

NAME OF PROPERTY
NOM DE LA PROPRIÉTÉ

SNIP

Location area of 1986 drilling

UNCERTAINTY 300 m FACTEUR D'INCERTITUDE	Lat. 56°39'50"	Long. 131°06'20"
Mining Division Division minière	Liard	District District
County Comté		Township or Parish Canton ou paroisse
Lot Lot		Concession or Range Concession ou rang
Sec Sect.	Tp. Ct.	R. R.

OWNER OR OPERATOR/PROPRIÉTAIRE OU EXPLOITANT

DESCRIPTION OF DEPOSIT/DESCRIPTION DU GISEMENT

Triassic meta siltstones and basic metavolcanic tuffs are intruded by diorite, felsite, and feldspar porphyry. Three separate mineralized structures trend about N65°W with dips at 70°S to vertical. A major cross structure trends about N20°E with steep westerly dip. The mineralization includes disseminated to near massive pyrite and sections of disseminated chalcopyrite and sphalerite with quartz-carbonate veining.

In the main zone are 3 types of gold occurrences:
1) Massive pyrite, pyrrhotite, minor sphalerite, rare arsenopyrite, galena, molybdenite and chalcopyrite. 2) Shattered quartz vein with green mica, chlorite and disseminated sulphides. 3) Quartz laminae in strongly sheared and altered country rock.

HISTORY OF EXPLORATION AND DEVELOPMENT
HISTORIQUE DE L'EXPLORATION ET DE LA MISE EN VALEUR

The property is located on the south side of the Iskut River, and west side of Bronson Creek, some 105 km northwest of Stewart.

The Snip 1 and 2 claims, located by Cominco Ltd. in 1982, were staked over the company's Red Bluff property (104 B/11, Cu 1) and adjacent ground. A gold showing was discovered at about 2 200 feet elevation on Snip 1 claim on the lower northwest slope of Mt. Johnny 1 km west of and on the opposite side of the ridge from the Red Bluff claims. Cominco in 1985 carried out a geochemical survey comprising 36 soil and 26 rock samples.

Delaware Resources Corp. optioned a 50 % interest in the property in 1986. Work that year included geochemical soil surveys, trenching, and 4 902 feet of diamond drilling in 13 holes. The agreement was re-negotiated in early 1987 giving Delaware the right to earn 100 % interest subject to Cominco backing in for a 60 % interest. Cominco, as operator of the joint venture, completed about 46 000 feet of diamond drilling in 73 holes in 1987. Drill-inferred reserves for a portion of the twin zone were reported at 1 200 000 tons at 0.75 oz /t Au (Northern Miner, 14/12/87, p.1).

Cominco backed in to acquired 60% interest. In 1987, there were diamond drilled 46,000 feet in 73 holes and underground exploration was started in March 1988. Delaware Resources and Colossus Resource Equities merged into Prime Resources Corporation. Underground exploration was carried out on the 180, 300 and 340 metre levels. Between August 1988 and October 1989, there were done 134,520 feet of underground diamond drilling and 13,780 feet of underground work and by mid-1990 there were done 209,000 feet of surface and underground diamond drilling. In 1990, Prime Resources Corp. became Prime Resources Group Inc. There are 2,446,000 tons of 0.648 ounce per ton Au. (B.C. Open File 1989-22, p. 16).

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Exploration in British Columbia; BCDM: 1985,
p. 382; 1986, p. A 19.

George Cross News Letters: 1986, No. 73, 142, 148, 150,
172, 191, 198; 1987, No. 54, 103, 118, 120, 149, 151,
167, 193, 224, 234.

Mineral Policy Sector; Corporation Files: "Prime Resources
Group Inc."

Britton, J.M.; Fletcher, B.A.; Alldrick, D.J.; Snippaker
Map Area in Geological Fieldwork 1989, British Columbia
Geological Survey Paper 1990-1, pp. 115-125.

Schroeter, T.G.; Lund, C.; Carter, G.; Gold Production and
Reserves in British Columbia, British Columbia
Geological Survey, Open File 1989-22, p. 16, p. 30,
p. 49, 1989.

MAP REFERENCES/RÉFÉRENCES CARTOGRAPHIQUES

Map 311 A, Stikine River Area (South Sheet), (Geol.),
Sc. 1": 2 miles, accomp. Memoir 246, Geol. Surv. of
Canada.

Mount Johnny prospect, location map, Sc. 1.5 cm: 1 km, Fig.
60, Geological Fieldwork 1982, p. 175, B.C.D.M.

#Snip Property, Delaware Resources, March 1987, (drill location),
in George Cross News Letter 1987, No. 120.

*Map 104 B/11, Craig River, (Topo.), Sc. 1: 50 000.

REMARKS/REMARQUES

Comp./Rev. By Comp./rév. par	DMacR	JL					
Date	12-87	10-90					