to those encountered by Hole 86-3, for assays of which SEE GCNL 150(86) p.2). Hole 86-8 was drilled under trenches 1 and 2 which have high grade mineralized intervals. The results confirm vertical continuation of high grade values. The first intersection represents a minimum length, as assay results start at the casing. Hole 86-9 was lost just after encountering a mineralized interval and is being redrilled. This was designed primarily to test the mineralized zones outlined by Hole 86-8 at depth.

The Main Zone has been delineated for a minimum strike length of 800 feet over a vertical interval of about 400 feet. Delaware management are confident that the program is in the initial stages of outlining a significant gold deposit.

The size of the Snip joint venture was significantly increased by the staking of additional claims along the western boundary. The Phase III drill program started on 25 Aug 86.

GCNL		DELAWARE RESOURCES CORP. (DLW-V)		86-08-01
HOLE	INTERCEPT	FOOTAGE	OZ. GOLD/T	# 148
1	138.0 to 155.0 feet	14.0	0.258	
		1.0	0.473	
		2.0	1.47	
258.0 258.3		0.3	2.66	
2	95.5 100.4	4.9	0.070	
241.1 250.9		9.8	0.165	
265.7 295.3		29.6	0.20	
includes		14.8	0.38	
310.0 342.8		32.8	0.059	
includes		4.9	0.235	

PHASE 2 DRILLING STARTED ON — Delaware Resources Corp. ISKUT RIVER GOLD CLAIMS, B.C. has completed the initial phase of drilling, being 522 metres in 5 holes on the SNIP property in the Iskut river area of NW B.C. and has now started on the second phase, being 4 holes of about 100 m each.

In Phase 1, 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 previous programs. DDH-3 and 4 are located 100 and 200 m respectively east of DDH-1. DDH-5, located 100 m east of DDH-2 tested the same zone.

Delaware president R.W. Turmuende has presented assay results from DDH-1 and DDH-2 which have been received from Cominco's laboratory (SEE TABLE). Analyses of other holes are anticipated shortly and will be released when appropriate fire assay checks have been completed. A trenching program of the mineralized zones is continuing.

### GCNL 150 DELAWARE RESOURCES CORP. (DLW-V) 86-08-06

HOLE	INTERCEPT, FT.	FOOTAGE	OZ. GOLD/T
3	103 - 116.1	13.1	0.438
	181.7 - 226	44.3	0.449
	includes	14.8	0.871
	includes	4.9	1.48

RICH GOLD ASSAYS FROM — R.W. Turmuende, president of NW B.C. ARE REPORTED Delaware Resources Corp., 1048023 (10W) reports that drilling results from the SNIP prospect, Iskut River area, B.C. fire assay results have now been received from Cominco Ltd., diamond drill hole No.3 (See table).

The overall zone of gold enrichment extends 147.7 feet from 83.3 to 231 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.

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 and 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.

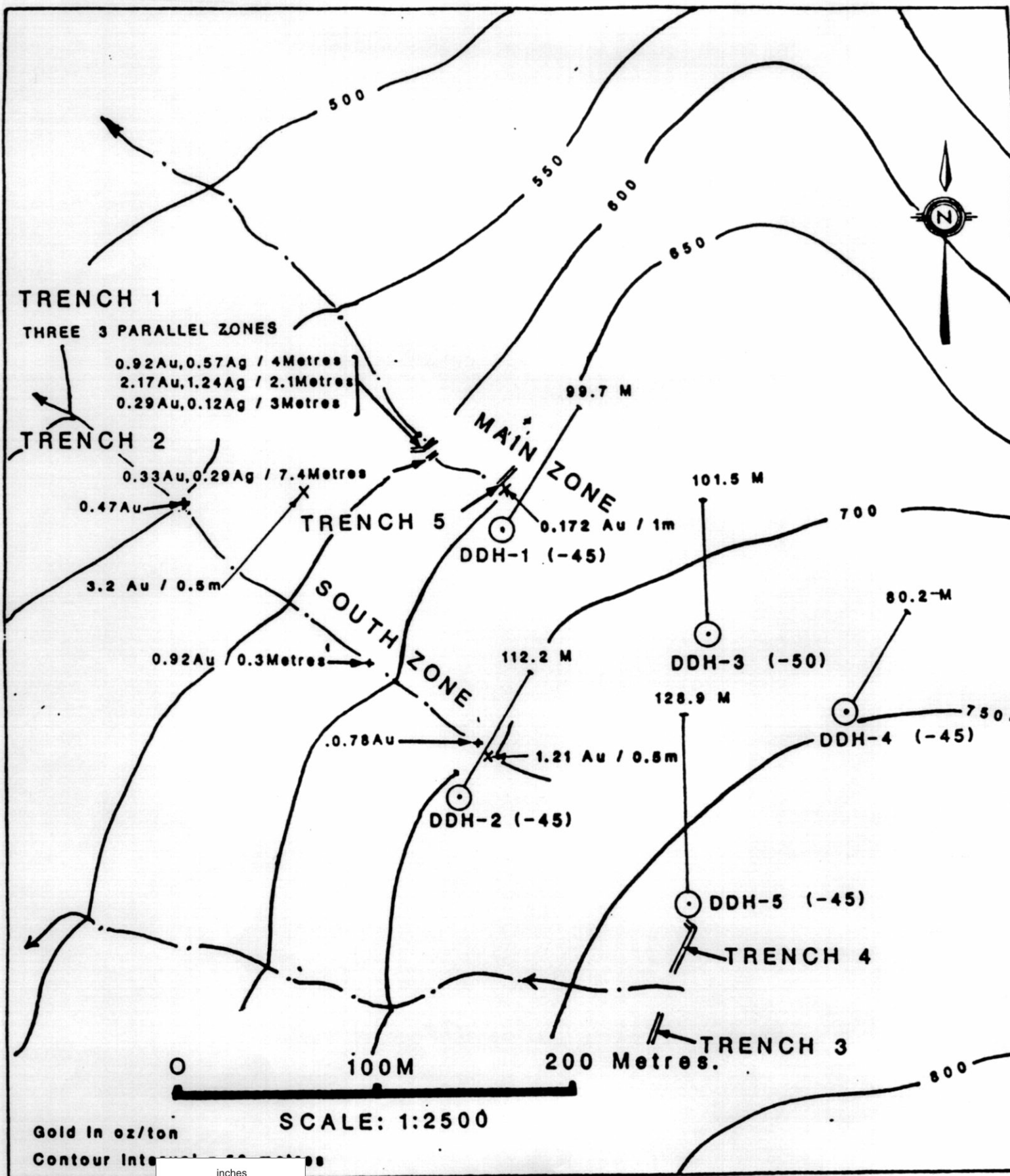
The Phase II exploration program, consisting of further diamond drilling, trenching and detailed geochemical mapping, is presently continuing over the main zone. This Phase II program will fulfill Delaware's funding obligations for 1986. It is, however, Delaware's intent to make available a further \$200,000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



# **DELAWARE RESOURCES CORP.**

GCNL 86.04.17 #74

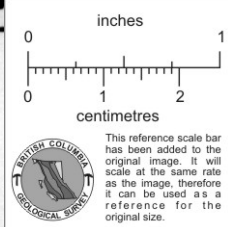
OPTION SOUGHT ON COMINCO - Ronald K. Netolitzky, president, announces that Delaware Resources Corp. has started negotiations to option from Cominco Ltd. the SNIP claims in the Iskut River region of NW B.C. immediately north of Skyline Resources' Reg property. Mr. Netolitzky expects contracts to be ready for execution by the end of this week. 104B/10W 104B023 SNIP



**SNIP PROPERTY**

**ISKUT RIVER AREA**

**NW B.C.**



GCL #142 24 July 1986

DELAWARE RESOURCES CORP. (DLW-V)

PROGRESS ON ISKUT RIVER - The initial phase of drilling GOLD PROPERTY REVIEWED of 522 metres in 5 holes has 1048/10W (1048 023) been completed on the SNIP property in the Iskut River area of NW B.C. It tested the main zone over a 200-metre strike length. (SEE DIAGRAM OVERLEAF). In reporting this, R.K. Metolitzky, a director of Delaware Resources Corp., says DDH-1 is located 50m east of and 50m above Trenches 1 and 2 which returned high grade gold values in previous programs. DDH-3 and 4 are 100 and 200m, respectively, east of DDH-1. A mineralized and sheared zone of metagreywacke was encountered in DDH-1 over an 85m interval. Disseminated pyrite and quartz-carbonate stringers are common. Narrow intervals of near massive pyrite, quartz-carbonate veins, and sections with disseminated chalcopyrite and sphalerite are present throughout the mineralized section. The mineralization is similar to that in the high grade Trench 1 (0.92 oz.gold/t over 4m; 2.17 over 2.1m and 0.29 over 3m in 3 separate zones). DDH-3 encountered a similarly mineralized zone. DDH-4 cut weaker disseminated pyrite mineralization.

DDH-2 tested a parallel structure 100m SW of the main zone. This structure was identified by surface chip samples collected in a secondary creek gully over a 200m horizontal and 150m vertical interval. Assays of grab samples taken in previous programs there ranged from 0.47 to 1.21 oz.gold/t. The entire hole is mineralized with disseminated pyrite. Narrow intervals of more intense shearing, quartz-carbonate veining, massive pyrite, and disseminated chalcopyrite are present. DDH-5, 100m to the east, also cut similar shearing and mineralization in this zone.

The geological and trenching crew are logging core. They plan further trenching NW of the two zones drilled and will prepare drill pads to help test the NW extension of the known mineralized zones. Samples from DDH-1 to DDH-3 are being assayed in Cominco's laboratory.



# The Northern Miner

August 1, 1988

104B250

## SNIP property nearing production

by David Duval

JOHNNY MOUNTAIN, B.C. — On the approach to the SNIP airstrip 65 miles north of Stewart one begins to understand the hazards of minerals exploration in British Columbia.

Sitting off to one side of the airstrip are the remains of a Bristol aircraft which crashed over a month ago. Landing with a load of jet fuel — and near a brush fire on top of that — all three crew members got out safely. (But in the process they probably qualified for the relay race in the summer olympics.) On the other side of the landing strip lies a small Beechcraft, one of last year's casualties.

Accepting such risks is all part of doing business in the north and it has certainly paid off for Cominco Ltd. (TSE) and Delaware Resources Corp. (VSE). A production decision is expected in the next few months for their SNIP property which will be the second gold mine in the region after Skyline.

Cominco is currently refining capital costs for the project and a figure of \$45 million has been sug-



Photo by The Northern Miner

Cominco's Bill Wolfe (centre) discusses SNIP project with Queenstake Resources Chairman Richard Atkinson (left) and Jack Patterson, manager, B.C.-Yukon Chamber of Mines.

gested but that could change. After visiting the property, The Northern Miner gathers that a 300-ton-per-day milling operation is optimum, at least initially, increasing later as sufficient working places become available. But Delaware has

been pushing a 500-ton start-up rate.

Delaware has spent almost \$9 million on the property so far and Cominco (the operator) can back in for 60% by contributing double that expenditure (\$18 million). At that point, it will be a 60/40 joint venture. The deal actually isn't a bad one for Cominco whose participation has been risk-free thus far.

According to Bill Wolfe, Com-  
See Page 23

# SNIP nearing production

From Page 1

inco's exploration manager for western Canada, "there's no doubt it will be a very rich, profitable, small mine." And he confirmed that senior executives at Cominco have given their approval to "fast track" the SNIP development. In order to begin production in September, 1989, the joint venture would have to begin construction this year. But that time frame is a "best case scenario," Wolfe admitted.

The area to the east of the main deposit will probably not be accessible to mining for several years. But Wolfe said that Delaware will probably fund a 4-hole drill program to block out additional reserves in this region. These holes will be put down from surface and will require a specialized drilling rig with good depth capacity. Some of the holes could be 1,200 ft or more.

At present, the joint venture is concentrating on the developed portion of the deposit because they will need well-defined stopes and an accurate grade assessment for a production decision. This decision could be made in August or September. The Northern Miner was told.

Mining will probably not be highly mechanized because of the variable vein widths; and dilution could be a problem because the "vein walls are not clean," Wolfe conceded. In any event, a 20% dilution factor has been applied to reserves which is actually quite conservative. (Mechanized mining operations are volume oriented and it's often at the expense of grade which increases operating costs and lowers profitability.) A cut-and-fill mining method will probably be utilized and, that being the case, about half the tailings will be returned underground as backfill.

## Profitable operation

Recent sample results from the 300-m level of the Twin zone suggests Cominco is absolutely right about SNIP being a profitable mining operation. Assay results are double those initially indicated from surface diamond drilling, a report prepared for Delaware by Cominco noted. Sampling results along 535 ft of strike length in the lower portion of the reserve block yielded exceptional results in the west drift, the west/east drift (which is immediately adjacent to and split by the 300 level crosscut) and also from the east drift.

In the west drift, 1.54 oz gold was

returned across a width of 9 ft for 320 ft of strike length. The west/east drift graded 0.375 oz over 42.6 ft for 80 ft of strike length and the east drift averaged 0.37 oz over 9.8 ft for 135 ft of strike length. These are minimum widths because the mine working did not expose the entire thickness of the zone at the level. Drilling is planned on 12-m centres to determine the actual width of the zone.

The Twin zone has been faulted off in the east drift. In an attempt to locate a high grade drill intercept of 2.8 oz gold over 27.2 ft in hole No S-84 (which was interpreted to be the Twin zone) the drift was turned to the north. What appears to be a parallel mineralized zone was discovered in the footwall of the Twin zone.

Face sampling along this zone averaged 1.8 oz gold over a minimum average width of 9.1 ft along 130 ft of strike. This zone is open to the east and appears to be faulted off to the west. Drilling has indicated the presence of the Twin zone above the east drift as shown in hole UG13 which returned 0.37 oz gold over 18.4 ft; mineralization has also been indicated in several other holes. So far the Twin has been traced for a minimum 260 ft of strike length beyond the fault.

At the moment, one drill rig is proving up reserves on 25-m centres and a second smaller unit is drilling horizontal and inclined holes (12.5-m centres) to determine the true width of the Twin zone on the 300 level.

## First gold in 1975

The first gold showing at SNIP was discovered on a creek bottom in 1975; Cominco staked the ground in 1980 and in subsequent years trenched the showing, completed extensive geochemical work, prospecting and mapping before concluding an option agreement with Delaware in 1986.

Delaware funded a 12-hole drill program that year which returned

significant gold values in 11 holes. This program was followed up by approximately 45,000 ft of drilling in 1987 which helped detail the structure and mineralization in the Twin zone orebody. Initially tested on 100-m fences, the drill hole spacing was later tightened up to 50 m, still quite wide for a gold deposit. But their confidence level was high enough to mount a major underground program which is still under way. Indeed, the main haulage level (180 m) is now in over 1,000 ft and it will open up new areas for underground drilling.

## Diesel power

Bringing in power from the B.C. Hydro grid or from Wrangell, Alaska, doesn't appear feasible at this juncture but any new discoveries in the region could change this. So power will be supplied by diesel generators with fuel airlifted into the property. Road access isn't particularly attractive because of environmental constraints. In any event, it would probably take two years to get approval.

Skyline Explorations is constructing a road from its Reg project to SNIP, probably to ensure air access during the winter months. The SNIP airstrip is several thousand feet lower and is almost accessible year round. About 55% of Skyline's gold output will be going out in copper concentrate which will have to be flown out. So air access is critical.

Metallurgically the SNIP deposit is very clean and drill core samples yielded a 98% recovery rate; approximately 60% of the gold is recoverable by gravity separation and the remainder in flotation concentrate which will be treated with cyanide.

Cominco has a patented process for the cyanidation end of it. There is little copper in the ore so cyanide consumption is expected to be low. The gold is quite uniformly distributed and there is good reproducibility in assays, Cominco said.