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December 8, 1988

Mr. P.L. Whittall  
President  
Golden Pick Resources Ltd.  
507-1541 West Broadway  
Vancouver, B.C.  
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Dear Mr. Whittall,

This letter briefly outlines the exploration work and costs incurred on Golden Pick Resources' Spring Property on North Trout Creek in southern British Columbia. The work was performed by Placer Dome Inc. during the period 13 September to 5 November, 1988 in accordance to the letters of agreement dated 22 June 1988, 27 July 1988 and 3 August 1988, and proposed Agreement between Placer Dome Inc. and Golden Pick Resources Ltd. A brief description of proposed 1989 exploration work and estimated budget are also presented in this letter.

Exploration work commenced on the Spring Property on 13 September, 1988. Main projects for the program included geological mapping and rock sampling, ground geophysical surveys, soil geochemical sampling, prospecting and line-cutting. The work was conducted by a crew of 9 to 11 men from a base camp on North Trout Creek. Vehicles and all-terrain vehicles were utilized on a network of logging roads across the property.

Line-cutting to establish grid control was initial work phase on the Spring Project. This work was contracted to Grass Roots Mineral Exploration Services of Kamloops. A baseline at 70° azimuth was established across the property and grid lines were cut at 200 meter intervals with slope-corrected stations flagged at 25 meter spacings. A total of 120 km of grid lines were cut to cover essentially 100% of the property. As a large segment of the property has been clear-cut logged, the line-cutting was locally very simple.

Geological mapping has shown that quartz-feldspar porphyry is main rock unit across the property. This rock is intruding coarse-grained granite and granodiorite which are, in turn, intruding older biotite schists and gneisses. Faults and breccia zones, with attendant intense argillic alteration are developed in the quartz-feldspar porphyry unit. These types of structures are prominent along part of North Trout Creek. Main associated mineralization is disseminated pyrite, variable from 3.0 to 10.0% in volume; minor chalcopyrite, galena and sphalerite are present.

A series of rock chip samples were collected from surface exposures that form the steep banks of North Trout Creek. Exposures across the remainder of property are very widely scattered; many of these were also sampled.

Ground magnetometer and VLF-EM surveys were completed across the entire



grid. Main objective for these surveys was to obtain definition of possible major and subsidiary structures, and also to define rock type changes. Results from this phase of work will be compiled and output on maps as soon as the grid is co-ordinated.

Approximately 4,500 soil samples were collected across the grid. Soil development is moderately well-developed over the rolling terrain. Locally, glacial till deposits are thick and this will affect possible geochemical patterns and trends. Soil sampling was effective in outlining mineralized targets on an adjacent property to the Spring; consequently, soil sampling was performed on the Spring in hopes of identifying possible targets. Additionally several bulk stream sediment samples were collected from stream gravels on the property.

Three mineral claims and three fractional claims were staked on 23 and 24 November 1988. The Pick 3, 4, and 5 mineral claims comprising 22 units were staked to protect areas of potential anomaly extensions. The three fractions were staked to cover apparent narrow gaps between several of the existing mineral claims.

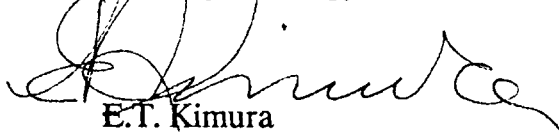
Expenditures as incurred by Placer Dome Inc. for 1988 exploration work are tabulated on attached sheet. The tabulated expenditures are compiled up to 31 October 1988. Projected expenditures to year-end are an additional \$80,000; much of this will be allocated to geochem sampling and assaying costs.

The target on the Spring property is high-grade epithermal style of precious metal mineralization in fault structures. Bulk tonnage low-grade mineralization is also possible. The proposed program for 1989 will be contingent on results from 1988 projects. At this stage, the tentative proposed program could comprise fill-in soil sampling, geophysical surveys, backhoe trenching of attractive anomalies and possibly some follow-up drilling. The estimated 1989 budget for this proposed program is \$375,000.

The foregoing represents a summary of the Spring Project. Results of rock; soil and stream sediment samples are being processed by the Assay Labs. Results for various surveys will be compiled and a detailed report will be prepared for presentation. If additional information is required please do not hesitate to contact me.

Yours truly,

**PLACER DOME INC.**



E.T. Kimura  
Exploration Manager  
Western Canada

ETK/leb  
12.08.88

cc. B.W. Barde ✓  
P.R. Hodgson  
File: Spring Property