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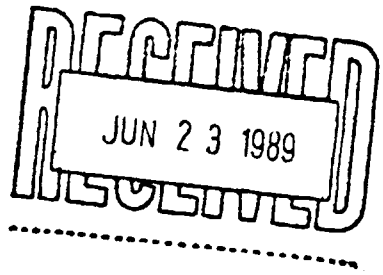

PROJECT V138

DRILLING REPORT ON THE

GERIMI 1 TO 7 CLAIMS

CANTIN CREEK AREA, B.C.

by

P. E. Fox, Ph.D., P. Eng.
and
G. N. Goodall, B.Sc.

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Gerimi 1 to 7 Mineral Claims
NTS 93B/16E
52°55'N, 122°12'W

Cariboo Mining Division

for

Placer Dome Inc.
15th Floor - 1055 Dunsmuir Street
Vancouver, B.C. V7X 1P1

May 30, 1989

LIST OF FIGURES

APPENDECES

SUMMARY

Six diamond drill holes (G-9 to G-14) comprising 972.3 metres of drilling were completed on the Cantin Creek prospect (Gerimi 1 to 7 claims) between February 20 and March 10, 1989. These holes were designed to test anomalous gold contents in core recovered from hole G-6 drilled in 1984 by Dome Exploration (Canada) Ltd. Holes were drilled on 100-metre step-outs from hole G-6 on sections 87N, 88N and 89N.

Drill hole 138G-9 100 metres southwest of G-6 penetrated 24.4 metres of overburden and cored into a mafic diorite and pyroxenite to a depth of 146.3 metres. Weakly anomalous gold contents were obtained, with a high of 78 ppb. Hole 138G-10, 150 metres north of G-9 cored interbedded hornfels, calc-silicate rock, skarn and marble. Diopside and garnet comprise much of the carbonate-rich sediments. A high of 3690 ppb Au was returned. Seven one-metre samples returned assays greater than 1000 ppb Au. Hole G-11, located 110 metres east of G-9, cored gabbro and pyroxenite to 88.0 metres and potassic hornfels, marble, siltstone and calc-silicate rock to a depth of 152.4 metres. Gold contents are low.

Drill hole 138G-12, situated 165 metres north of G-11, penetrated 32 metres of overburden and cored biotite hornfels to a depth of 146.3 metres. Three one-metre samples returned greater than 1000 ppb Au, with a high of 2320 ppb. Drill hole 138G-13, 120 metres southeast of G-12 and 140 metres northeast of G-11, penetrated biotite hornfels and minor calc-silicate rock. Carbonate-rich hornfels was cored from 125 metres to the end of the hole at 158.5 metres. Numerous samples throughout are anomalous in gold, with one sample returning 1650 ppb Au. The most northern hole drilled, 138G-14, is located 200 metres north of G-9. G-14 penetrated 36.6 metres of overburden and cored biotite hornfels and calc-silicate rock from 92.7 metres to 103.5 metres. The hole ended at 158.5 metres in weakly altered limestone. Eight consecutive one-metre samples returned anomalous gold contents with a high of 2630 ppb Au.

Key assays are tabulated below.

Hole #	From	To	Length (m)	Au (gpt)
G-10	40	42	2	1845
	50	54	4	671
	122	127	5	1482
	134	152.4	18.4	467
G-12	38	56	18	642
	87	90	3	397
G-13	59	153	94	284
G-14	111	118	7	1032
	150	181	31	271
	188	216.4	28.4	473

Ninety-five samples of pyroxenite were analyzed for platinum and palladium. The average content of platinum and palladium is 8ppb and 6ppb respectively. The highest platinum concentration is 32ppb and for palladium 24ppb.

CONCLUSIONS

The current drill program returned significant gold contents in holes G-10, G-12, G-13 and G-14. Hole G-14, the easternmost hole, is the most consistently mineralized and on its own warrants further work. The host carbonate-siltstone horizon is correlative with the hanging wall siltstone horizon at QR. Both gold and arsenic and locally copper and silver are generally anomalous throughout the above holes. Gold tenors are more consistent and increase easterly away from the Cantin stock. Pyritic calc-silicate units are the chief host rock. The similarity to QR and the large target horizon available, some 250 metres by 2,500 metres, point to the excellent potential of the property. Accordingly, further drilling is proposed for this year.

RECOMMENDATIONS

Twenty-seven vertical diamond drill holes are recommended to further test the favourable host rock identified with the current program. Thirteen holes are proposed near the current area drilled and fourteen along strike to the northwest on lines 91N, 93N and 95N. Total metreage proposed is 4,000 metres at a total cost of $337,900.

INTRODUCTION

This report provides information on a diamond drilling program conducted on the Gerimi 1 to 7 mineral claims, near Cantin Creek, B.C. Six holes totalling 972.3 metres were completed between February 20 and March 10, 1989. A drill plan and drill core logs are included in this report.

The drill program was designed to follow-up weakly anomalous results from a drilling program conducted in 1984. The target is favourable host rocks adjacent to the Cantin Creek stock, a small elongate alkaline intrusion typical of such intrusions in the Quesnel Trough.

Also included in this report is a summary of the PGE sampling of mafic-ultramafic rocks encountered in the previous drill program.

LOCATION AND ACCESS

The Gerimi claim block is situated at the headwaters of Cantin Creek, some 30 kilometres southeast of Quesnel, B.C. (Figure 1). Access to the Cantin area is via the Barkerville Highway from Quesnel and several logging roads for a total distance of 40 kilometres. The Cantin prospect is approximately 40 kilometres northwest of the QR gold deposit.

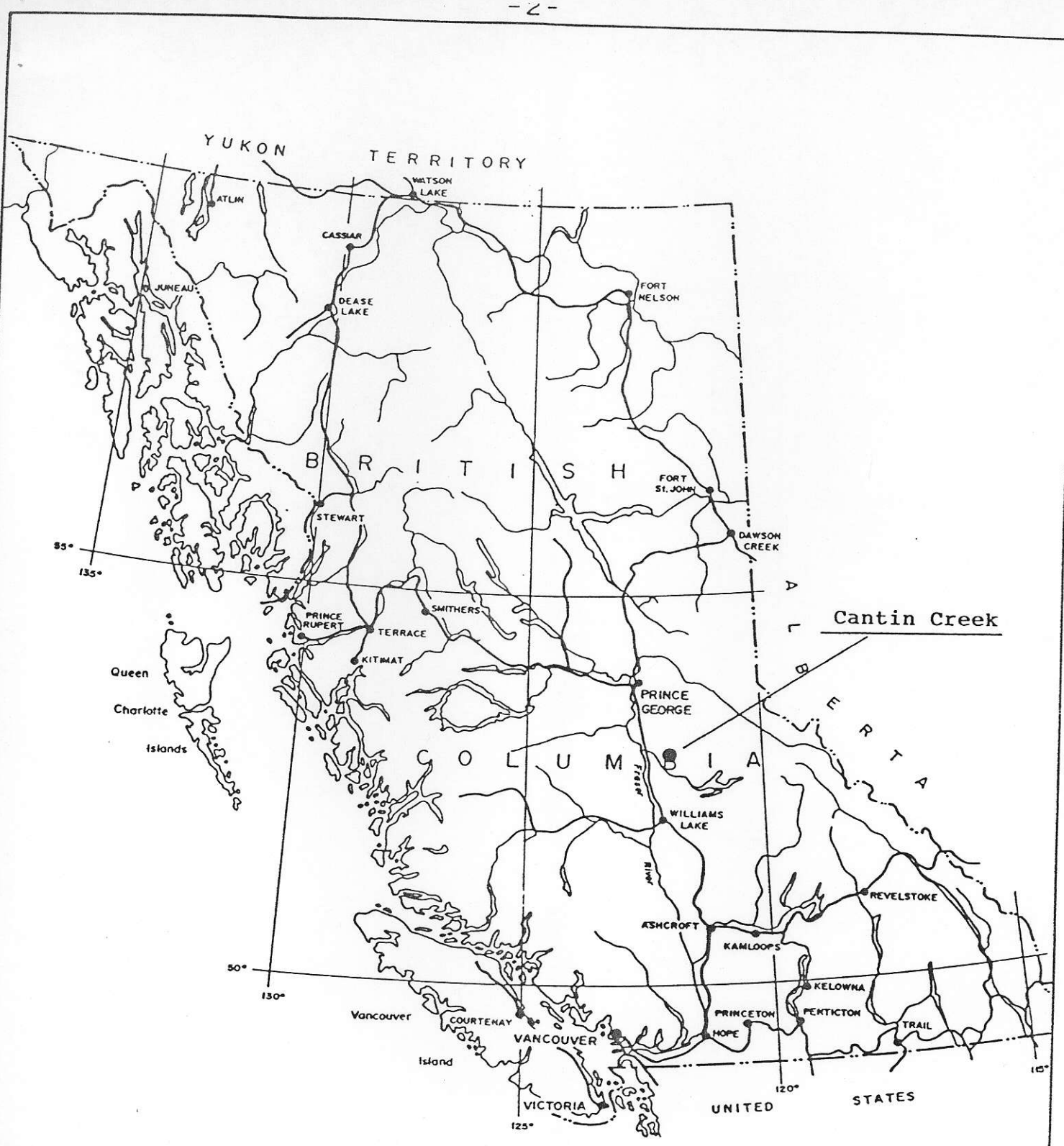
Local terrain is flat and largely muskeg-covered with Cantin Creek and its tributaries incised into glacial till for some 50 metres. Till thickness ranges from a few metres to +100 metres.

CLAIM INFORMATION

The Gerimi property comprises seven mineral claims totalling 140 units. Claim data are given in Table I and a claim map in Figure 2. Expiry dates assume present work is accepted for assessment purposes. Gerimi 1 to 5 are grouped with the "A Group".

Table I
Claim List

Claim Name	Record No.	Units	Expiry Date
Gerimi 1	4364	20	July 20, 1998
Gerimi 2	4365	20	July 20, 1998
Gerimi 3	4366	20	July 20, 1999
Gerimi 4	4367	20	July 20, 1999
Gerimi 5	4368	20	July 20, 1999
Gerimi 6	4369	20	July 20, 1994
Gerimi 7	4370	20	July 20, 1994



0 100 200 MILES
0 100 200 300 Km

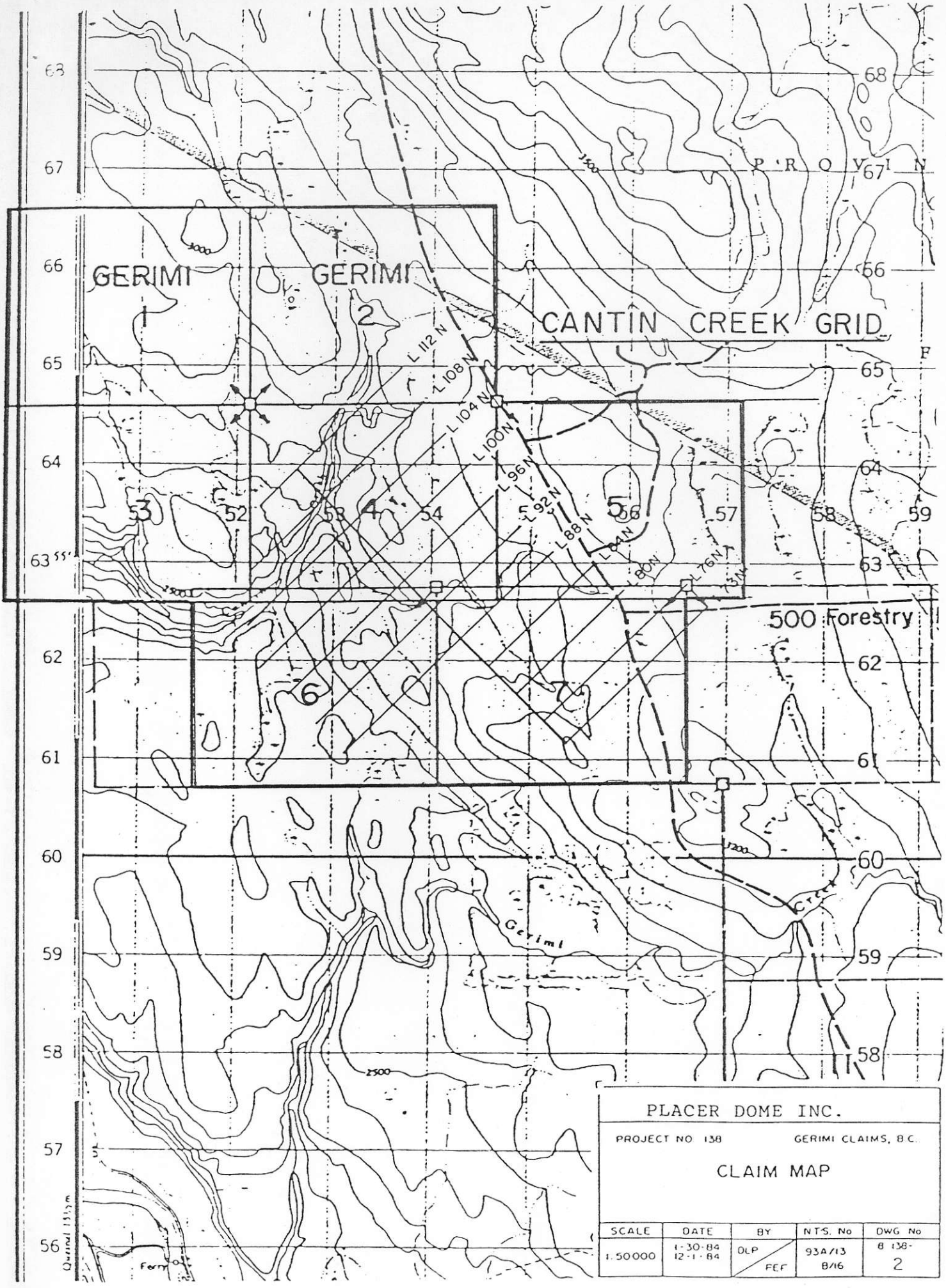
PLACER DOME INC.

PROPERTY LOCATION PLAN

Cantin Creek Prospect

FOX GEOLOGICAL CONSULTANTS LTD.

DATE		N.T.S.	Dwg. No.
		93B16	1



PLACER DOME INC.

PROJECT NO 138 GERIMI CLAIMS, B.C.

CLAIM MAP

SCALE	DATE	BY	NTS. No	DWG No
1:50000	1-30-84 12-1-84	DLP / FEF	93A/13 8/16	B 138-2

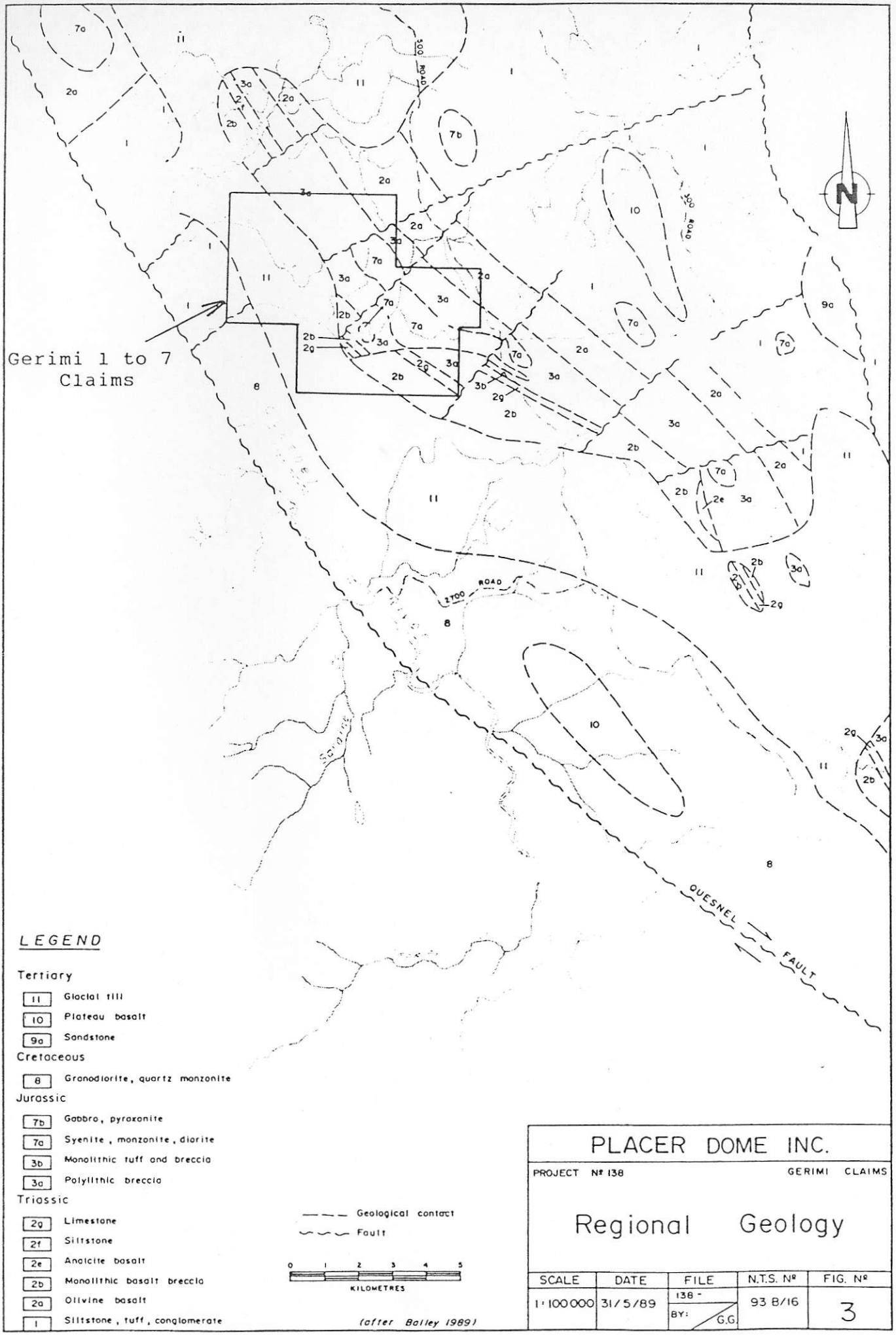
PROPERTY HISTORY

The area was first staked in 1977 by the Cariboo Project (Newconex Canadian Exploration and Dome Exploration) who conducted preliminary mapping and geochemical sampling and drilled 409 metres in five percussion holes. In 1982, Dome Exploration (Canada) Ltd. staked the Gerimi 1 to 29 claims totalling 548 units. These claims covered both the Cantin stock and the Gerimi body to the south. An extensive grid of 146 line kilometres was established in 1982 and 1983 to facilitate geochemical and geophysical surveys. In 1984, an induced polarization survey was conducted near Cantin Creek, followed by a 1,232 metre diamond drill program. Weakly anomalous results warranted a 972-metre follow-up diamond drill program in the spring of 1989. Encouraging results from this program have prompted plans for a larger drill program later in 1989.

REGIONAL GEOLOGY

The Cantin property lies in the "Quesnel Trough", a linear northwesterly-trending belt of Upper Triassic-Lower Jurassic volcanic flows and sedimentary rocks (Figure 3). These rocks are in thrust contact with metamorphosed Omineca Terrane to the east. Sediments of the Paleozoic Cache Creek Group lie to the west. A series of regularly spaced alkalic stocks occur along the axis of the belt.

The region has been subject to numerous research, mapping and exploration projects. Most recently, the B.C. Ministry of Energy, Mines and Petroleum Resources has conducted a series of mapping programs along the central and eastern portion of the belt including Bailey 1987, 1988, Bloodgood 1987, 1988 and Panteleyev 1987, 1988. Bailey's work has established the local stratigraphy. The lowermost unit consists of Upper Triassic sandstone, siltstone and minor claystone with interlayered beds of mafic tuff and breccia. Late Triassic basaltic volcanic rocks overlie these sediments, which are overlain locally by a thin, discontinuous limestone unit. Felsic volcanic tuffs and breccias of Lower Jurassic age overlie the basalts and sediments throughout the centre of the belt.


Gerimi 1 to 7 Claims
N
500 ROAD
390 ROAD
2700 ROAD
QUESNEL FAULT
LEGEND
Tertiary
11 Glacial till
10 Plateau basalt
9a Sandstone
Cretaceous
8 Granodiorite, quartz monzonite
Jurassic
7b Gabbro, pyroxenite
7a Syenite, monzonite, diorite
3b Monolithic tuff and breccia
3a Polylithic breccia
Triassic
2g Limestone
2f Siltstone
2e Andesite basalt
2b Monolithic basalt breccia
2a Olivine basalt
1 Siltstone, tuff, conglomerate
Geological contact
Fault
0 1 2 3 4 5
KILOMETRES
(after Bailey 1989)
PLACER DOME INC.
PROJECT Nº 138
GERIMI CLAIMS
Regional Geology
SCALE 1:100000
DATE 31/5/89
FILE 138-
BY: G.G.
N.T.S. Nº 93 B/16
FIG. Nº 3

LOCAL GEOLOGY

The local geology is set out in Figure 4. The central part of the property is underlain by the Cantin stock, a composite body ranging in composition from serpentinized pyroxenite (5e) through to hornblende gabbro and diorite (5a, d). Minor amounts of monzonite and syenite were cored during the 1984 program. Mafic phases are magnetite-rich. The stock forms an elongate, fault-bounded, northwesterly-oriented pluton some 800 metres wide and occupies much of the terrain from line 74N on the Gerimi 7 claim to Cantin Creek 3,500 metres to the northwest. A notable magnetic anomaly clearly marks the extent of the body.

A broad zone of polylithologic felsic breccia (4a, b) consisting of compact accumulations of feldspar-rich, subangular fragments up to 10cm lie west of the Cantin stock. Most breccias are matrix-supported and poorly sorted. On the west edge of the property, the felsic breccia unit overlies some 200 metres of massive limestone. Maroon basalts outcrop farther west. East of the Cantin stock, skarn, calcsilicate rocks and hornfelsed siltstone underlie much of the terrain between the stock and massive basalts of unit 1a.

The skarn units, which dip 60° southwest, are thought to be correlative with the limestone horizon to the west. Skarn units and hornfelsed siltstones were drill tested during the current program returning significant gold concentrations in pyritic calcsilicate zones just east of the stock. Skarn units extend northwesterly to Cantin Creek, a distance of 1,200 metres. The southeasterly dimension is unknown.

Rock within the drill area and cored by holes G-9 to G-14 have been subdivided into grey, massive pyritic siltstone (2a), biotite hornfels (2b), a pinkish, K-feldspar-rich potassic hornfels (2c), marble and limestone (3 and 3a), and banded calcsilicate units and skarn of unit 3b. Marble and interbedded calcsilicate rocks predominate to the east. These rocks were cored by hole G-14. Siltstone and hornfelsed equivalents, locally with marble interbeds, overlie the massive calcsilicate/marble unit to the west. Most units are weakly pyritic, generally 1% to 3% pyrite.

The local geology here is not unlike the setting at Quesnel River 40 kilometres to the south. The skarn-siltstone unit at Cantin correlates with the pyritic hornfels and siltstone unit that forms the hanging wall to all of the QR lodes.

PGE SAMPLING

The drill program in 1984 encountered mafic-ultramafic alkaline intrusives of the Cantin Creek stock. The potential for platinum group elements (PGE) was tested by selecting 95 samples which were analyzed for platinum and palladium (Appendix I).

The average contents of platinum and palladium was 8 ppb and 6 ppb, respectively. The highest platinum content was 32 ppb and for palladium 24 ppb. These concentrations are weakly anomalous and indicate the presence of PGE's within the mafic-ultramafic phases of the stock. PGE contents are not high enough to warrant follow-up work at this time.

1989 DRILL PROGRAM

The 1989 drill program consisted of six holes (138G-9 to 14) comprising a total of 972.3 metres. Work commenced on February 20 and was completed on March 10, 1989. Collar information and hole lengths are given in Table II. Drilling work was performed by J. T. Thomas Diamond Drilling of Smithers, B.C. All core was logged on site and determinations made for recovery and rock quality index (RQD). All core was split in half, sampled on one-metre intervals and combined into two or three sample composites. Sample composites were analyzed for gold by atomic absorption and selected samples for 30 elements by ICP (Appendix III). Composite samples anomalous in gold were re-analyzed individually. Acme Analytical Laboratories of Vancouver, B.C. provided the analytical services. Drill records with analyses are provided in Appendix I. Drill hole locations are given in Figure 5. Core is stored at 1252 Jade Road, Quesnel, B.C.

Table II
Drill Collar Information

Hole #	Location		Length	Dip	Claim	Group
138G-9	108+50E	88+00N	146.3	-90°	Gerimi 7	A
138G-10	109+60E	89+00N	152.4	-90°	Gerimi 5	A
138G-11	109+60E	87+00N	152.4	-90°	Gerimi 7	B
138G-12	110+60E	88+00N	146.3	-90°	Gerimi 5	A
138G-13	110+60E	87+00N	158.5	-90°	Gerimi 5	A
138G-14	110+60E	89+00N	216.4	-90°	Gerimi 5	A

DRILL HOLE SUMMARY

A drill plan showing locations of drill holes is given in Figure 5. Cross sections with holes 138G-6 and 138G-9 to 14 are shown on Figures 6 through 8.

138G-9

Drill hole 138G-9 penetrated 24.4 metres of overburden before coring into a mafic intrusive unit. The stock varies from diorite (unit 5a) to pyroxenite (5b) and was drilled to a depth of 146.3 metres. Weakly anomalous gold contents were obtained, with a high of 78 ppb.

138G-10

Hole 138G-10, 150 metres north of G-9, was cased 33.5 metres to bedrock. The hole was cored to 152.4 metres through interbedded hornfels (2c), calc-silicate (3b) rock and marble (3a). Local dykes were encountered. Skarn minerals consisting of diopside and garnet, were cored throughout the carbonate-rich sediments. A high of 3690 ppb Au was returned and seven one-metre samples returned assays greater than 1000 ppb Au.

138G-11

Located 110 metre east of G-9, drill hole 138G-11 penetrated 57.9 metres of overburden and cored gabbro (5a) and pyroxenite (5c) to 88.0 metres. Potassic hornfels (2c), marble (3a), siltstone (2a) and calc-silicate (3b) rock were encountered to a depth of 152.4 metres. Local felsic dykes (6) intrude the units. Gold contents are low.

138G-12

Drill hole 138G-12, located 165 metres north of G-11, penetrated 32.0 metres of overburden and cored into a biotite hornfels (2b) unit to a depth of 146.3 metres. Local dykes (6), one to 5 metres thick, of variable potassic alteration intrude the hornfels. Sandstone (2a), wackes (4b) and limestone (3a), locally intruded by felsic dykes, were variably altered. Garnet, epidote and diopside were noticed throughout. Three one-metre samples returned greater than 1000 ppb Au, with a high of 2320 ppb.

138G-13

Drill hole 138G-13 is located 120 metres southeast of G-12 and 140 metres northeast of G-11. The hole penetrated 33.5 metres of overburden and cored into biotite hornfels (2b) with minor calc-silicate (3b) rock. Rare sulphides, mainly pyrite and pyrrhotite, were noticed. A hornblende-augite porphyry dyke (6) intrudes the rock units from 69.0 metres to 71.0 metres. Carbonate-rich hornfels (2c) were cored from 125.0 metres to the end of the hole at 158.5 metres. Numerous samples were anomalous in gold, with one sample returning 1650 ppb Au.

138G-14

The most northern hole drilled, 138G-14, is located 200 metres north of G-9. The hole penetrated 36.6 metres of overburden and cored into biotite hornfels (2b) with local calc-silicate (3b) rock. Calc-silicates containing garnet, diopside and epidote were encountered from 92.7 metres to 103.5 metres. The hole ended at 158.5 metres in weakly silicified limestone. Eight consecutive one-metre samples returned anomalous content, gold with a high of 2630 ppb Au.

DISCUSSION

The current drill program, designed to follow-up a low grade intersection in hole G-6, returned significant gold contents in holes G-10, G-12, G-13 and G-14. Key intersections are summarized in Table III and Appendix II. Hole G-14, which cored calcsilicate rocks, skarn and marble for much of its length, is the most consistently mineralized. All four holes noted returned significant gold tenors over considerable widths. Pyritic skarn and banded calcsilicate rocks are generally the best mineralized, the hornfelsed siltstones - particularly the K-feldspar-bearing ones - are poorly mineralized in general.

Most rock units, particularly skarns and calc-silicate units, contain anomalous amounts of arsenic (Appendix III). Copper and silver contents are moderately elevated and generally correlate with gold tenors.

Table III
Assay Summary

Hole #	From	To	Length (m)	Au (gpt)
G-10	40	42	2	1845
	50	54	4	671
	122	127	5	1482
	134	152.4	18.4	467
G-12	38	56	18	642
	87	90	3	397
G-13	59	153	94	284
G-14	111	118	7	1032
	150	181	31	271
	188	216.4	28.4	473

The skarn units east of the Cantin Stock comprise a large exploration target at least 250 metres by 2,500 metres. This zone is a prime exploration target of the "QR Type". Further drill testing is warranted. A follow-up program is detailed below.

PROPOSED PROGRAM

Twenty-seven diamond drill holes are recommended to continue testing the carbonate units easterly and along strike from the area drilled this year. Thirteen holes are proposed to the east (up dip) from holes G-12 to G-14 and on 100-metre step-outs to the southeast (sections 85N to 89N). Fourteen holes are recommended as exploratory drilling on sections 91N, 93N and 95N. The proposed drill pattern will test some 1,000 metres of favourable rock. All holes are vertical and will be drilled to a 250-metre depth. Total metreage is 4,000 metres allocated at $52.80 per metre. Collar positions are provided in Figure 9. It is proposed to schedule the work subject to approvals for the dry season in late July-August.

COST ESTIMATE

The following budget allocations are submitted to support the above program.

Table IV
Proposed Budget

Accommodation and Board	$ 6,200.00
Assays, Geochem	48,000.00
Automobile Expense	1,500.00
Consulting	4,500.00
Contractors - Roads & Drillsites	12,000.00
Drafting	1,200.00
Drilling - Diamond 4,000 metres	211,200.00
Equipment Rentals	1,000.00
Lease Vehicles	2,500.00
Project Salaries	33,000.00
Maps and Reproductions	800.00
Surveys - Collar	4,000.00
Telephone, Radio	500.00
Travel	500.00
Reclamation	8,000.00
Claim Maintenance	3,000.00
Total Disbursements	$ 337,900.00

Prepared by:

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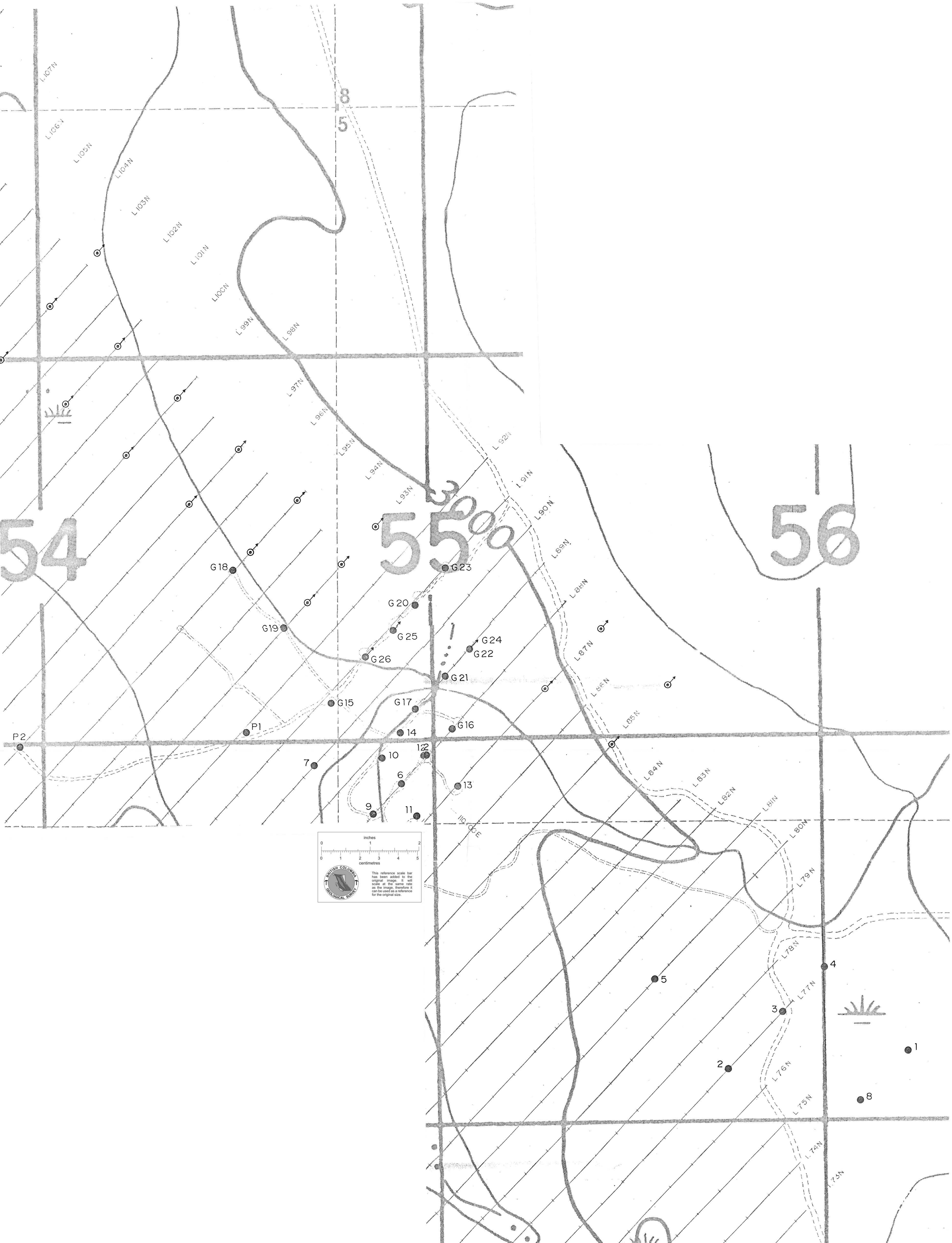
May 30, 1989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