1987 GEOLOGICAL & DIAMOND DRILLING REPORT

on the

SNIP Project, B.C.

for

DELAWARE RESOURCES CORP.

RE: FINANCIAL ASSISTANCE FOR MINERAL EXPLORATION

HIQ102-E 251 CAL BRANCH ASSESSMENT REPORT



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SUMMARY

The 1987 surface drill program on the SNIP property completed 73 BQ drill holes for a total of 13,857 metres. This brings the total (1986 & 1987) drilling to 15,351 metres in 85 holes. The main emphasis was on detailing the TWIN ZONE on 100-metre centres to the west along strike. Early in the program, several other soil geochemical/ structural targets were also drill tested.

While significant intersections have been located outside of the Twin Zone, no other areas of structures were encountered which displayed the continuity and bonanza type grades and thicknesses often seen along the Twin Zone. As a result, the second half of the drill program concentrated on detailing the Twin Zone structure on 50-metre centres over a strike length of 800 metres, and from 150 to 250 metres down dip. To date, a total of 48 drill holes have been located along the Twin Zone, and of these 44 have intersected ore grades and/or thicknesses.

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LOCATION & TOPOGRAPHY (see Figure 1)

The SNIP claims are located 70 km east of Wrangell, Alaska, and 110 km northwest of Stewart, B.C., on the south side of the Iskut River. Nearest road access is from Bob Quinn Lake on the Stewart-Cassiar highway, 70 km to the northeast. A landing strip also provides fixed wing access to Bob Quinn.

During 1987, an airstrip was constructed adjacent to the property and was suitable for use by aircraft up to and including Twin Beech-type airplanes. Fixed-wing air service was available during 1987 from Terrace (290 km southwest), Smithers (290 km southeast), and Wrangell/Alaska (70 km west).

The SNIP claims lie at the end of a prominent plateau area, called Johnny Flats, and cover the steep transition between relatively flat topography both in the Iskut Valley and on Johnny Flats. A steep fault valley, occupied by Bronson Creek, cross-cuts the northeast portion of SNIP 2. Red Bluff forms a prominent cliff along the southwest portion of the valley wall. The SNIP gold showings are exposed between 600 and 650 m ASL, on the west slope of the ridge called Johnny Nose, at the base of Johnny Flats.

The area is heavily vegetated and lies within the coastal rain forest. A thick covering of slide alder and devil's club on steeper slopes make traversing and field location very difficult. The mature forest is open and easy to traverse, except in the swampy valley bottoms and gullies where one must pass through fields of giant devil's club.

Rainfall is heavy in the area during the summer and fall. Snowfall is heavy and usually prevents mobilization until late June. The period July to mid-October is available for field work, although prolonged periods of heavy rain start in September, and freezing conditions begin in early October on the upper claim area.



TENURE (see Figure 2)

The SNIP claims presently total 67 units in 7 claims and cover an area of +1675 Ha. Assessment work credits from the 1986 work are sufficient to hold all claims for the maximum 10 years.

Claims	Units	Record #	Recorded	<u>7</u>	Assessment Work Due
SNIP 1	12	1745	Nov. 28,	1980	Nov. 28, 1996
SNIP 2	9	1746	Nov. 28,	1983	Nov. 28, 1996
SNIP 3	3	2991	Oct. 20,	1983	Oct. 20, 1996
SNIP 4	5	2992	Oct. 20,	1983	Oct. 20, 1996
SNIP 5	3	2993	Oct. 20,	1983	Oct. 20, 1996
JIM 1	20	3602	July 22,	1986	July 22, 1996
JIM 2	15	3603	July 22,	1986	July 22, 1996

HISTORY

The area was first staked by the Iskut Mining Company in 1908 and the claims were crown-granted in 1914.

Cominco examined showings in the Johnny Mountain/Red Bluff area in 1929 and staked the area. The claims were dropped, but were restaked in 1964 and a small drill program was carried out to test the copper mineralization near Red Bluff. During the 1964-65 program, T.W. Muraro discovered a gold showing on Johnny Nose; in 1980, this showing was staked as the SNIP claims.

Other companies that have held ground in the Red Bluff/Johnny Mountain area are: Kennco (1949); HBM&S (1955-63); Noranda (1962); Texas Gulf (1974-78); Skyline (1978-present); Placer Developments (option from Skyline, 1982); Anaconda (option from Skyline, 1984).



REGIONAL GEOLOGY

Forest Kerr mapped the regional geology of the Iskut River area in the period 1926-1929 and published GSC map 311A in 1935. Kerr's memoir 246 on the area was published posthumously in 1948. The Geological Survey of Canada's "Operation Stikine" in 1956 mapped the Stikine-Iskut area on a regional basis, published as the 1"=4 mile GSC Map 9-1957. Past Cominco work, Mawer (1964), Parsons (1964, 1965), Nagy (1966), Bagshaw (1968) discusses the regional geology and mineralization in the vicinity of the SNIP claims.

GSC mapping shows the area is underlain by Permian and Triassic metasedimentary and metavolcanic rocks. Andesitic lava and tuff, plus argillite and greywacke, are dominant rock types in the area. Orthoclase porphyry occurs as a stock north of the SNIP claims and as a northwesterly trending subvertical dyke in the southeast portion of the claim group.

Recent work by E.W. Grove for Skyline has concluded that the host rocks for Skyline's gold zones are similar to members of the Lower Jurassic Unuk River Formation (Hazelton Group), while unconformably overlying rocks are correlative to the Middle Jurassic Betty Creek Formation (Hazelton Group). Grove feels he can take detailed stratigraphy from the Stewart area and correlate it to the Iskut River area.

PRIMARY ROCK TYPES:

(a) Sediments

Most of the rock types exposed on the SNIP claims appear to be metasediments of volcaniclastic origin. They have been subdivided into four lithological types which are probably siltstones, wackes, calcareous wackes, and interbedded: The rocks are generally massive bedded and pebbly wackes. bedding is only seen in silty units between turbidites. Unaltered siltstones and greywackes are composed mainly of albitic plagioclase with a variable content of calcite. Metamorphic recrystallization has formed biotite from the ent. This biotite generally parallels a weak The coarser grained wackes and the pebbly wackes clay component. foliation. contain clasts of (a) plagioclase, (b) K-feldspar, (c) porphyry with plagioclase and orthoclase phenocrysts, (d) biotite + augite andesitic porphyry, and (e) fine grained andesite. Quartz clasts are only rarely present. All clasts

are subangular and poorly sorted indicating immature sedimentation. Source rocks would appear to be intermediate volcanics and associated sygnitic intrusives.

(b) Intrusive Rocks

Syenitic orthoclase porphyry occurs as a dyke-like intrusive along the northeastern flank of Johnny Mountain. The porphyry contains 40% orthoclase phenocrysts, from 5 to 15 mm in diameter, set in a fine grained grey matrix composed of plagioclase, sericite and disseminated magnetite. This unit is enveloped by an extensive alteration halo in adjacent metasediments (described later).

<u>Biotite + pyroxene lamprophyre</u> was intersected in a number of drill holes and also seen in trenches and in outcrop in gullies on the northeast flank of Johnny Nose. The dykes are a few metres in thickness and have 20-30° (NNE) azimuth. In outcrop the contacts dip 85°W.

In thin section, the dykes are seen to contain biotite, K-feldspar, plagioclase and pyroxene phenocrysts in a fine grained matrix consisting of biotite, K-feldspar, sericitized plagioclase, and two pyroxenes (one aegeritic). The plagioclase phenocrysts are reddish coloured in hand specimen.

Leucocratic syenitic feldspar porphyry is present in DDH 86-1 at 60.3 m. This unit forms a thin dyke (2 m true thickness) consisting of 15% plagioclase phenocrysts (3 mm max.) in a fine grained K-feldspar matrix. Minor disseminated pyrite (up to 4%) is present. This unit may be similar lithologically to the feldspar porphyry which is closely related to mineralization on the Skyline ground.

ALTERED ROCKS:

The metasediments on Johnny Nose have commonly undergone metasomatic alteration, giving rise to brown weathering pyritic rocks which are white or buff on fresh surface. The intensity of the alteration appears to be proportional to distance from the syenitic porphyry exposed on the northeast flank of Johnny Nose. Alteration "modes" are also present on the northwest flank of Johnny Nose, but are of limited extent. Altered rocks were also noted in all of the drill holes.

Two main alteration types are present which commonly may overlap in hand specimen. The earliest is a pervasive K-

feldspathization which may constitute up to 60% of the metasediment and gives rise to a grey, fine grained rock which may be confused with silicification if a stain is not used. Some coarse grained wackes contain clastic K-feldspar grains, and it is sometimes difficult to separate detrital K-feldspar from metasomatic K-feldspar.

The second alteration type is characterized by the assemblage sericite + pyrite + ankerite + pyrite and commonly completely obliterates detrital textures and mineralogy. The sericitic alteration is best developed around the syenitic orthoclase porphyry on the northeast flank of Johnny Nose. In places, especially on the northeast side of the syenite, abundant stringers of magnetite are present in the sericitic rocks (up to 10%).

A third type of alteration was noted where a greenish-black, fine grained rock containing abundant calcite veins comprises 40% biotite and 30% chlorite. It is not known whether this mineralogy formed as a result of chloritic metasomatic alteration or is a result of contact metamorphism of a peculiar primary bulk composition.

METAMORPHISM

The metasediments on Johnny Nose have been hornfelsed presumably because of the proximity to the syenitic orthoclase porphyry. The most obvious effect of the metamorphism and deformation on the metasediments has been the recrystallization of biotite in the matrix between detrital clasts and formation of a weak foliation.

The mineral assemblage formed during metamorphism in rocks which were not affected by metasomatic alteration is biotite + albite + epidote + calcite + sphene + pyrite. Recrystallization probably took place in the albite-epidotehornfels facies.

The timing relationship between metasomatic alteration (K-feldspathization and/or sericite/pyrite) is not well understood. Intuitively it may be assumed that the hornfelsing was essentially contemporaneous with, or closely succeeding the metasomatic alteration.

STRUCTURAL GEOLOGY

1. Bedding (So)

Bedding measurements can be obtained from silty interbeds in the massive bedded wackes. In the trenches only three convincing attitudes were obtained - 105° strike dipping to north at 35 to 60°. In a gully 150 m to the southwest of DDH 10, bedding attitudes were fairly flat lying (e.g. 70° strike 10° dip; 160° strike, 8° dip.

2. Schistosity (S₁)

This is poorly developed in the greywackes and is characterized by a fracture cleavage with development of fine grained biotite. At the discovery showing, a zone of well foliated wacke and phyllite is sub-parallel to the main vein structure. This is interpreted as a zone of shear which has accommodated the vein mineralization at a later period. Most of the measured cleavages have southerly or westerly dips. Different generations of cleavage may be present, but are hard to differentiate at this stage.

3. Mineralized Structures (S₁min)

Veins are mineralized with pyrite + quartz + sphalerite + galena + arsenopyrite and have 110° to 165° strike and generally dip between 50° to 80° to the southwest. It may be significant that the "Rope Zone", an arsenopyrite lens developed along a fracture cleavage with 90° strike and vertical dip, is somewhat different from the other veins. Several irregular oxidized veins were seen in the footwall of the main shear.

4. Crenulation Lineation (L₂?)

This was best developed in the foliated rocks bordering the main vein and may be associated with the development of a later cleavage $(S_2?)$. The lineation plunged 25° to northwest. Elsewhere, lineation is not well developed.

5. Late (barren) Quartz Veins

These veins are generally up to 1 m long, 10 cm wide, and have surprisingly consistent orientation (60° strike, dip 30-50° southeast). They may be useful in helping to orientate drill core.

6. Joints

Orthogonal joint sets are fairly prominent. The best developed set has orientation of 20°E of N and has been exploited by lamprophyre dykes.

1987 EXPLORATION PROGRAM

Based on the result of the 1986 drill program and the positive indications obtained from the extended geochemistry, an aggressive evaluation program was completed with an initial budget of \$1.8 million. The objectives of this program were to obtain sufficient drill information on the mineralized zones to plan a fall/winter underground exploration program.

To support the drill and proposed underground exploration, an airstrip and permanent camp were constructed commencing in early February. Due to snow cover at higher elevations, diamond drilling started near the valley floor to test numerous widely spaced surface targets. The third hole (S-15) of the year intersected what was to be established as the extension of the Twin Zone Structure, 530 metres down slope from the 1986 drilling.

The reconnaissance drill program continued to test widely spaced targets until the assay results for S-15 became available. Hole S-35 was spotted to test halfway between the 1986 drilling and S-15. The positive results of this hole lead to the immediate drilling of S-37 and S-39 on the fence. The surface exposure of high-grade mineralization was also identified in the drill area.

After S-35 was drilled, the majority of the drilling concentrated on filling in and extending the Twin Zone mineralization. By the completion of the initial budget, the Twin Zone was traced over a horizontal distance of 1000 metres and a vertical interval of 500 metres, with fences of holes at 100-metre intervals.

The Twin Zone can best be described as a 1 to 10 m thick shear-vein that cuts through a massively bedded feldsphathic greywacke \pm siltstone sequence. Bedding in the sediments is variable from $045^{\circ}-100^{\circ}/10-45^{\circ}$ NW-W. The character of the Twin Zone mineralization shows no appreciable change over the vertical range tested to date suggesting a mesothermal style of gold mineralization.

Gold mineralization occurs in centimetre to metre scale alternating bands of, in descending order of abundance: massive (streaky) calcite; heavily disseminated to massive pyrite; biotite-chlorite, as thin bands/streaks; quartz; pyritic to non-pyritic fault gouge.

Pyrite averages 15% throughout the Twin Zone (3.5% to 30%).

Other sulphide minerals include pyrrhotite, chalcopyrite, sphalerite, galena and arsenopyrite. Molybdenite is also common locally. Minor/trace amounts of bismuth and lead tellurides, including tellurobismuthite, cosalite, hessite, and volynskite have been noted in polished thin sections.

Narrow parts of the zone (+/- 1 metre) often comprise dominantly one of the above types. Thicker sections show repetitive interbanding of all types. The thicker (3 metre +) sections also contain centimetre to meter interbands of weak to highly biotite/carbonate/K-spar-altered/flooded feldspathic wacke. These bands often contain less than 1 g/t gold and have been included as internal low-grade sections in the gold grade/thickness calculations (Table I). Later shearing has imparted a moderate to strongly developed foliation to the zone, which is best developed in biotite-(chlorite)-rich sections. "Geologic contacts" are usually sharp and well defined with gold values in the immediate footwall and hangingwall, mostly up to a few 100 ppb. A few "unexpected" values (1 to 10 g/t range) have been encountered in rocks adjacent to the Twin Zone (Table 2), but these have not been included in the "geologic" tonnage and grade estimates outlined on Figure 3.

A preliminary cyanidation test, carried out on composites from Hole 86-3, indicates recoveries of 96.9% for Au and 80.8% for Ag. Polished sections reveal that native gold is almost always free. It occurs with gangue minerals (biotite, sericite, quartz) and commonly at the margins of pyrite, arsenopyrite and telluride grains.

About halfway through the 1987 program, the assay results confirmed that the Twin Structure was probably the most important zone present. The drill results also indicated that the Twin Zone was one of several shear-vein structures developed over a 150-metre interval. The entire structural zone has been named the SNIP Structural Zone, with the best developed and most continuous structure identified to date named the Twin Zone.

At least four other structures in this trend have returned ore grade intersections.

A supplemental budget was approved to tighten up drill information at 50-metre fences and to complete four deeper holes to confirm the continuation of the Twin Zone at the proposed initial underground access level.

The Twin Zone Structures are open on strike and to depth. Results to date suggest that minor fault disruptions may be anticipated during the extension of the zones.

TABLE 1

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TWIN ZONE

GEOLOGIC - ASSAY INTERVALS

Section Line	Hole No.	Core Interval(m)	Core Length(m)	True Thickness	(m) Au g/t	Au oz/t
00						
050	S-26	26.3 - 27.9	1.6 m	1.6	9.33	0.27
	S-81	30.8 - 31.6	0.8	0.8	10.08	0.29
100	S-31	21.5 - 22.5	1.0	1.0	44.95	1.31
	S-80	76.2 - 77.3	1.1	1.1	9.46	0.28
150	S-79	58.4 - 59.4	1.0	1.0	125.66	3.67
200	S-33 S-78	59.2 - 60.7 Not Intersecte	1.5 ed	1.5	7.47	0.22
250	S-77 S-76	Not Intersecte Not Intersecte	ed ed			
300	S-15 S-16	73.3 - 75.0 Not Intersecte	1.7 ed	1.7	32.88	0.96
350	S-74	50.9 - 53.5	2.6	2.4	5.95	0.17
	S-75	130.8 -133.1	2.3	2.2	49.08	1.43
400	S-45	65.6 - 66.8	1.2	1.2	6.85	0.20
	S-73	66.6 - 72.7	6.1	6.0	6.28	0.18
450	S-62	48.5 - 50.5	2.0	2.0	15.38	0.45
	S-64	74.5 - 75.6	1.1	1.1	29.18	0.85
	S-66	119.6 -127.9	8.3	8.3	19.56	0.57
500	S-39	15.4 - 19.1	3.7	3.7	42.53	1.24
	S-35	56.7 - 59.1	2.4	2.4	130.79	3.80
	S-37	105.0 -108.2	3.2	3.2	50.72	1.02

TABLE 1 continued:

Section Line	Hole No.	Core Interval (m)	Core Length(m)	True Thickness(m)	Au g/t	Au oz/t
550	S-60 S-63	26.2 - 29.5 55.1 - 63.7	3.3 m	3.3	4.04	0.12
	S-65 S-85	105.4 -108.8 131.9 -133.2	3.4 1.3	3.4 1.0	21.84 19.48	0.64
600	S-58 S-70 S-71 S-84	37.2 - 42.4 100.3 - 110.1 145.7 - 152.1 207.4 - 217.0	5.2 9.8 6.4 9.6	5.2 9.8 6.4 8.3	11.11 35.95 138.43 82.86	0.32 1.07 4.04 2.42
650	S-52 S-46 S-55 S-59 S-83	46.8 - 50.6 65.4 - 66.1 92.3 - 94.3 132.3 -133.1 138.5 -139.7	3.8 0.7 2.0 0.8 1.2	3.7 0.7 2.0 0.8 1.1	8.02 39.22 26.55 32.16 130.14	0.23 1.14 0.77 0.94
700	S-47 S-51 S-53 S-61 S-82	60.9 - 61.9 107.4 -108.8 106.4 -107.6 133.6 -134.9 200.1 -202.5	1.0 1.4 1.2 1.3 2.4	1.0 1.4 1.2 1.3 2.1	172.10 151.82 3.98 29.42 56.54	5.02 4.43 0.12 0.86 1.64
750	S-50 S-54 S-56	18.1 - 19.1 88.5 - 91.1 149.4 -149.8	1.0 2.6 0.4	1.0 2.5 0.4	29.28 127.98 2.19	0.85 3.73 0.06
800	S-8	5.2 - 8.0	2.8		36.37	1.06
	S-9 S-9A	43.3 - 46.2 46.0 - 52.9	2.9 6.9		9.29 5.65	
850	S-1	43.0 - 46.3	3.3		11.25	
900	S-11	139.6 -142.7	3.1		15.86	
950	\$-68					

TABLE 2

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SNIP PROJECT

Section	401 o			L DOUNDARTES	
Line	No.	HW	g/t Au FW	Sample HW	Length(m)
350	74	3.5	0.3	0.8	
400	75 45	0.2	0.1		
	73	0.0	0.1		
450	62	1.5	0.8		
	66	0.3	0.8		
500	39	0.1	0.2		n an taon 1997. Ng katalahatan taon 1997 ng katalahatan katalahatan katalahatan katalahatan katalahatan katalah
	35	0.3	0.1		
	37	0.4	0.3		
550	60	0.0	1.2		
	63 65	1.5	0.3		n generalise en statu En transmission de service
	85	U.4	U . 1		
600	58	11 1	0 1		
	70	•••	0.4	1.50	
	71	1.6	7.4		1.50
650	52	14.7	0.1	1.00	
	46	1.3	0.6		
	55 50	0.2	1.6		
	83	0.8	3. 4		1.50
700	47	0.4	71		
	51	0.3	0.6		1.00
an an an an an Arra. Taonachta	53	0.2	0.5		
	82	0.1	0.8		1 40
750	50	0.4	2.7		1.40
	54 56	U.4 0 2	0.6		
800	08	0.1	0.1		
850	9A	0.3	0.1		
900	11	0.1	U.1 1 4		



SUMMARY & CONCLUSIONS

Seventy-three holes were drilled, forty-six of which intersected significant widths and grades of gold mineralization. Thirty-one of the intersections lie in the TWIN ZONE, a 45° dipping calcite-pyrite-quartz-biotite-gold vein. The drilling is at approximately 50-metre intervals, which leaves uncertainty about correlation from hole to hole, and underground development will be required to adequately establish grade and tonnage. However, based on existing results, 1.1 million tonnes can be inferred at a grade of 24 grams per tonne (0.7 oz per ton), with 20% dilution and cutting assays to 150 grams. The zone is 450 m in length and open to depth. An underground program is being designed for early 1988 to confirm the continuity and grade of the deposit.

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Kerr, F.A. (1929), Map 311-A, Stikine River Area, Cassiar District.

Nichols, R.F. (1987); 1986 Year End Report, SNIP Property (private company report).

Nichols, R.F. (1988); 1987 Year End Report, SNIP Property (private company report).

CERTIFICATE OF QUALIFICATIONS

I, Lawrence John Nagy, of 3020 Abbott St., in the City of Kelowna in the Province of British Columbia, do hereby certify that:

- 1. I am a Consulting Geologist with the firm of L.J. Nagy and Associates Inc., with offices at 201 1433 St.Paul Street, Kelowna, British Columbia.
- 2. I am a graduate of the Faculty of Arts and Science, University of Saskatchewan, B.A. Geol.Sci. (1969).
- 3. I have practiced my profession worldwide, continuously since graduation, including 14 years as a Senior Project Geologist with Cominco Ltd.
- 4. I have been involved with the SNIP program since its inception and have closely monitored its progress.
- 5. I am a Fellow in good standing in the Geological Association of Canada.

DATED at Vancouver, British Columbia, this 23rd day of February, A.D. 1988.

BA Geo Nagy,



BUDGET & COST SUMMARY

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PRELIMINARY 1987 SNIP BUDGET

SUMMARY

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0052	Communications (includes space tel - 4 portables and base station)	\$_20,000
1410	<u>Geologic Salaries</u> RFN 11 m.m. RJS 6 m.m. APR 11 m.m. ALM 4 m.m.	180,000
1412	Temporary Salaries 20 m.m includes: 2 man geochem - prospecting crew 2 core splitters 1 crusher	65,000
1421	<u>Geology - supplies & equipment</u> includes: crusher & mill rental core saw core racks Jones splitter chain saws misc.	20,000
1450	Geology - expense a/c	10,000
1830	Surveys and ground control Airphotos & mosaic grid & drill hole surveying crown grant search - perimeter surveying	25,000
2000	Geophysics VLF, mag surveys and interpretation	5,000
2640	<u>Geochemistry</u> soil silt analysis 1000 @ 11.50 misc. supplies	15,000-
3030/4830	Trenching and Drill site preparation/road includes: 2 men x 40 days @ \$600 compressor rental, powder cat support trenching D-5, 3 mo @ 10,000 operator, swamper 90 x \$600 fuel, etc.	building 25,000 30,000 54,000 6,000 115,000

2. 3130	Diamond drilling 1986 rate 76.0/m) add: drill moves 5.0/m) *assays 6.0/m) 10,000 m = *freight on assays 0.50/m) contingencies 3.50/m) overall: \$90.00/m	\$900,000
* assume (\$3.75/≤ kg/m of	es core is crushed on site which results in savin sample) and assay freight \$0.50/m instead of \$5.0 core.	gs in lab prep charges 0/m. 200 g sample vs
4431	Fixed wing mobilization fuel, camp, drills service flights	40,000
4432	<u>Helicopter</u> drill moves, crew putouts, service 500D - 100 hours @ 550/hr.	55,000
3134/41	34/5434 - <u>Fuel</u> 150 drums diesel 100 drums JP4	25,000
4800	Access Mobilize D-5 Cat, fuel, camp etc. 16 hrs - 205 @ 1500 \$ 25,00 truck transport - cat, fuel, camp to 5,00 Bob Ouipn	00 00
	fuel cost 32 drums x \$80 3,00 Cat lease charge \$10,000/mo x 2 mo 20,00 Cat operator, swamper 40 days @ \$600 25,00 Support costs, communications,misc. 12,00 \$ 90.00	00 00 00 00 00
Possibl	e 3(4) way split: Delaware-Am.Ore/Iori Winslow-Pamour Option Tungco-Skyline Option	
5400 in	Camp Construction cl: site preparation 1 mo. cat & operator 30,00 materials, labor, equipment 70,00	: \$ 30,000 0 <u>0</u> 100,000
5420	Domicile- cook & helper; food 1800 md x\$25	75,000
5630	Environmental studies preliminary to Stage I report	10,000
	Administrative charges on drilling, cat lease helicopter contracts @ 5% Others @ 15%	\$1,690,00 59,00 101,00

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Proposed Costs for 2500 Metre Drill Extension and Camp Winterization

A. DRILLING		
0052	Communications - spacetel - portables	\$ 5,000
1410	Geological Salaries (5 man months)	28,000
1412	Temporary Salaries (splitters, crushers, etc.)	9,000
3130	Diamond Drilling - directcost 2500 m @ \$60/m Assays \$6/m	150,000 15,000
4800	Access - cat roads, site preparation includes D-5 rental	35,000
4431	Fixed Wing - Service & fuel flights	10,000
4432	Helicopter - 40 hours @ \$550	22,000
5400	Camp Costs - 600 man days @ \$40/day Fuel - camp and drill 8,000 gal @ \$2.50/gal. Rentals generator, compressor, etc.	25,000 20,000 8,000
		\$327,000

B. CAMP WINTERIZATION

\$ 8,100
18,750
13,400
4,500
9,000
8,000
18,000 \$ 79,750
\$ 5,000
16,000
2,500
10,000 \$33,500

TOTAL A,B,C: \$440,250

0





Mr. R.K. Netolitzky, President Delaware Resources Corp. 800-900 West Hastings Street Vancouver, B.C. V6C 1E5

21 January 1988

Dear Ron:

The following is the final itemized budget breakdown for the 1987 Snip project. Previous budget estimates included:-

 (i) preliminary budget (ii) letter with drill & camp extension (iii) this letter 	\$1,850,000 440,000
Total 1987 expenditures	<u>770,000</u> \$3,060,000

The above figures include recoveries credited to the budget for shared airstrip and cmap-domicile costs.

Communications	
Cominco staff costs	\$ 8,500
Geology supplies	20,000
Coology Supplies	40.000
debrogy expense accounts	17 500
Surveys and ground control	45,000
Diamond drilling	45,000
Fixed wing	15,000
Heliconter	105,000
Freight	115,000
Accore model i ter	19.500
Access roads, arill sites, airstrip	95 000
Camp Costs - winterizing, additions	160,000
Expending	100,000
Studies - environmental metallura	15,000
Drafting	8,500
Administrativo channes	3,000
Total	107,000
	\$770,000

Yours truly,

Box 7 Michelo

Ron F. Nichols Project Geologist

RFN/jd

	COMINCO LTD. SNIP PROPERTY COST SUMMARY	
EXPENDITURES INCURRED JANUARY	1, 1987 - DECEMBER 31, 1987:	
Our invoice V-0247	\$ 33,048.00	
Our invoice V-0351	▶ 78,426.00	
Our invoice V-0442	138,541.00,~	
Our invoice V-0550	191,692.00	
Our invoice V-0659	₹ 269,558.00	
Our invoice V-0712	232,495.00	
Our invoice V-0757	√ 371,718.00	
Our invoice V-0811	√153,399.00	
Our invoice V-0856	207,404.00	
Our invoice V-0924	¥ 253,202.00	
Our invoice V-0961	₹ 269,396.00	
Our invoice V-1009	₩ 134,345.00	
Our invoice V-1046	409,477.00	
Our invoice V-1124	37,272.00	
Our invoice V-1138	24,148.00	
Our invoice V-1271	258,818.00	\$3,062,939.00
LESS MONEY RECEIVED TO DATE:		
March 3, 1987	\$ 50,000.00	
March 23, 1987	50,000.00	
April 28, 1987	33,048.00	
June 1, 1987	116,967.00	
June 24, 1987	191,692.00	
August 4, 1987	100,000.00	
August 27, 1987	50,000.00	
August 27, 1987	119,558.00	
September 17, 1987	50,000.00	
September 22, 1987	100,000.00	
September 28, 1987	82,495.00	
October 1, 1987	50,000.00	
October 7, 1987	150,000.00	
October 19, 1987	375,000.00	
October 26, 1987	200,000.00	
October 30, 1987	375,000.00	
November 23, 1987	648,941.00	
January 6, 1988	61,420.00	2,804,121.00

BALANCE OWING

\$ 258,818.00

Paid Jan. 19 188

1/A3/4

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E

Cominco Ltd./200 Granville Street/Vancoi, B.C./Canada V6C 2R2 Tel. (694) 682-0611 / Telex 04-507730



Delaware Resources Corp. 100, 1300 8th Street Calgary, Alberta T2R 1B2



Resources Corp.) 8th Street Alberta	Cominco Ltd. May 19	10.97
	Terms: On rece	ipt _{No.} V-0442
To charge you with balance owing on Snip Pr April 30, 1987 as per attached cost summary	operty as at •	\$ 116,967.0 0
		[38541.00







Our	invoice	V-0247		\$ 33.048.00	1
					10.
Our	invoice	V-0351		78,426.00 €	
1					
Our	invoice	V-0442		138,541.00	\$ 250,015

LESS MONEY RECEIVED JANUARY 1 - APRIL 30,	1987:	
March 3, 1987	\$ 50,000.00/	
March 23, 1987	50,000.00/	
April 28, 1987	<u></u>	133,048
	BALANCE OWING	\$ 116,967 NK.
		jg.

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vancouv 3.C./Canada V6C 2R2 730 HI CO Delaware Resources Corp. 100, 1300 8th Street Cominco Ltd. Calgary, Alberta T2R 1B2 March 23, 19 87 No. V-0247 Terms: On receipt To charge you with expenditures incurred on Snip Property during period January 1, 1987 to February 28, 1987 as per attached statement. \$33,048.00 1/A3/3 ()Form 1751





	04-507730 E:	Ŕ			
5	Voice	Comin	160		
	Delaware Resources Corp. 100, 1300 8th Street Calgary, Alberta T2R 1B2	Cominco Ju	Ltd. 1y 20,		<u> 19 87 </u>
		<u>Terms:</u>	On receipt	<u>No.</u>	V-0659
	To charge you with expenditures incurred or during period June 1, 1987 to June 30, 1987 statement.	n Snip Prop 7 as per at	perty tached	\$26 	9,558.00
		Findy Bar	200, 000	, 0-0	
ſ		Pring the	00/87 3/1 50,00	 .	
		I Par	20/87 119,55		
	1/A3/3				
) Matched to D	yintox x	× • 1		
					Form 1751-

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	The Street/Vancouver, B.C./Canada V6C 2R2 Telex 04-507730	.		
P nvoice		Comineo		
Delawar 100, 13 Calgary T2R 182	re Resources Corp. 300 8th Street y, Alberta 2	Cominco Ltd. July 24,	<u>19 87</u>	
		<u>Terms: On receipt</u>	<u>Νο. Υ-0712</u>	
	To charge you with expenditures incurred during period July 1, 1987 to July 23, 19 statement.	on Snip Property 87 as per attached	\$232,495.00	
0		RH 3:30 PH 3:3	6	
	1/A3/3			
0	Motched to Divers	, Aloro VII		



	Street/Vancouver, B.C./Canada V6C 2R2 2x 04-507730		
őice		Comineo	
elawan 00, 13 algary 2R 1B2	re Resources Corp. 300 8th Street y, Alberta 2	Cominco Ltd. August 26,	19 87
		Terms: On receipt	No. Y-0811
	To charge you with expenditures incurred o during period August 1, 1987 to August 25, attached statement.	n Snip Property 1987 as per	\$153,399.00
	1/A3/3		
	Marked to Mintax * 3	3	



set/Vancouver C./Canada V6C 2R2 4-507730 ßη ivoice Delaware Resources Corp. 100, 1300 8th Street Cominco Ltd. Calgary, Alberta 19 87 September 25, T2R 182 No. V-0924 Terms: On receipt To charge you with expenditures incurred on Snip Property during period September 1, 1987 to September 24, 1987 as per \$253,202.00 attached statement. MUNTRY #3 1/A3/3 Form 1751





	₹ 684 Vancou VI B.C./Canada <u>V6C 2</u> R2 07730	684 9877 DELAWARE UCR	04	
0		Cominoo		
Delaware Resources Corp. Suite 800 900 West Hastings Street Vancouver, B.C. V6C 1E5		Cominco Ltd. November 17,	<u>19 87</u>	
		<u>Terms: On receipt</u>	No. V-1045	
	To charge you with expenditures incurre during period October 23, 1987 to Novem attached statement.	d on Snip Property ber 13, 1987 as per	\$409,477.00	
			100 19/87 H 4/4	
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	Vanc, Ger, B.C./Canada V6C 2R2	0	
Ó.		Comineo	
belaw Suite 900 k Vanco	are Resources Corp. 800 est Hastings Street uver, B.C.	Cominco Ltd. November 25,	<u>19 87</u>
V6C 1	l E5	<u>Terms: On receipt</u>	No. V-1124
	To charge you with expenditures incurred during period November 14, 1987 to Novem attached statement.	l on Snip Property aber 24, 1987 as per	\$37,272.00
)			
	1/A3/3		
	HINTAX *	\mathfrak{A}	
	Shot Release		
)			
			Form 1751

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Vancou B.C./Canada V6C 2R2 730 ()Cominco elaware Resources Corp. Suite 800 900 West Hastings Street Cominco Ltd. vancouver, B.C. December 8, V6C 1E5 19 87 Terms: On receipt No. V-1138 To charge you with expenditures incurred on Snip Property during period November 25, 1987 to November 30, 1987 as per attached statement. \$24,148.00 Θ 1/A3/3 MINTAX X 2 Rnd Release. Approved ' Rund hur pur gry

...ville Street/Vancou. ./Canada V6C 2R2 . / Telex 04-507730 nvoice Delaware Resources Corp. Suite 800 Cominco Ltd. 900 West Hastings Street January 15, Vancouver, B.C. 19 88 V6C 1E5 Terms: On receipt No. V-1271 To charge you with expenditures incurred on Snip Property during period December 1, 1987 to December 31, 1987 as per \$258,818.00 attached statement.

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APANNA for Paul APANNA ANAMA MW MMAMA MM MMAMA MM Releases