PLACER DOME INC.

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Memo To: E. T. Kimura

cc. P. B. Hodgson

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From: R. H. Pinsent

Date: July 7th, 1989

Subject: Brandywine Option V-233

Our exploration programme on the Brandywine property near Whistler, B.C., finished on 23rd June, 1989. Analytical data are still coming in and the results will have to be properly compiled and evaluated.

My initial impression is that we have made considerable progress in defining the full extent of the gold anomaly discovered above the McKenzie Mill last year and we have a much better understanding of the underlying geology. Once the data are compiled we should be in a position to judge the significance of it all.

In the course of the programme we achieved the following. We:

(1) extended the 1988 grid to the west far enough to cover the old showings (Silver Tunnel, Main Zone, Tedi Pit).

(2) collected soil samples at 40 metre intervals over the new grid, tightened up sample spacing in the vicinity of the known anomaly to 20 metre intervals and collected reconnaissance samples south of Brandywine Creek (1015 samples).

(3) mapped the extended grid at 1:5,000 scale,

(4) prospected the grid and surrounding area (129 rock samples)

(5) ran VLF EM and magnetometer surveys over the extended grid and

(6) conducted a stream survey (9 bulk sediment and 7 heavy mineral samples).

The results seem to indicate that the polymetallic soil anomaly located on the hillside above the McKenzie Mill is caused by quartz-sulphide vein material in a series of crudely northsouth oriented shears which cut deformed plutonic rocks of the Coast Plutonic Complex. The strongest soil anomalies appear to be associated with shears which contain young felsic dykes which may be genetically related to a Tertiary (?) granite pluton located at the south end of Martial Lake. Interestingly, geochemical and geophysical (demagnetization) surveys suggest that the mineralization dies out to the north, along the strike of host shears. It is restricted to an extensive area immediately to the south of the granite pluton. This may indicate a source intrusion at depth. We should probably be looking for either a mineralized stockwork or a high-grade lens within the confines of the overall anomaly.

At risk of prejudging the data, I would suggest that this may require an IP survey over the southern portion of the grid followed by a drill programme. It would be best to conduct the geophysical survey this fall, if the money is available.

Our option agreement with Silver Tusk Mines Ltd. calls for a work expenditure \$50,000 by 19th August, 1989. Clearly we will have exceeded this amount. I would estimate that our total expenditure to date must be approximately \$150,000. It also calls for a payment of \$15,000 on 19th August, 1989. I recommend that we make this payment and proceed to furthur exploration of the property.

R. H. Pinsent