



PLACER DOME INC.

100-1055 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

Ann Zaholuk
John Stollery 681-838

861497

MEMORANDUM:

TO: L. Reinertson/E. Kimura/File
FROM: R.H. Pinsent
RE: OKA GOLD PROPERTY: (82E/13W)

DATE: November 10, 1987



I attach a copy of a press release concerning the Oka gold property of Fairfield Minerals Ltd. dated 30th September, 1987. Following discussions between L. Reinertson and J. Stollery I visited the property on 29th October with J. Rowe of Fairfield Minerals and G. Dirom of Noranda.

The Oka gold property covers a 5.0 km long, east north-easterly trending gold-in-soil anomaly (>50 ppb) which is located on the southfacing flank of the Greata Creek drainage west of Peachland (82E/13W). The anomaly extends from a known area of marble and Hedley-type skarn (Ironhorse) westward into an area of hornfelsed calcareous tuff (Bollivar East and West). The soil anomalies were located in 1986 and they were stripped and trenched in 1987. The trenches were systematically sampled and the principal gold kicks encountered are indicated in the release. The results show that good values were encountered in outcrop in the Ironhorse area at the east end of the anomaly and in scattered grab samples along its length.

The soil anomaly was established by infill sampling at 25 m intervals around anomalies (>50 ppb) originally detected on grid lines spaced 200 m apart. The anomaly follows the probable glacial trend, east-west, along the axis of Greata Creek but it need not necessarily be the result of glacial transport. The valley trend is defined by a fracture trend and the anomaly is largely located in an area of thin cover on the upper slope of the valley; above the main area of till accumulation. Gold in soil shows a crude correlation with enhanced levels of Cu, Zn, and As.

The main area of interest is located at the east end of the soil anomaly in the vicinity of the old Ironhorse skarn occurrence. Stripping and trenching of old showings indicates the presence of three areas of mineralization (Northhorse, Westhorse, Southhorse) within an area of 500 m x 500 m peripheral to a quartz diorite plug. The showings are located in a package of Hedley sequence limestones and calcareous

sediments which appear to be relatively flatlying. The rocks may be folded about open folds which display a shallow plunge to the northwest. The rocks are intruded by dykes and sills of quartz diorite, presumably related to the underlying stock, and they are altered to marble and varieties of skarn. Mineralization appears to occur (1) in lenses of pyrite-pyrrhotite "massive sulphide"; (2) in pottasic skarns peripheral to lenses of "massive sulphide" and (3) in altered diorite.

The Northhorse area has been stripped to expose a complex package of deformed and intruded rocks which show evidence for mineralized and barren "massive sulphide" development along the interface between marble and skarn. The area has been well sampled and it shows extremely erratic (but reproducible) gold grade distribution. Values of 0.2 to 0.4 oz/ton have been identified over 0.3 to 1.0 m in "massive sulphides", skarn, and altered diorite. The mineralized rock represents only a small portion of the altered outcrop and there is no simple control governing the distribution of gold values. The Westhorse occurrence is a similar package of rocks with a similar distribution of results. In this locality the "massive sulphide" is essentially barren and gold occurs in late structures and in skarn peripheral to an altered diorite dyke. One sample ran 1.18 oz over 1.5 m. The remaining kicks range in the order 0.2 - 0.5 oz/ton gold over 0.5 - 1.0 m. Once again, the actual amount of mineralized rock is small. The Northhorse and Westhorse zones are located on the north flank of an outcrop ridge which is capped by limestone. The Southhorse occurrence occurs on the steep south flank approximately 200 m to the south of the southern end of the northern occurrences. The Southhorse occurrence is generally similar, although the trenches show less "massive sulphide" and relatively more marble. Only a few kicks of gold were encountered. The soil anomaly is largely unexplained.

The Ironhorse zone appears to display similar characteristics to the Mascot Mine occurrence at Hedley and it represents a large area of skarn type mineralization. The skarnification and mineralization process appears to be governed by different pulses of structurally and stratigraphically controlled fluid flow related to the emplacement of the diorite stock. In particular, mineralization appears to be associated with the emplacement of a suite of sills and dykes. The latter strike both northwest and eastnorth east (parallel to the soil anomaly).

The Bollivar West and East gold anomalies are located over an area of hornfelsed and skarnified tuff which includes only a minor amount of marble. Fairfield Minerals Ltd. postulate that the tuff is higher in the stratigraphic section than at Ironhorse and they suggest that both areas are underlain at depth by a comparable package of mineralized marble and skarn intruded by diorite. Alternatively, there could be a change in facies towards the west. There is no real evidence either way.

* The Oka property is interesting because of (1) the size of the gold-in-soil anomaly; (2) the widespread nature of the known mineralization and (3) its type. The mineralization is analogous to that at the Mascot Mine and it has the potential to generate an open pit deposit. The model proposed by Fairfield Minerals is that there is a stratabound zone of mineralization underlying the ridge separating the North and Westhorse occurrences from the Southhorse occurrence. They propose a major drill programme to test this idea.

The mineralizing system identified by Fairfield Minerals appears to be weak, albeit widespread. In order to make a mine we would need to find a stronger zone of hydrothermal activity. This may exist under the ridge, as postulated, but I think they may well encounter narrow intersections of high-grade mineralization interspersed with sections of barren marble and skarn; much as is currently exposed.

The property has merit, particularly as it represents a large untested gold bearing mineral system, but I would be reluctant to commit to an expensive drill programme in expectation of quick results. It should be considered a longer term, middle order property. I wonder what is happening in the Greata Creek valley, for instance.

I recommend contacting John Stolley and discussing the type of agreement he is looking for. The property might well be suitable for QPX.

R.H. Pinsent

RHP/lea
11.10.87