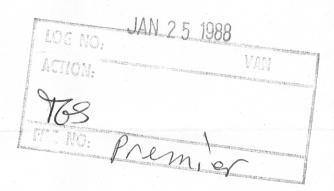


PTY. LTD.

P.O. BOX 773
PORT MORESBY
PAPUA NEW GUINEA
TELEPHONE 21 2196
TELEX NE 23483
FACSIMILE 21 2029

16th January, 1989

Mr. Tom Schroeter, P.Eng., Senior Regional Geologist, Ministry of Energy, Mines and Petroleum Resources, Robson Square, 159, 800 Hornby Street, VANCOUVER, British Columbia, V6Z 2C5.



Dear Tom,

Thank you for your letter in reply to my comments about Big Missouri.

I honestly cannot remember much about the host rocks there but I would like to ask some further questions:

When I was there the gold was logged as occuring in "grey mottled quartz". The geologist at the time was mapping this quartz as syngenetic but I felt that this was quite wrong and that the quartz had been introduced at shallow depths (upper mesothermal) at which there was too low a confining pressure to produce brittle fracture, hence the meandering nature of the veins.

Is it this quartz that you are describing as chert? If it isn't, does the gold occur with the sulphide in the chert as well as with the grey mottled quartz.

Certainly the carbon in the Dago Zone is excellent evidence for an exhalative origin. (I was not aware of this).

With regard to your second last paragraph, I had thought that Silbac Premiere was virtually identical with Big Missouri. Are there epithermal textures at Silbac Premiere?

If you think that Big Missouri is subaqueous, why did you describe it as an epithermal root zone in your abstract?

Thank you again for your letter.

Yours faithfully, INDABA PTY. LTD.,

G.M. KEYTE,
Joint Exploration Manager.



Province of British Columbia

Ministry of Energy, Mines and Petroleum Resources

⊃bson Square 3, 800 Hornby Street Vancouver British Columbia V6Z 2C5

Telephone: (604) 660-2708

May 31st, 1989

G.M. Keyte
Joint Exploration Manager
Indaba Pty. Ltd.
P.O. Box 773
Port Moresby,
Papua New Guinea

Dear Mr. Keyte:

Re: Big Missouri - Premier Projects

I'm finally getting around to answering your letter dated January 16, 1989 regarding our correspondence on the above noted properties.

I was part of a major field tour to NWBC sponsored by the Society of Economic Geologists last Fall. The whole guidebook is fairly informal but is available. I have taken the liberty of photocopying some pertinent sections which I know will be of interest to you.

Yours sincerely,

Tom Schroeter, P.Eng.

Senior Regional Geologist

TS/js

Enclosures