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PLACER DEVELOPMENT LIMITED

MEMORANDUM:

TO: R. Shklanka DATE: February 17th, 1984

FROM: R. Young/R. Pinsent

RE: ANACONDA'S MANSON CREEK PROJECT

Introduction:

In a letter and project summary (copy attached) dated February 8th, 1984 Anaconda outlined their Manson Creek Project and advised that it was available on a "farm in" basis. In response R. Young and R. Pinsent visited Anaconda's Vancouver Office to review the data in greater detail.

Summary:

One major and several minor targets exist. Considerable work has been done. The major target, the Control Zone, consists of a moderately large volume with sub-economic Au content plus sporadic higher (8.47g/t. highest) values. It is partially "open."

Other targets are an epithermal Au-Sb-As-Cr W (soils) anomalous zone and a W (soils) anomalous zone near the contact with the Germanson batholith plus a zone similar to and a short distance from, the Control zone.

Anaconda requires \$600,000 of expenditures over 2 years plus making a \$100,000 payment to Golden Rule Resources by 31 December 1984. This would entitle Placer to 50% of Anaconda's position (option agreement summary attached). The final shakeout would likely be 50% Anaconda, 50% Placer plus a 2% to payout, then 8% net proceeds interest to Golden Rule.

Conclusions

Economic mineralization might exist on the property. However, the cost of the required exploration plus the \$100,000 payment due 31 December 1984 to earn a 50% (45% net proceeds) interest in the property versus the property's present status vis a vis the probability of economic mineralization existing does not make this an attractive undertaking

Recommendation

That Placer not attempt to participate in this project.

Robert H. Pinsent
Geologist

Robert J. Young
Senior Geologist

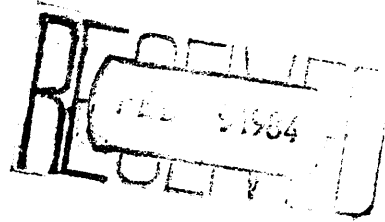
RJY/cs

02:17:84

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ANACONDA Canada Exploration Ltd.

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Vancouver, B.C. Canada V6G 2Z6
Telephone 604 688-4474



February 8, 1984

Mr. Roman Shklanka
Exploration Manager-Western Canada
Placer Development Ltd.
1600-1055 Dunsmuir Street
P.O. Box 49330 Bentall Postal Stn.
Vancouver, B. C. V7X 1P1

Dear Roman:

Anaconda Canada Exploration Ltd. has been actively exploring for gold at Manson Creek, B.C., on a property under option from Manson Creek Resources. Because of changing budget priorities for our 1984 program, we are considering a farm-out of part of this project in consideration for work commitments and maintenance of the option agreement.

A brief description of the project is included with this letter. If you would be interested in conducting a more thorough review of the property data or discussing option terms, please contact either Luca Riccio or myself at your earliest convenience.

Yours truly,

Gerald G. Carlson
Regional Exploration Manager

Encl. project descrip.

cc - R.L. Ranger
L. Riccio

MANSON CREEK PROJECT SUMMARY

- LOCATION:** 240 km northwest of Prince George, British Columbia, at latitude 55°41'N, longitude 124°35'W, NTS 93N/10E,9W.
- PROPERTY STATUS:** 17 claims (OPEC,QCM,FLUME 4-5) totalling 310 units under option to Anaconda from Golden Rule Resources Ltd of Calgary. Two claims (Hy 1-2) totalling 36 units, staked by Anaconda are included within the agreement.
- HISTORY:** Areas characterized by anomalous gold values in rocks and soils were discovered near Manson Creek in 1972 by the Teck-Brinex-Sullivan & Rodgers joint venture group. This and adjacent ground was staked by Golden Rule Resources in 1980 and subsequently (1982) optioned to Anaconda Canada Exploration Ltd.
- EXPLORATION:**
- 1972: Geology, geochemistry, IP.
 - 1973: 499.56 m of diamond drilling in 5 holes
 - 1980: Geology, geochemistry, VLF-EM, Mag.
 - 1982: Geology, geochemistry, VLF-EM, Mag, trenching
 - 1983: Geology, geochemistry, VLF-EM, Mag, 2424 m of percussion drilling in 31 holes, 414 m of reverse circulation drilling in 4 holes, 422 m of diamond drilling in 3 holes.
- DESCRIPTION:**
- Geology**-The area is underlain by an Upper Paleozoic assemblage of basalts, volcanoclastics, phyllites and carbonaceous shales cut by major fault zones and tectonically intruded by alpine-type peridotites.
- Geochemistry**-Extensive gold geochemical anomalies are present in soils and rocks of the QCM claims. Soil tungsten anomalies characterize the contact zone between Paleozoic metasediments and the Cretaceous Germansen batholith in the south Opec claims.
- Geophysics**-Hydrothermally altered, pyritiferous, gold-bearing zones of the QCM claims appear to be at a distinct break in both the resistivity and chargeability response.
- Mineralization**-Gold values of up to 5 g/t occur in quartz-veined, intensely hydrothermally altered (quartz-ankerite-sericite+mariposite) volcanoclastic and volcanic rocks containing up to 10% pyrite. Gold values are associated with quartz veins and their pyritic haloes.
- Anomalous gold values (hundreds of ppb Au) associated with elevated Sb-As-Cr-W concentrations occur in a 400 m long, 30 m wide quartz flooded epithermal zone near the contact with the Germansen batholith.

RESULTS AND

FOLLOW-UP TARGETS: A 300 m long, up to 120 m wide zone averaging 0.6 g/t Au to a depth of 80 m was defined by percussion drilling in the QCM claims. Best diamond drill intercept within this zone is 8.47 g/t Au over 1 m. This zone is open along strike in both directions and at depth.

Percussion drilling encountered anomalous gold values (several hundred ppb Au) at two separate localities to the north of the main anomalous zone. These areas require further investigation by drilling.

Preliminary work on the epithermal zone shows it to be open at both ends. Further sampling followed by trenching is recommended.

Soils collected on the Opec 6 claim contain up to 360 ppm W. The area should be further investigated for skarn-type W mineralization by sampling and trenching.

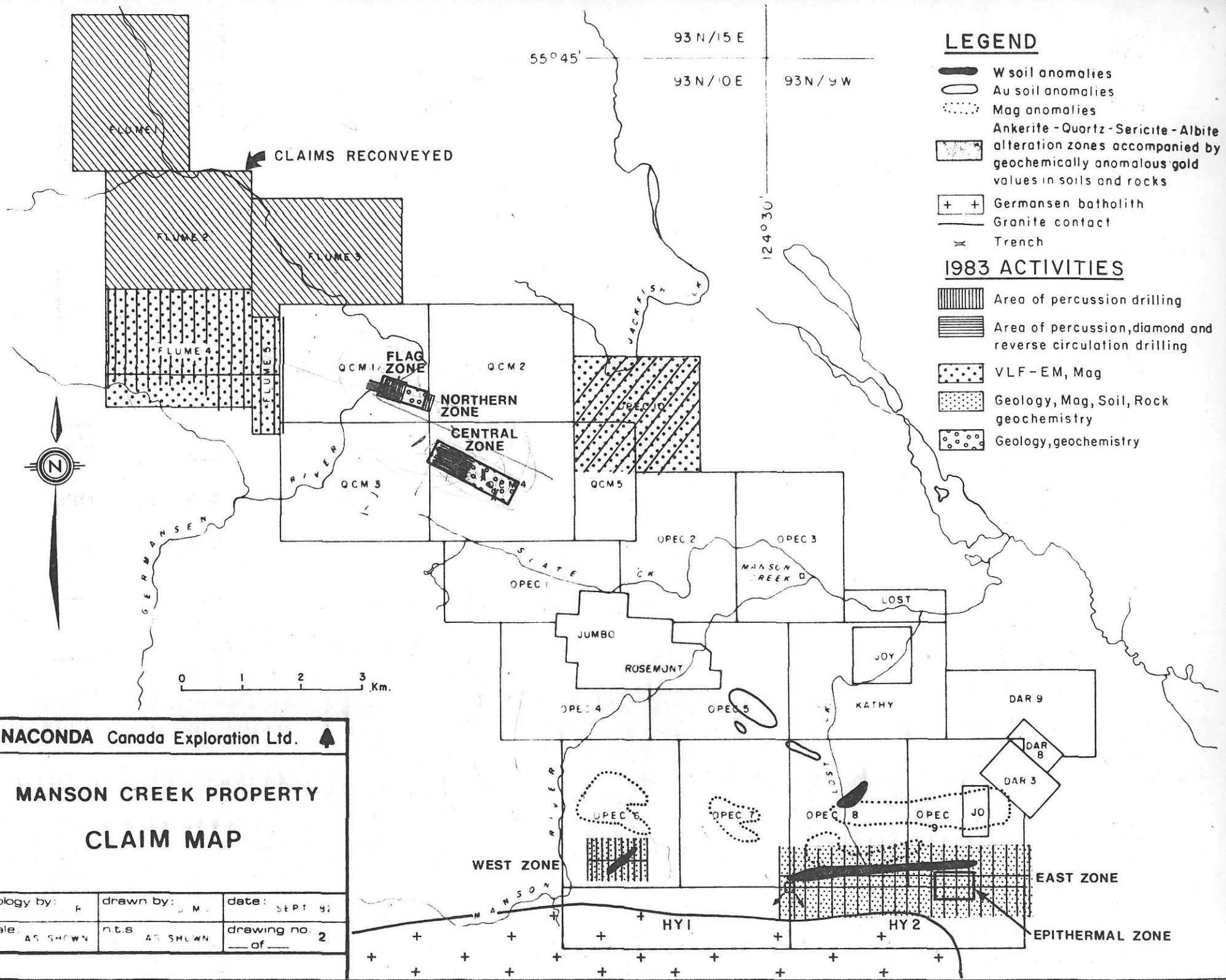
ANACONDA

EXPENDITURES: 1982: \$166,000
1983: 385,000
Total: 551,000

These expenditures include \$105,000 in option payments.

FEB/84

L. Riccio
L. Riccio, Project Geologist



LEGEND

- W soil anomalies
- Au soil anomalies
- Mag anomalies
- Ankerite - Quartz - Sericite - Albite alteration zones accompanied by geochemically anomalous gold values in soils and rocks
- Germansen batholith
- Granite contact
- Trench

1983 ACTIVITIES

- Area of percussion drilling
- Area of percussion, diamond and reverse circulation drilling
- VLF-EM, Mag
- Geology, Mag, Soil, Rock geochemistry
- Geology, geochemistry

ANACONDA Canada Exploration Ltd.

MANSON CREEK PROPERTY CLAIM MAP

Geology by: F	drawn by: J M	date: SEPT 92
Scale: AS SHOWN	Notes: AS SHOWN	drawing no. 2 of 2

OUTLINE OF MANSON PROJECT OPTION AGREEMENT

Date: September 28, 1982

Obligation Date	Payment	Work Program	Cumulative Work
Execution	\$10,000	*	*
December 31, 1982	\$30,000	\$60,000	\$60,000
December 31, 1983	\$60,000	\$150,000	\$210,000
December 31, 1984	\$100,000	\$200,000	\$410,000

If Anaconda makes \$200,000 in Payments and \$410,000 in work program expenditures on or before December 31, 1984, it will earn 70% Int.

Anaconda may earn 100% Interest in the Property by an additional expenditure of \$190,000 by December 31, 1986. Golden Rule would retain a net proceeds of production interest of 2% from commencement of production until recoument of capital plus interest, and 8% thereafter.

The Agreement provides for dilution of a non-contributing party's interest. An interest diluted to 10% would convert to the above npl.

The area of interest is one kilometer from any part of the boundaries of the claims.

The claims are to be maintained in 12 months' good standing.

A list of the claims is attached.