

**Vanco Explorations Ltd.**

**ASPEN GROVE PROJECT**

**HIT / MISS CLAIMS**

**Progress Report - July 1991**

*Prepared by:*

**I.M. WATSON, P.Eng.**

## SUMMARY

The HIT/MISS exploration programme in July consisted of geological mapping, prospecting, excavator trenching, and trench sampling.

## TRENCHING

Thick glacial overburden, to depths greater than the excavator's 7.5-metre reach, has frustrated efforts to adequately test the northern and southern strike extensions of the HIT zone. Further work to sample and extend the zone will only be feasible by drilling.

Trenching, mapping, and sampling of the sulphide-bearing quartz veins in the area 125-300 metres south of the Inco #12 drill hole revealed at least four veins/structures containing variable amounts of banded polymetallic sulphides with gold contents up to 1,530 ppb. Unfortunately, the veins are badly chopped up by faulting and tend to be lensoid, varying greatly in thickness over short distances (cms to 1m+).

Trenching of selected VLF-EM/geological targets generally confirms the correlation of strong shear zones with the EM anomalies and, in many instances, these shears have 'anomalous' gold contents (tens to low hundreds of ppb Au), but none has the quartz vein or precious metals of the HIT or SADIM zones.

Trenches completed to date and significant trench sampling assays are shown on the accompanying 1:10,000 plan.

## PROSPECTING

Prospecting efforts this month have been concentrated along the structural, lithological, and geophysical trends of the HIT zone and within and south of the broad alteration halo in the central part of the property.

Minor copper occurrences have been found, usually in small propylitic alteration zones associated with shears and, at month end, a 2-metre wide quartz vein which outcrops on the MISS 3 claim about 200 metres east of the Ketchan logging road at kilometre 25.5, and 600 metres north of the AXE/MISS 3 boundary (see 1:10,000 plan). The single exposure reveals a steep westerly dip, a north-westerly strike, and sparse sulphide mineralisation, but float traced 25 metres south contains irregular and finely disseminated sphalerite, galena, and pyrite. The material differs from that in the HIT and SADIM zones and more closely resembles the veins trenched south of Inco drill hole 12, both in appearance and metal content (see analyses, 1:10,000 plan) with only weak to moderate gold (up to 590 ppb) and 'strong' Pb and Zn.

The vein appears to be cut off to the north, and is concealed by increasing overburden cover to the south.

Being steep and heavily wooded, the area is not easily accessible by machinery, and considerable trail cutting and tree falling will be required before the vein can be trenched.

## GEOLOGICAL MAPPING

Property and trench mapping is complete except for a few fill-in and check traverses, mainly in the southern part of the property.

Mapping and trenching indicate that SADIM/HIT zone host rocks do not persist beyond about 500S, possibly the result of a structural break. South of this latitude, the rocks show an

increasing content of highly altered and sheared 'diorite' and pale felsic intrusions (Preto's units 4 and 3 - altered diorite and leucocratic quartz diorite).

As noted above, the nature of the quartz veins and mineralisation is quite different in the southern part of the property - and reflects a different environment and type of mineralisation accompanied by a significantly lower gold content. The banded nature of the sulphides and relative proportions suggest a polymetallic type of zone as opposed to the dominantly Au/Ag HIT and SADIM veins.

#### **PROPOSAL FOR PRELIMINARY DRILL PROGRAMMES TO TEST HIT ZONE**

It is my opinion that our prime target is the SADIM/HIT type of mineralisation. While the southerly polymetallic occurrences should be regarded as valid targets, the potential of the property, as we know it presently, lies with the HIT zone. Our inability to test this zone by trenching because of overburden depth does not detract from this potential. It is therefore proposed that a six-hole 750-metre diamond drill programme test the HIT zone at depth (to about 50 m) and along strike, as shown on the accompanying plan and sections.

Two holes (A and B) would test for depth extensions of the vein, while holes C, D, E and F, G, H would test the south and north extensions of the zone at distances approximately 90 m and 160 m, respectively, from the last trench exposures of vein. (Note that trench 91-8B, dug to the full depth limit of the excavator, yielded quartz vein material assaying 2,730 and 22,800 ppb Au from grab samples.)

The HIT vein dip varies from 45° to 80° easterly and holes are directed grid west (270°) at -45° to test the structure at about 50 metres depth. The three-hole fence across the north and south projections of the vein may be necessary to ensure obtaining an intersection, if the strike should swing.

Phil Whitney, who successfully drilled the difficult SADIM zone has provided preliminary phone quotes of \$18.00 per foot, mud and mob/demob costs to be borne by 'Vanco'.

The following budget is proposed, pending confirmation of these rates or receipt of a firm bid. Our SADIM drilling costs are used as a guideline.

### DIAMOND DRILLING

A.	6 holes (NQ) 750 m (2,460 ft.) [see plan/sections]	
	Estimate 16 days (one shift)	
	2,460 ft. @ \$18.00/ft.	44,280
	Mud costs - approx. \$3.00/ft.	7,400
	Mob/demob	1,000
	Salaries (geologist and assistant)	8,400
	Room and board	1,400
	Vehicle	1,265
	Fuel	200
	Supplies	450
	Tel/radio/freight	700
	Fees - 7 days @ \$425/day	2,975
	Analyses - est. 600 samples @ \$11/ea.	6,600
	Drafting	750
	Maps, reproduction	<u>200</u>
	Subtotal	75,620
	Admin. (10%)	<u>7,562</u>
		83,182
	Contingencies (15%)	<u>12,477</u>
	TOTAL	\$ <u>95,659</u>
		say \$ <u>95,700</u> (\$38.90/ft.)

The current status of the programme budget shows a balance of \$54,760 at month end. After payment of Inco option, reclamation costs (see below), report preparation, and filing fees, I estimate a balance of about \$29,000.

At this point in the programme, we lack attractive trenching targets and I feel that this money would be better applied to the proposed drilling programme, thereby reducing our requirement to about \$66,000.

- B. If it is not possible to obtain extra funding for the full programme proposed, it is recommended that the estimated balance of budget available (\$29,000) be applied to drilling two holes to test the HIT at depth, i.e. holes A and B on the accompanying plan and section.

DDH A	120 m
DDH B	<u>90</u> m
	210 m (approx. 690 ft.)
	i.e. 690 ft. @ \$38.90* = \$26,841

(\*Pro-rated cost based on programme A figures)

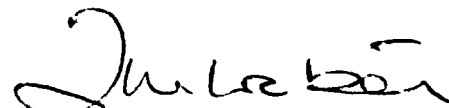
## RECLAMATION

The reclamation programme was started on August 2nd using the Houlind (D7 equivalent) cat. Reclamation has been an ongoing process - all trenches and pits failing to reach bedrock have been already filled in. All other trenches where sampling or mapping failed to reveal significant zones are now being filled. This phase of work will be completed by early August, earlier than originally estimated by ourselves and Houlind.

Following discussions with Houlind and meetings with Weyerhaeuser and Ministry of Forests, Vanco's rights to timber cut during trenching have been 'given' to Norman Houlind who will be wholly responsible for skidding, decking, and trucking the timber to Weyerhaeuser, at no cost to Vanco. The amount of timber involved was not sufficient to attract Weyerhaeuser or other contractors, but Houlind being 'on the spot' feels he can make a dollar.

### ASSESSMENT FILING

Physical work (trenching to the value of \$28,400 was filed on the HIT 1-4, MISS, and MISS 3 claims. This was necessary as the HIT 1-3 anniversary dates are August 5th. Sufficient work was filed to give the maximum available work credit (10 years, expiry 2001) for the HIT 1-4 and MISS claims (see attached).



I. M. Watson  
I. M. Watson & Associates Ltd.