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Report on the
Geological, Geochemical and Magnetic Surveys

on

OTTER CLAIM GROUP

in

Alberni Mining Division, B.C.

for

VETO RESOURCES LTD.

540 - 800 West Pender Street
Vancouver, B.C., V6C 2V6

by **PROPERTY FILE**

ASHWORTH EXPLORATIONS LIMITED

Mezzanine Floor - 744 West Hastings Street
Vancouver, B.C., V6C 1A5

Location: NTS 92F/2/NW
49° 12.5' North/124° 56' West
6-11 km WSW of Port Alberni
Vancouver Island, British Columbia

Subject: Results of June - July, 1987 Field Program and
Recommendations for Additional Exploration

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SUMMARY

Geological mapping, prospecting, soil sampling and magnetic surveying was carried out on the Otter Claim Group on behalf of Veto Resources Ltd., Vancouver, B.C., by Ashworth Explorations Limited during the summer of 1987.

The 5 contiguous claims, totalling 85 units, are located 6 - 11 km WSW of Port Alberni, in Alberni Mining Division, Vancouver Island, B.C. They were staked in 1985 to cover a geologically favourable area which contained a number of skarn type mineralized pods and massive sulphide lenses, collectively known in the past as the Cous Creek showings. No economically viable mineral deposits are presently known in the claim group nor in the adjacent area.

Geologically, the claims are underlain by volcanics and sedimentary rocks of Mesozoic age, which are intruded, on east part of the property, by Jurassic Island Intrusions, and also by dykes of probably Tertiary age. The skarn type mineralization (mainly Cu) occurs in a belt of limestone, while the massive sulphide (mainly pyrrhotite) lenses occur in the volcanics, near the intrusive contact and later dykes.

The geochemical soil survey, which covers less than half of the claims, has outlined a number of gold, silver, base metal (mainly Cu), and associated element (As, Sb, Mn, Ba) anomalies. Although some of the geochemical anomalies are in the area of the known mineralized occurrences, other significant anomalies indicate new areas of interest, eg:

- An about 1.2 km long gold anomaly in soil, "open" both to north and south, with values up to 290 ppb Au. A rock sample here assayed 1645 ppb Au. There are no mineral showings known to be in this anomalous area.
- A silver, in soil, anomaly, covering about 0.3 by 0.5 km and "open" toward east, containing values up to 50.4 ppm Ag, and associated with other anomalous elements. There are no mineral showings known to be in this largely overburden and bush covered anomalous area.
- Several other Au, Ag and Cu anomalies (with up to 1462 ppm Cu, and up to 400 ppb Au) occur in the areas of no known showings.
- The ground magnetometer survey has outlined a strong positive magnetic anomaly near a limestone contact which may indicate a presence of skarn type deposit.

It is concluded that more work is warranted on Otter Claim Group, first, to complete the survey over the remainder of the claims area, second, to carry out a more detailed "follow-up" program over the already known anomalous areas.

A 3-Phase exploration program, with a total budget of \$267,000, is proposed. This budget includes a tentative Phase III drilling program for \$121,000, contingent upon favourable Phase I and Phase II results.