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WESTERN CANADA EXPLORATION **MONTHLY REPORT - SEPTEMBER, 1987**

At the Seabee (Au) project, mining was completed September 30. The total length of the workings is 832 m, of which 196 m was done during September.

Approximately 6,000 m of underground drilling are planned to evaluate the V2A Zone in detail and including some exploratory holes north to the V2A Zone as well as a geophysical anomaly under the North Channel of Laonil Lake. Although the drilling began September 6, this work was suspended after completion of a few holes, as water flows of 50 to perhaps 400 gpm were encountered. With completion of the mining, the volume of water will be more easily manageable. Drilling re-commenced in early October and will continue about eight weeks.

In the Third Leg of the Decline a 25° east-dipping fault with gouge, breccia and fractured wallrock offsets the shear zone 1.5 m. Continuing below the fault the rocks showed increased competency. The fault is one of the major water-bearing structures.

Most of the quartz vein material pinched out halfway down the Third Leg. The structure continues as a 1-2 m wide shear zone strongly altered with biotite, sericite, epidote, and locally mineralized with narrow quartz veins, ribbon quartz and pyrite.

The average grade of muck samples from an 84 m interval, central to the First Leg, is about 14.5 g/t gold. However, chip samples on individual rounds are lower by factors of 1.1 to 1.5. While the muck samples may be biased toward finer, more sulphide-rich material, the chip samples only represent the face. Although careful analysis of all the data will be required, the initial suggestion is that underground grades may exceed drill-indicated grades.

Surface diamond drilling at the Boundary Zone, which occurs on both the Seabee and Currie Rose (Au) projects, was completed. All sampling and logging was completed shortly after month's end and the crew demobilized. Unlike Seabee, the Boundary Zone has a variety of sedimentary and volcanic rocks in addition to intrusives related to the Eyahpaise pluton. On the other hand, the quartz veins and altered shear

zones resemble Seabee. Gold values from surface sampling were erratic. Drill core results to date show widespread gold values below about 0.7 ppm with a few values in the 1 to 48 ppm range.

Detailed geological mapping of all the mineralized areas at the Platinum Blonde (Au, Pt) project, by A. Sutherland Brown, was completed by month end. Drilling of a 305 m hole at the Averill showing did not intersect any obvious copper or platinum mineralization, however, epithermal alteration in sheared quartz-feldspar porphyry dykes was encountered. (Previous drill programs had tested the nearer surface potential.) Two shorter holes were completed in a three hole program at the Laura gold zone. Surface zones of apparent silicification are tectonically shattered chert at depth. A few percent pyrite and minor galena are associated.

The greatly reduced drilling program of about 1000 m will be completed by mid October. Land tenure problems with the Union group of claims is sufficiently resolved for the purposes of this drilling program. However, problems with some of the most promising gold targets on the Homestake, Deadweed and Aldie Claims will not be resolved probably for some months. The Banner and Bullion Claims, which are also attractive but less critical, may never be available.

Most core analyses are now available for the Spruce Creek (Au) drilling which was completed last month. While attractive alteration and pyrite mineralization had been recognized, only one sample contained 0.63 ppm gold with almost all others below detection.

Drilling at the Courageous Lake (Au) project was terminated in September with completion of 1133 m in 8 holes. While potentially favourable pyrite and arsenopyrite were encountered in a number of holes, assays have generally been below 1 g/t. The best value is from Hole 17 in the Lake Zone where an isolated 0.5 m sample yielded 5.20 g/t.

At the Windy (Au) project northeast of Fort St. James, 426 m of bulldozer trenching were completed along with a road into the property. All trenches were underlain by diorite. A number of shear zones up to 30 m wide are mostly less than 5 m wide. The rocks are deeply weathered in part and in a few places only residual clay remains. Sparse quartz veins up to 30 cm occur and gold was panned from the residual material at one site. Over 5% chalcopryite across 10 m was encountered in a short trench where soil samples had yielded anomalous values in Cu, Au, and Pd. Other trenches had disseminated pyrite but only minor chalcopryite. Analyses are awaited.

Two of three property submittals were declined, one is still under review. Possible options on three different Saskatchewan properties are still under negotiation, with two moving ahead and one not progressing.

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