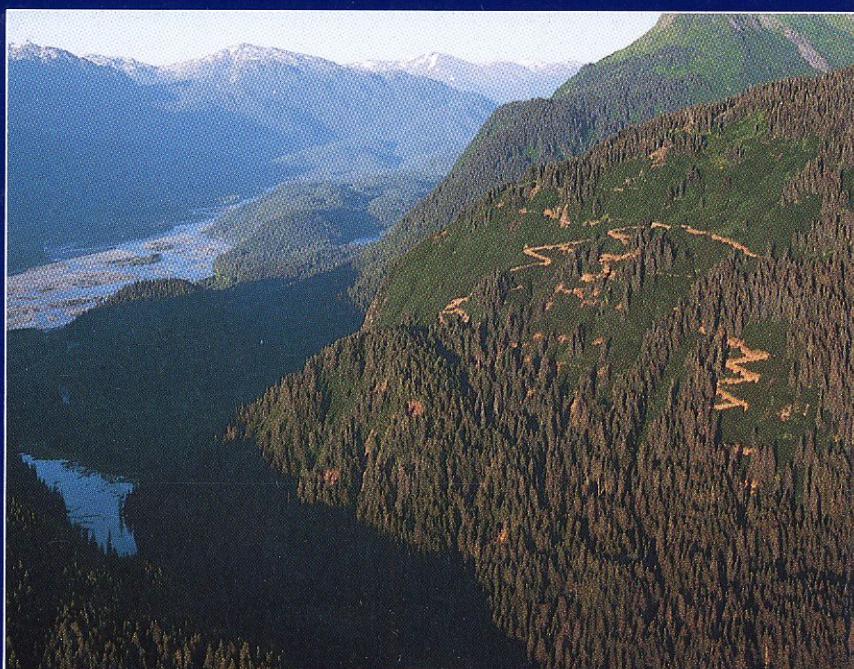


Snip
887751

ANNUAL REPORT 1987



Delaware Resources Corp.

CHAIRMAN'S REPORT TO SHAREHOLDERS

It is a pleasure to report to you on the company's affairs. This past year has been an active and gratifying one for all involved.

The company's involvement in the Snip Project which is described in this report has led to the discovery of a significant new gold deposit. Drilling to date has indicated reserves of 1.2 million tons averaging 0.7 ounce per ton of gold. The gold bearing zone is open along strike and at depth. In addition there are several parallel zones which have indications of similar grade material being present although much exploration needs to be done to prove the continuity of these zones. Management believes that the Snip deposit will be a major gold producer within the next few years and Delaware's 40% interest will be very profitable.

During the year Colossus Resource Equities Inc., a member of the Prime Capital Group, acquired control of Delaware. Colossus holds, in addition to common shares, 3 million warrants which on exercise will realize \$7 million for Delaware. Colossus has indicated that it will exercise the warrants and this will leave the company in a strong financial position.

With the change of management, it will be much more convenient to appoint auditors who are located in Vancouver. Accordingly, shareholders will be asked to approve the appointment of Touche Ross & Co. as auditors at the upcoming annual meeting. We would like to thank the firm of Antony, Chittick, Bleackley & Hanson for their past service.

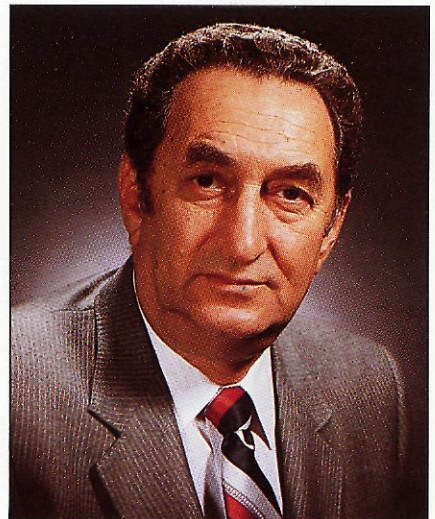
The company will continue to focus its efforts on the Snip Project and hopefully by the year end we will announce a production decision.

On behalf of the Board



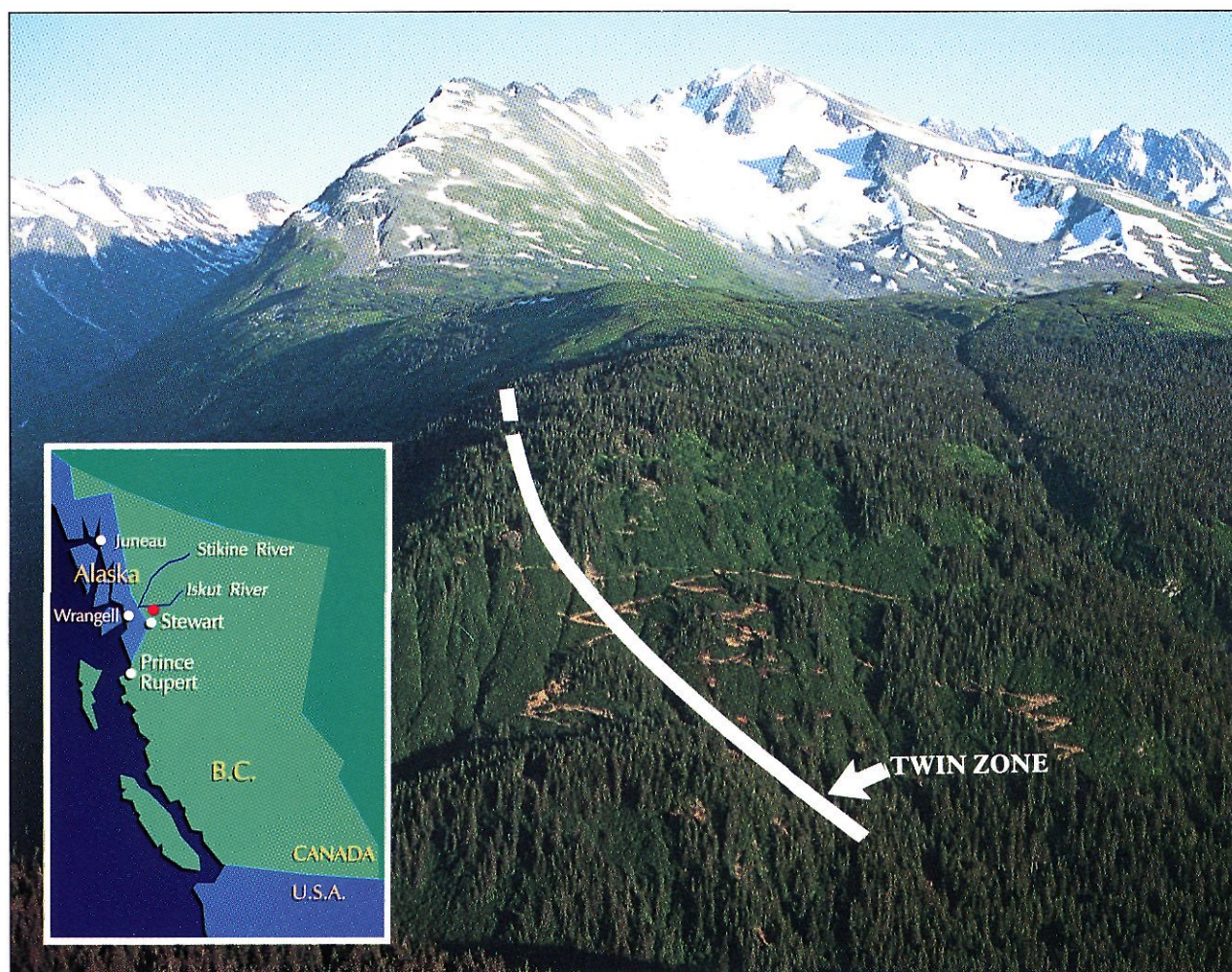
Murray Pezim
Chairman

18th July, 1988



SNIP PROJECT

British Columbia



The Snip Property of Delaware Resources Corp. and Cominco Ltd. is situated along the Iskut River, approximately 65 miles northwest of Stewart, British Columbia. Access is limited to aircraft at present, with the nearest centre being Wrangell, Alaska, located 50 miles due west. The Bronson Creek airstrip on the Snip Property is at an elevation of 425 feet above sea level. It is being extended to accommodate Hercules-sized aircraft for heavy equipment mobilization.

Because of extreme topographic relief, the property has a severe climatic gradient, ranging from a modified coastal climate at the airstrip and up to the levels of the current underground workings, to near-arctic conditions at higher elevations. Snowfall accumulations in recent

years have ranged from 3 to 7 feet at the airstrip. By contrast, the Johnny Mountain Gold Deposit of Skyline Explorations Ltd., only 3 miles south-east of the Snip Deposit, is handicapped by arctic conditions; snow accumulations in the area of the mine persist well into the summer.

Cominco has been active in the area since 1929. However, the current property resulted from a porphyry copper exploration program in 1964 by Cominco which resulted in the surface discovery of gold mineralization known as the Twin Zone. Trenching was done in the subsequent year, but the claims covering the zone were allowed to lapse. The property was re-staked in 1980 as a consequence of better gold prices and renewed activity in the region.

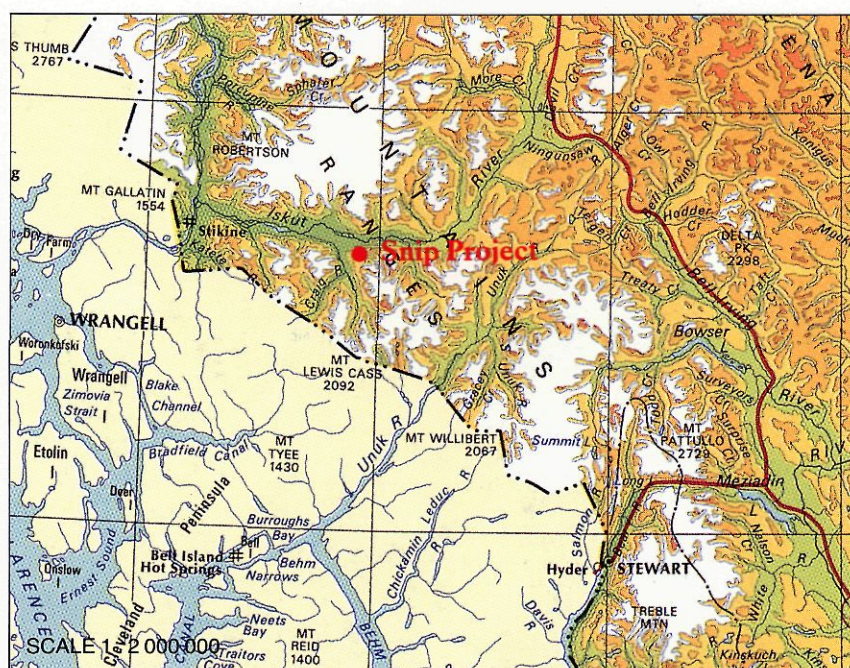
Delaware began negotiations with Cominco to acquire an interest in the Snip property in late 1985. The initial joint venture was agreed to in January 1986, allowing Delaware to earn a 40% interest by funding exploration. During the winter of 1986, Cominco and Delaware renegotiated the joint venture, such that Delaware obtained the right to earn a 100% interest in property, subject to Cominco's right to earn back a 60% interest. Cominco may earn back its interest by delivery of production notice to Delaware and by expending two times the exploration expenditures funded by Delaware. Throughout the history of the agreement, Cominco has been retained as project manager.

A total of 12 widely spaced drill holes were completed in 1986 which resulted in twenty significant gold intersections, with only one blank drill hole. Additional programs of trenching, prospecting and soil geochemistry confirmed the presence of a shear vein system which hosts the Twin Zone of high-grade gold mineralization.

Continued drilling of the Twin Zone in 1987 identified a mineral inventory of 1.2 million tons grading 0.7 ounce per ton gold. The reserve calculation includes a 20% dilution factor and cutting of very high-grade assays to 4.38 ounces per ton gold. The 1986 and 1987 drilling also identified numerous significant gold intersections which are outside of the Twin Zone reserve block. These intercepts and other surface gold occurrences remain virtually untested.

Based on the positive results of the surface drilling, a decision was reached to begin underground exploration on the Twin Zone in 1988. To the end of June, Delaware has funded \$4.6 million and has agreed to fund a further \$1.5 million to the end of July on the underground work program.

By June 30, development on the 300 m level was completed. Drifting on the Twin Zone has followed the mineralization over a strike length of 820 feet, with only minor fault offsets. A parallel hangingwall drive was used to establish underground drill stations, and drilling has been used to



ELEVATION AND METRES ABOVE SEA LEVEL

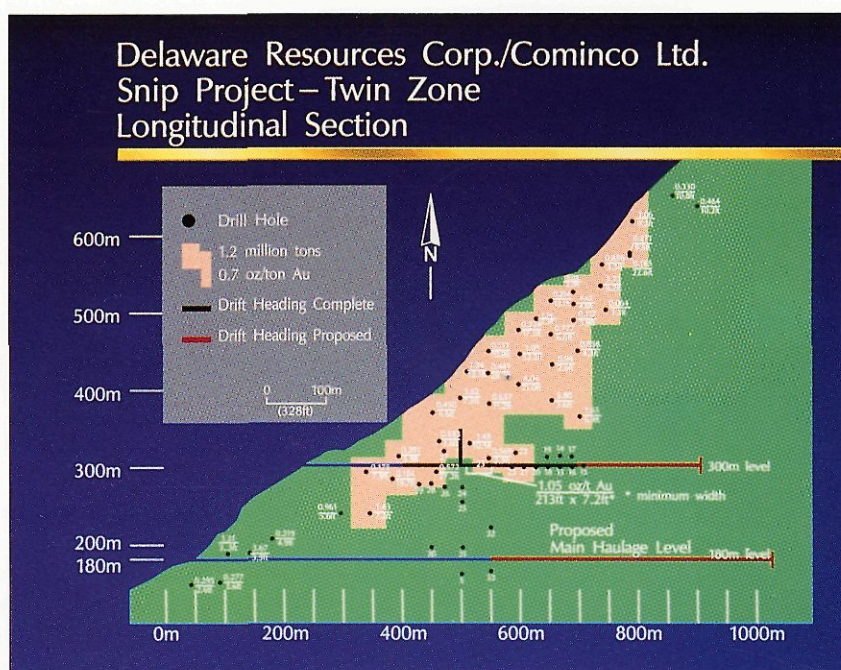




confirm the downdip extension of the zone between the 300 m and 150 m levels. Also, because Twin Zone is generally wider than the drift width, detailed horizontal and inclined holes are being drilled into the footwall and hangingwall to establish its true width over the length of the drift. The underground drilling has the added benefit of testing other zones of gold mineralization which parallel the Twin Zone, but for which no reserves have been blocked out as yet. Work has now commenced on the 180 m level which is anticipated to reach the zone late in July.

Delaware and Cominco are highly encouraged by results of the underground work thus far completed. Face and muck sample assays indicate higher grade and better continuity for the Twin Zone than was interpreted from the 1986 and 1987 surface drilling. Also, the underground sampling shows that the practice of cutting exceptionally high assay results may not be appropriate for calculating the overall grade of the deposit. This upgrading of drilling assays, as confirmed by underground work, is quite typical of high grade gold deposits.

Cominco has commenced capital expenditures in engineering, airstrip enlargement, metallurgical testing, and environmental studies in anticipation of the delivery of production notice. Initiation of this work at this stage of the development of the project will enable early production on the property, which is scheduled for the fall of 1989. Delaware has agreed that the above mentioned capital expenditures will be funded by Cominco and, upon delivery of production notice, will form an initial portion of Cominco's back-in to a 60% interest. Under the current projections, Cominco will be required to fund \$19 million to earn back its interest.



OTHER PROPERTIES



Iskut River Joint Venture, British Columbia

Delaware has a 33⅓% interest in 10,500 acres adjoining the Snip project to the north with American Ore Limited and Golden Band Resources Inc. A \$400,000 exploration program operated by Delaware and funded by the partners is currently underway. The initial results indicate that new mineralized areas are being identified. Drill investigation of the better targets is scheduled for August.

Gene Property, British Columbia

Delaware holds 2,000 acres in the Salmo area covering precious metals occurrences in veins and geochemical targets. Further evaluation of these targets is currently being considered.

Mackay Lake, Saskatchewan

Delaware holds a 75% working interest in 6,000 acres, in the active MacKay Lake sector of the La Ronge Greenstone Belt. The property is on trend with significant gold occurrences, including several recent

discoveries. Claude Resources Inc. has the remaining 25% interest in the property.

Mullock Lake, Saskatchewan

This property of 1,300 acres, contiguous to the MacKay Lake property, is currently under option to Radcliffe Resources Ltd. If Radcliffe funds \$200,000 in exploration and makes property payments to Delaware of \$5,500, Delaware will retain a 19.6% working interest. The property is on trend with a recent gold discovery made by Radcliffe.

Little Dear Lake, Saskatchewan

This property adjoins the MacKay Lake property to the south and totals 3,500 acres. It is optioned to the Saskatchewan Mining Development Corporation. If S.M.D.C. completes expenditures of \$500,000 and option payments of \$52,500 to Delaware, the company would be left with a 18.75% working interest convertible to a 7.5% net profits interest.

**Casa Berardi,
Quebec**

Delaware holds a 50% working interest in a property in the Casa Berardi area of Quebec. Geophysical surveys have identified targets associated with geological environments featuring iron-rich sedimentary rocks. An overburden drill program is being considered.

**Ungava,
Quebec**

Delaware has acquired an interest in large property holdings in the Ungava region of northern Quebec. The properties host copper-nickel exploration targets in an area which is being re-evaluated for its platinum group metals potential.

**Beaufield/Stockmen,
Joint Venture,
Quebec**

Delaware has a 24.5% working interest in five prospecting permits totalling 322 km². Last season, airborne geophysical coverage and surface mapping programs were completed. The presence of numerous strong EM conductors on the properties will require further ground screening prior to selection of drill targets.

**Cove Energy Corporation/
Springer Resources Ltd.,
Joint Venture,
Quebec**

Delaware has a 25% working interest in one permit of 58 km². Ground exploration in 1986 and airborne coverage in 1987 identified numerous conductive trends.

**Diatec,
Joint Venture,
Quebec**

Delaware has a 50% working interest in a prospecting permit which totals 127 km². This property was covered by airborne geophysical surveys in 1987. The survey results identified numerous conductive trends.



AUDITOR'S REPORT

To the Shareholders of Delaware Resources Corp.

We have examined the balance sheet of Delaware Resources Corp. at March 31, 1988 and the statements of deficit, deferred exploration expenditures, deferred administrative expenditures and changes in financial position for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the Company as at March 31, 1988 and the changes in financial position for the year then ended in accordance with generally accepted accounting principles for companies in the exploration stage as explained in Note I applied on a basis consistent with that of the preceding year.

Antony Chittick Bleackley & Hanson

Antony, Chittick, Bleackley & Hanson
Chartered Accountants

Calgary, Canada
May 26, 1988


DELAWARE RESOURCES CORP.

BALANCE SHEET

March 31, 1988

ASSETS	1988	1987
Current assets:		
Cash	\$ 305,215	\$ 60,081
Term deposits	5,002,129	450,000
Accounts receivable	143,670	17,087
Accrued interest receivable	128,792	2,257
Advance on deferred exploration expenditures	24,578	100,000
Prepaid administrative costs	1,285	4,971
Flow-through share subscription receivable (Note 4[b])	997,737	—
	6,603,406	634,396
Mineral properties, at cost	127,728	141,222
Deferred exploration expenditures (Notes 1 and 2)	5,148,204	1,119,077
Deferred administrative expenditures (Note 1)	378,730	311,376
Fixed assets, net (Note 3)	51,135	—
	\$ 12,309,203	\$ 2,206,071
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 58,926	\$ 199,883
SHAREHOLDERS' EQUITY		
Share capital (Note 4)	12,490,895	2,216,060
Deficit	(240,618)	(209,872)
	12,250,277	2,006,188
Commitments (Note 7)		
	\$ 12,309,203	\$ 2,206,071

Approved by the Board:


Director


Director

DELAWARE RESOURCES CORP.

STATEMENT OF DEFICIT

Year ended March 31, 1988

	1988	1987
Balance, beginning of year	\$ 209,872	\$ 208,197
Items charged to deficit:		
Abandonment of properties (Note 2)	30,746	1,675
Balance, end of year	\$ 240,618	\$ 209,872

DELAWARE RESOURCES CORP.

STATEMENT OF DEFERRED EXPLORATION EXPENDITURES

March 31, 1988

	Expenditures during year ended March 31 1987 (1)	Cumulative to March 31 1987	Expenditures during Year ended March 31 1988 (2)	Cumulative to March 31 1988
Assay and analysis	\$ 11,929	\$ 27,019	\$ 35,335	\$ 62,354
Diamond drilling	125,404	169,194	926,419	1,095,613
Geophysical and geological exploration	695,559	922,864	3,137,373	4,060,237
Government grants	—	—	(70,000)	(70,000)
	\$ 832,892	\$ 1,119,077	\$ 4,029,127	\$ 5,148,204

(1) Net of write-offs in 1987 of \$ 1,675

(2) Net of write-offs in 1988 of \$20,049

STATEMENT OF DEFERRED ADMINISTRATIVE EXPENDITURES

March 31, 1988

	Expenditures during year ended March 31 1987	Cumulative to March 31 1987	Expenditures during Year ended March 31 1988	Cumulative to March 31 1988
Bank charges and interest	\$ 167	\$ 457	\$ 147	\$ 604
Consulting	37,873	48,847	51,615	100,462
Depreciation	—	—	5,680	5,680
Insurance	571	784	2,392	3,176
Legal and accounting	30,645	63,469	42,177	105,646
Maps and reproduction	4,516	6,023	2,602	8,625
Office and secretarial	16,272	34,464	31,625	66,089
Postage, courier and freight	3,014	4,489	8,549	13,038
Research and corporate services	100,000	100,000	—	100,000
Salaries	—	—	28,927	28,927
Transfer agent and stock exchange fees	11,371	22,808	18,586	41,394
Travel and promotion	24,717	29,445	33,983	63,428
Telephone	8,333	13,801	14,095	27,896
Video costs	—	19,658	—	19,658
	237,479	344,245	240,378	584,623
Less:				
Interest income	(8,554)	(28,365)	(151,781)	(180,146)
Management fees	(4,504)	(4,504)	(21,243)	(25,747)
	(13,058)	(32,869)	(173,024)	(205,893)
	\$ 224,421	\$ 311,376	\$ 67,354	\$ 378,730

STATEMENT OF CHANGES IN FINANCIAL POSITION

Year ended March 31, 1988

	1988	1987
Financing activities:		
Issue of common shares (net of related issue costs)	\$ 10,274,835	\$ 1,506,400
Proceeds of loan receivable	—	12,750
Increase in flow-through share subscriptions receivable	(997,737)	—
	9,277,098	1,519,150
Investing activities:		
Decrease (increase) in advance on deferred exploration expenditures	75,422	(100,000)
Acquisition of mineral properties, net of abandonments	13,494	(42,138)
Deferred exploration expenditures, net of abandonments	(4,029,127)	(832,892)
Deferred administrative expenditures, net of depreciation of \$5,680	(61,674)	(224,421)
Purchase of fixed assets	(56,815)	—
Charges to deficit, related to abandonment of property	(30,746)	(1,675)
	(4,089,446)	(1,201,126)
Operating activities:		
Change in non-cash working capital items —		
Accounts receivable	(126,583)	(17,087)
Accrued interest receivable	(126,535)	(2,141)
Prepaid administrative costs	3,686	(4,900)
Extra-provincial registrations	—	824
Accounts payable and accrued liabilities	(140,957)	181,230
	(390,389)	157,926
Increase in cash	4,797,263	475,950
Cash at beginning of year	510,081	34,131
Cash at end of year	\$ 5,307,344	\$ 510,081
Cash is comprised of:		
Cash	\$ 305,215	\$ 60,081
Term deposits	5,002,129	450,000
	\$ 5,307,344	\$ 510,081

NOTES TO FINANCIAL STATEMENTS

March 31, 1988

1. Summary of significant accounting policies:**Deferred exploration expenditures**

Costs incurred to explore and develop new ore bodies or to develop mining areas substantially in advance of production are capitalized as deferred exploration expenditures until either economically recoverable reserves are established or the properties are abandoned. The costs are amortized over the life of the reserves from the time production commences or are written off if the properties are abandoned.

Deferred administrative expenditures

Administrative expenses prior to production are capitalized as deferred expenditures.

Depletion and amortization

Depletion of mining properties and amortization of deferred exploration expenditures and deferred administrative expenditures will be computed by the unit-of-production method based on estimated mineral reserves once production is begun.

Depreciation and amortization

Depreciation is computed on the basis of 20% of the declining balance for office and computer equipment and furniture and fixtures. Only one-half the normal depreciation is provided for in the year of acquisition.

Amortization on leasehold improvements is computed using the straight-line method over the term of the lease.

2. Abandonment of properties:

During the year certain properties were abandoned. Acquisition and exploration costs related to these properties incurred in fiscal 1988 and prior years have been charged to the deficit account.

	Deferred Exploration
Indian Lake, Northwest Territories	\$ 30,746

3. Fixed assets:

	Cost	Depreciation and amortization	Net book value
Computer equipment	\$ 12,474	\$ (1,247)	\$ 11,227
Office equipment	33,179	(3,318)	29,861
Furniture and fixtures	8,659	(865)	7,794
Leasehold improvements	2,503	(250)	2,253
	\$ 56,815	\$ (5,680)	\$ 51,135

4. Share capital:

(a) Authorized

- 100,000,000 common shares
- 100,000,000 Class "A" preference shares with a par value of \$10
- 100,000,000 Class "B" preference shares with a par value of \$50

(b) Issued

	Number of shares	Stated value
Balance, March 31, 1987	5,699,279	\$ 2,216,060
Issued –		
As consideration for consulting services	23,475	50,471
For cash by private placement	1,210,000	6,655,000
On exercise of warrants (Note 4[d])	25,000	27,500
On settlement of a finders' fee	49,033	—
For cash by private placements as consideration for Canadian Exploration Expenditures incurred on certain of the Company's mining properties:		
Shares issued and funds received	455,969	2,724,216
Shares issued and allotted, but funds not received prior to March 31, 1988 (i)	89,765	997,737
Share issue costs on above share issues	—	(180,089)
Balance, March 31, 1988	7,552,521	\$ 12,490,895
	Number of shares	Stated value
(i) Shares issued	40,790	\$ 453,380
Shares allotted	48,975	544,357
	89,765	\$ 997,737

(ii) During the year, the release of 262,500 of the shares held in in escrow was approved, leaving no shares in escrow.

(c) Stock options

During the year the following stock options were granted to employees and directors of the Company and were outstanding at March 31, 1988:

Number of Shares	Price	Date granted	Expiry date
100,000	\$8.50	August 4, 1987	August 4, 1989
50,000	\$8.00	October 21, 1987	August 4, 1989
150,000			

Subsequent to March 31, 1988, 25,000 of the \$8.50 options were exercised and all of the \$8.00 options were exercised.

Subsequent to the year end the Board of Directors approved the granting of the following stock options to directors and employees:

Number of Shares	Price	Date granted	Expiry date
632,252	\$11.00	April 28, 1988	April 28, 1988

(d) Warrants

Pursuant to the terms of a private placement agreement made during 1987, warrants for 250,000 shares at \$1.10 per share were issued. Warrants for 225,000 shares were exercised in fiscal 1987 and the remaining 25,000 warrants were exercised in the current year.

Pursuant to the terms of three private placement agreements made during the year, warrants for 105,000 shares at \$6.25 per share and 1,000,000 shares at \$7.00 per share were issued. These warrants were outstanding at March 31, 1988. Subsequent to year end, all of the warrants exercisable at \$6.25 per share were exercised. The remaining warrants outstanding will expire December 19, 1988 if not exercised.

(e) Subsequent issue of shares

In December of 1987 the Company entered into an agreement whereby it was to receive a total of \$2,000,000 from investors which it agreed to expend on Canadian exploration expenses related to certain mineral properties. In exchange, the Company was to issue common shares on the basis of one share for each \$11.115 expended prior to December 31, 1988 and one share for each \$9.8325 expended thereafter. In accordance with the provisions of the Income Tax Act, the expenditures made will be allocated to and deductible by the investors.

5. Related party transactions:

During the year, companies controlled by officers and directors of the Company provided consulting, office and geological contracting services and third party disbursements totalling \$81,202 (1987 - \$223,813) to the Company which are included in deferred exploration expenditures and deferred administrative expenditures. The amount due to these companies at March 31, 1988 is \$11,429 (1987 - \$16,269).

6. Income taxes:

- (a) At March 31, 1988, the Company had losses of approximately \$366,000 available for carry-forward against future years' taxable income. These amounts will expire as follows if not utilized:

1991 -	\$ 12,000
1992 -	41,000
1993 -	34,000
1994 -	220,000
1995 -	59,000
	<hr/>
	\$366,000

In addition, the Company has approximately \$1,459,000 of undeducted costs, which are deductible from future taxable income at rates provided by the Income Tax Act.

- (b) As a result of the transactions with respect to flow-through shares from inception to March 31, 1988, the amount of mineral properties, deferred exploration and deferred administrative expenditures recorded in the accounts exceeded the amount deductible for tax purposes by approximately \$3,858,000.

7. Commitments:

In January 1988 the Company committed to expend approximately \$4,460,000 from January to August of 1988 on the exploration of a gold prospect in Northwestern British Columbia. The Company has expended \$1,003,881 of this commitment at March 31, 1988.

8. Subsequent event:

As the result of a takeover bid issued by Colossus Resource Equities Inc. (Colossus) on March 11, 1988 and amended by Notice of Variation dated March 24, 1988, Colossus obtained controlling interest in the Company effective April 14, 1988 (the expiry date of the offer).

CORPORATE INFORMATION

Directors

Murray Pezim
Ronald K. Netolitzky
The Hon. William R. Bennett, P.C.
Andrew Malim
John Ivany

Officers

Murray Pezim
Chairman of the Board
Ronald K. Netolitzky
President
Lawrence Page
Executive Vice-President
Lawrence J. Nagy
Vice-President
Chet Idziszek
Vice-President, Explorations
Henry Ewanchuk
Vice-President, Operations
Robert J. Gayton
Chief Financial Officer & Treasurer
Elenore Keays
Secretary

Head Office

#1550 - Stock Exchange Tower
609 Granville Street
P.O. Box 10108
Vancouver, B.C. V7Y 1C6 Canada
Telephone (604) 687-3303
Telecopier (604) 681-2578
U.S. WATS (800) 663-8068

Stock Exchange Listing/Symbol

Vancouver - DLW

Solicitors

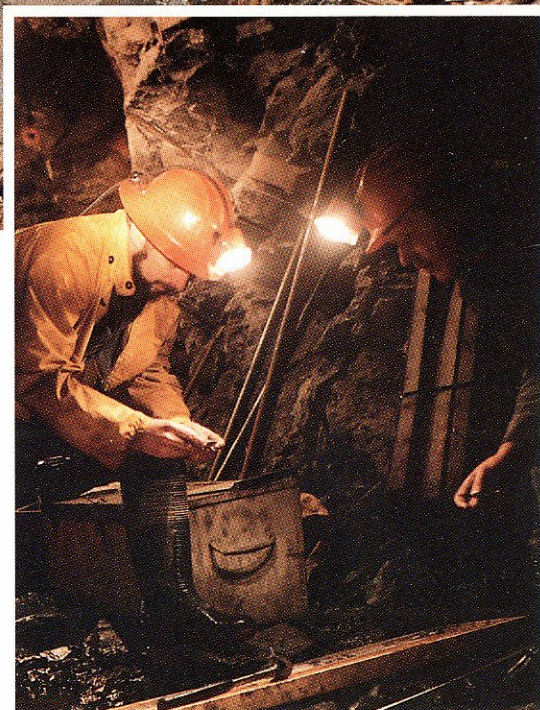
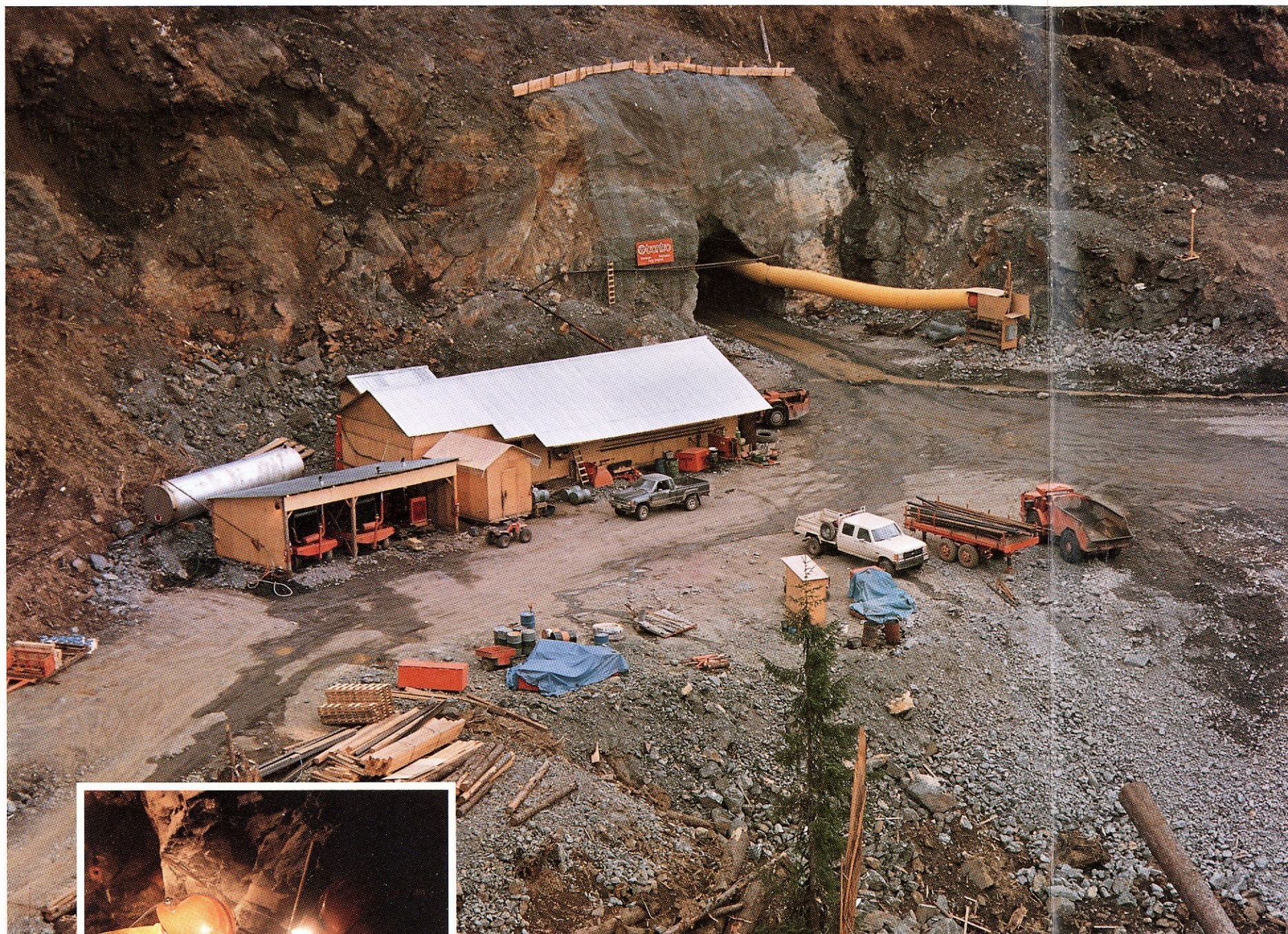
Worrall Scott & Page
100 - 200 Granville Street
Box 25
Vancouver, B.C. V6C 1S4 Canada



A Prime Group company



Delaware Resources Corp.

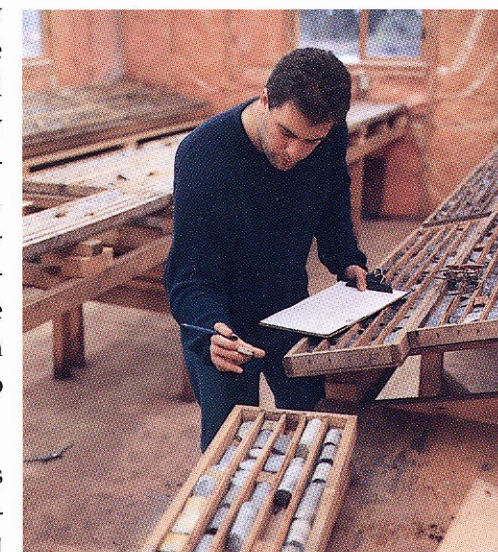


Delaware Resources Corp. is financing a \$4.5 million underground exploration program in 1988 on one of the most significant new gold discoveries in North America. The Snip Deposit, hosting in excess of 800,000 ounces of gold, is located 55 miles northwest of Stewart, British Columbia, in the emerging Iskut River gold camp. Delaware and its partner Cominco Ltd. are driving an adit to the Twin Zone, where reserves of 1.2 million



tons averaging 0.7 ounce per ton gold have been indicated by drilling. These reserves are within the boundaries of the Twin Zone vein between surface and depths ranging from 500 to 800 feet over a true horizontal distance of 1,650 feet, between elevations of 750 feet and 2,100 feet above sea level. The zone remains open at depth; underground drilling is underway to outline reserves below the adit level. The underground work is anticipated not only to expand the known reserves on the Twin Zone, but to outline additional reserves on other parallel auriferous zones, and provide a basis for an early decision to bring the property into production in 1989.

Although the project is still at an early stage, a mining plan has been conceived based on the known characteristics of the Twin Zone orebody. Mining will be by cut and fill or shrinkage stoping depending on the dip of the ore zone. Access will be by adit on the 300 metre level, with a main haulage level proposed on the 180 metre level. A mill, with an initial capacity of 500 tons per day, is to be established near the 180 metre portal site. Preliminary testing indicates the gold, which is associated with sulphides or as free visible flakes, will be amenable to a conventional cyanidation process, which in bench tests have indicated recovery of 97% for gold and 80% for silver. As part of the 1988 program, a bulk sample of the Twin Zone mineralization will be collected for further metallurgical testing.







Delaware Resources Corp.

DIRECTORS AND OFFICERS

Directors

Murray Pezim
Ronald K. Netolitzky
The Hon. William R. Bennett, P.C.
Andrew Malim
John Ivany

Officers

Murray Pezim
Chairman of the Board
Ronald K. Netolitzky
President
Lawrence Page
Executive Vice-President
Lawrence J. Nagy
Vice-President
Chet Idziszek
Vice-President, Explorations
Henry Ewanchuk
Vice-President, Operations
Robert J. Gayton
Chief Financial Officer & Treasurer
Elenore Keays
Secretary



A Prime Group company

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Telephone: (604) 687-3303 Telecopier: (604) 681-2578 Telex: 04-508542

***Snip**PRESS REPORT: S N I P PROSPECT

For release: August 28, 1987

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

Ronald K. Netolitzky, Director

This news release has been prepared by Ronald K. Netolitzky 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.

Vancouver office: #800 - 900 W. Hastings St., B.C. V6C 1E5

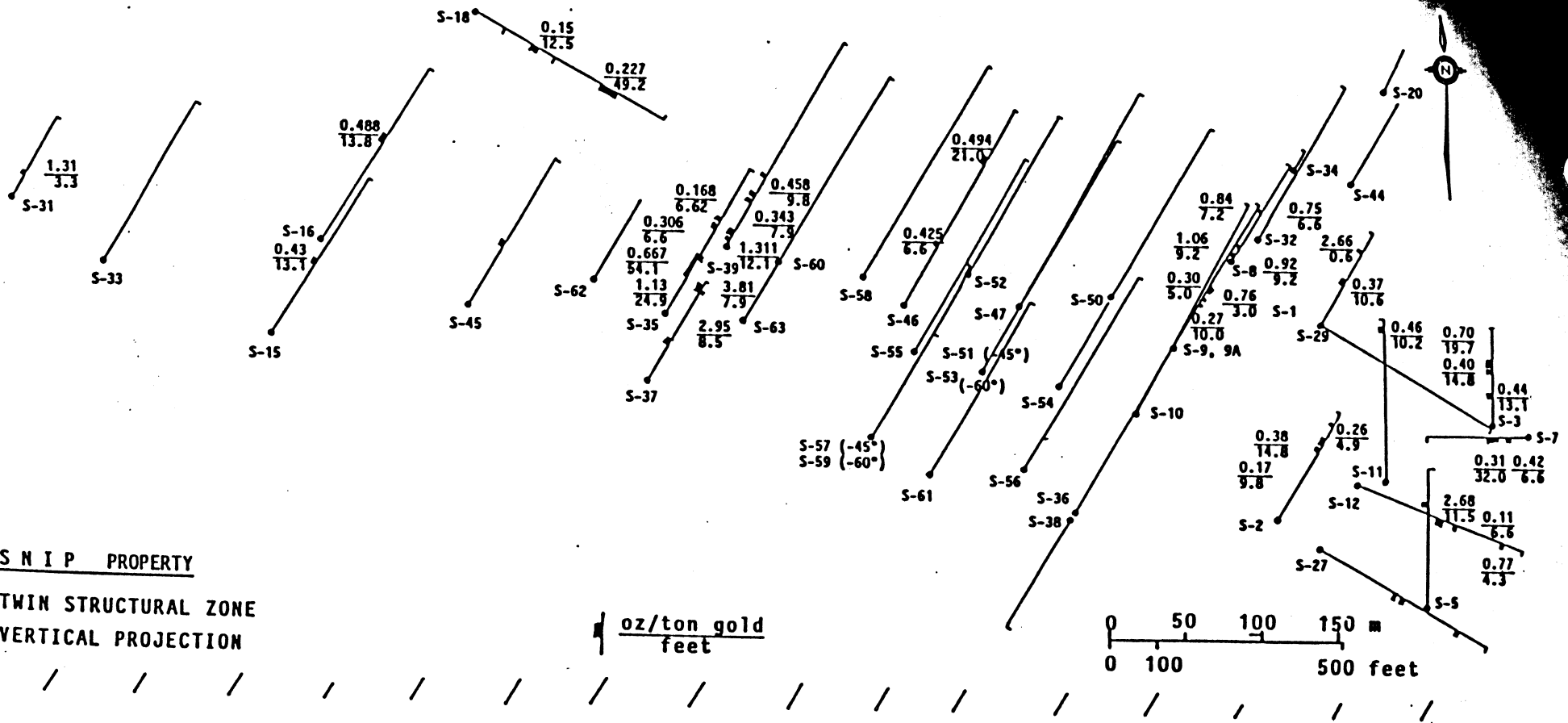
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S N I P PROPERTY

TWIN STRUCTURAL ZONE
VERTICAL PROJECTION

oz/ton gold
feet

0 50 100 150 m
0 100 500 feet



4/5

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

Intersect/ of interest from the reconnaissance drilling include:			
S-22	296.9 - 306.7	9.2	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


Ronald K. Netolitzky
President and Director

This News Release has been prepared by R.K. Netolitzky 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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PROGRESS REPORT: S N I P 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.

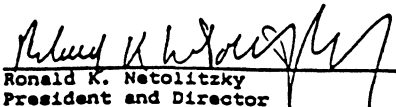
These results have confirmed Bonanza mineralization within the Twin Structural Zone as illustrated by the analytical results from DDH-S-71 which include 4 oz/ton gold over 21 feet.

	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)

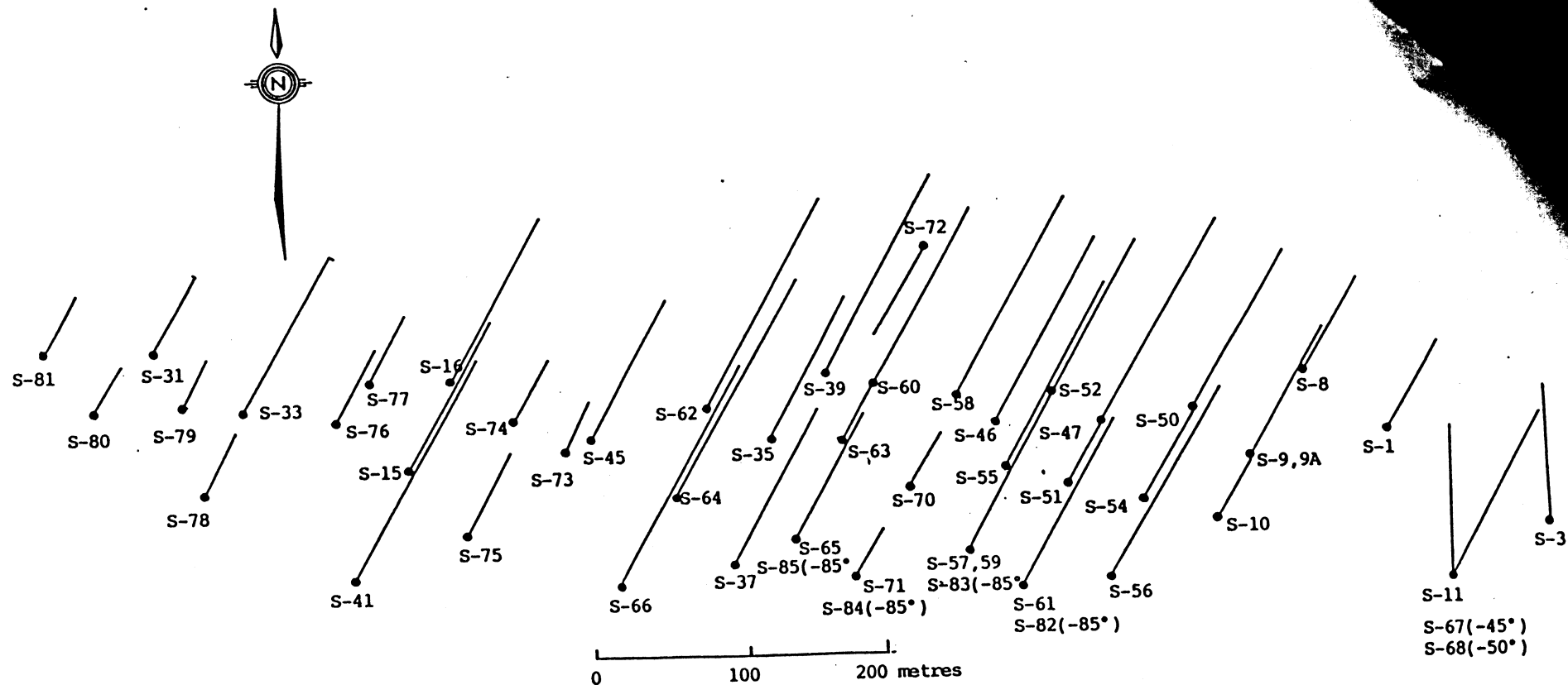
A summary of the new analytical results from the SNIP Structural Zone follows:

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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SNIP STRUCTURAL ZONE

DRILL COLLAR LOCATIONS