

DELAWARE RESOURCES CORP. (DLW-V)  
COLOSSUS RESOURCE EQUITIES INC. (CZK-V)  
PRIME CAPITAL CORPORATION

DELAWARE, COLOSSUS AND PRIME - Delaware Resources Corp. CAPITAL TO FORM ONE COMPANY reports that it will make an offer for all the

issued shares of Prime Capital Corporation. Subject to the completion of this offer, Delaware and Colossus Resource Equities are reviewing a proposal to amalgamate.

Delaware will offer the existing shareholders of Prime Capital 1 share of Delaware for each 1.35 shares of Prime acquired. The offer, if successful, will result in the issuance of some 21,100,824 shares of Delaware.

Prime, a mining finance house, holds a portfolio of investments in natural resource companies ranging from junior exploration to senior producers. Holdings include 58% of Colossus Resource Equities, 3.8% of Delaware, and 2.2% and 14.7% of the Class A and B shares respectively of Corona Corporation, plus 827,000 Corona 1990 warrants.

Delaware and Colossus are reviewing a proposal to amalgamate on the basis of 1 share of Delaware for each 1.15 shares of Colossus. Colossus holds about 43.6% of the issued shares of Delaware, plus warrants to buy 3,000,000 shares of Delaware at \$2.33 per share by Dec. 19, 1988. Prime has agreed to purchase these warrants, subject to regulatory approval, for \$6,060,000. Colossus also holds 0.32% and 2.2% of Corona's Class A and B shares and 70,000 Corona 1990 warrants.

SNIP UPDATE- The \$3,000,000 surface and underground <sup>NOV 250</sup> drilling program to be completed by the end of November 1988 on the Twin zone of the Snip project, Iskut River area, 100 km north of Stewart, B.C., is about half finished. Interests are Cominco Ltd. 60%, Delaware 40%. Surface drilling is tracing the Twin zone to the east and west of the previously defined drill indicated block, and has traced the zone over a strike length of 3,300 feet. The 300m and 180m level headings are being driven another 1,000 feet east to the 1000 section line. Underground drill stations will be established at regular intervals to continue testing the Twin zone at depth and along strike within and beyond the known reserves. Presently, the underground drill rigs are drilling the Twin zone above and below the 180m level between the 275 and 525 section lines. Comico will incorporate the drilling data from the underground and surface work into its feasibility study, which is scheduled to be completed by year end.

Also underway is a \$10,000,000 program to upgrade the existing airstrip and road network, prepare for tailings pond construction, and begin mine development headings prior to anticipated production.

(SEE GCNL NO.111, P.1, JUNE 9,1988, for more detail and longitudinal section map overleaf).

DIA MET MINERALS LTD. (DMM-V)

DRILLING STARTS - Dia Met Minerals Ltd. reports that ON BANDIT CLAIMS diamond drilling has started on the Bandit claims located 10 km south of Tatsamenie Lake, 70 km north of the Stikine River and 10 km south of the Golden Bear mine. Dia Met has signed a letter of intent to earn a 50% interest in the property by spending \$200,000 on exploration. Chevron Minerals Ltd. is the vendor. It is anticipated that 4 or 5 holes totalling some 2,500 feet will be drilled into a 150 meter by 60 meter silicified zone that has yielded heavy mineral gold geochem values as reported in GCNL No.168, p.1, 31Aug88. It is anticipated that the first hole inclined at 51 degrees will intersect the gold mineralized silicified zone at about 250 foot in depth.