



PLACER DOME INC.

1600-1055 DUNSMUIR ST.
VANCOUVER, B.C.
(604) 682-7082
TELEX 04-55181
FAX (604) 682-7092

MAILING ADDRESS:
P.O. BOX 49330
BENTALL POSTAL STATION
VANCOUVER, B.C.
CANADA
V7X 1P1

860767

Memo To: E. T. Kimura

From: R. H. Pinsent

Date: November 10th, 1989

Subject: Quet Au-Ag Property, Sloquet Creek Area, Harrison
Lake; 92G/9W,16W

The Quet Property was brought to our attention by Mr. Joe Shearer of Aranlee Resources Ltd. (#548 Beatty Street, Vancouver, B.C., V6B 1L3; phone 684-4039). The property covers a newly discovered area of Au-Ag rich mineralization in altered felsic pyroclastic rock within the Fire Lake Pendant of the Cretaceous Gambier Group.

The geology of the area is poorly understood. The attached draft report on the Quet Property, prepared by N. Reynolds, summarizes what is currently known of the local geology. Joe Shearer and I visited the property on 19th October, 1989.

In summary, Aranlee appears to have located two (?) parallel zones of base and precious metal mineralization within a regionally extensive, probably flat lying, package of pyritic felsic pyroclastic rocks. The package has been explored in the past and has proved to be weakly (base and precious metal) mineralized in a number of localities. The Aranlee discoveries appear to be the first of significance in terms of size and grade. The Company feels that the zones are stratabound.

The principal mineral zone is located on a narrow, east-west oriented, hog-back ridge separating the northern and southern branches of Sloquet Creek. It strikes subparallel to the ridge. Its western end, which shows strong base-metal enrichment, is exposed on the north face of the ridge. Its eastern end, which is richer in precious metals, is exposed on or near the ridge crest. Aranlee have trenched and sampled sections of the zone over a strike length of approximately 1.5 km. The data are currently being compiled. Preliminary results are attached.

A brief visit to the property shows that "main" eastern zone (1400 Zone) is underlain by a package of gossanous silicified felsic pyroclastic rocks. The rocks are generally pyritic and weakly to strongly anomalous in gold and silver. The rocks are cut by a suite of highly altered, chloritic, barren, discordant (north-south striking) mafic dykes which appear to postdate mineralization.

Stripping in the vicinity of the 1400 Zone has shown that the best gold values are found in strongly silicified rocks which commonly contain vertical quartz veins which strike subparallel to the trend of the zone (110 degrees). Gold values appear to improve in rocks containing a small amount of sphalerite and/or galena.

Samples 7401 - 7412 (lab project 9611) are relatively high-grade. They were collected to test the metal association and look for an underlying nugget effect which could impact on our assessment of Aranlee's trench sampling programme. The results show that gold does show a strong association with silver, lead and zinc. There is a small nugget effect but it should not be a problem in evaluating the trench data.

A quick glance at Aranlee's trench sample results shows that there is a considerable area underlain by rocks running 0.5 to 2.0 oz/t Ag and 1.0 to 3.0 ppm gold. The extent of the mineralization makes the property very attractive although gold values seem to be somewhat on the lowside for a simple open pit mining operation. The mineralization is newly discovered, untested and open both to depth and along strike. It's style is interesting. Aranlee seem to feel that it is stratabound, possible exhalative in origin. If they are right, there is the possibility of finding an exhalative deposit associated with the altered felsic rock. Alternatively, the mineralization may be structurally controlled, deep epithermal in origin, associated with a splay from the nearby Harrison Lake fault system. Either way it warrents attention.

R. H. Pinsent