

I.M. WATSON & ASSOCIATES LTD.

7 October 1985

To: J. F. White

From: I. M. Watson

Re: Vanco Aspen Grove Project 1985 Reports

Enclosed are Tom Lisle's reports on the geological and geochemical reconnaissance programmes completed over the Aspen Grove Project claims this summer.

Because of project deadlines of time and budget, the three reports have been prepared in assessment report format to meet government requirements. The reports deal with:

1. Blak Claim
2. Mickey Finn Group
3. Thor North, Central and South Groups

For your convenience, the reports and maps have been combined within one cover.

Field work on the project was completed in mid-August, and final analyses were not received until late the same month. This, combined with the large volume of multi-element geochemical data, have prevented a more in-depth interpretation of the geochemical/geological information within the constraints of time and budget.

The following remarks are therefore intended as a brief supplement to Tom Lisle's interpretations and conclusions, and emphasise three targets we consider to be of particular importance deserving further evaluation and exploration.

1. **Bloo-Climax Claims**

Interest in this area derives from both multi-element geochemical soil anomalies and from geological environments closely resembling those hosting recently discovered gold mineralisation on ground south of the Vanco holdings (August, 1985, Sadim property). Specifically of importance is the sequence of limestone, limestone and volcanic breccias, and tuffs which strike north-northwesterly through the Bloo and Climax claims. Carbonatised and hematitised tuffs, some bearing sulphides and quartz-carbonate veins, are of particular interest, and have been recognised at several locations along this sequence. Major northerly trending faults, and

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younger cross faults, have severely dislocated the succession and are of obvious importance as controls of precious and base metal deposition, as are adjacent dioritic intrusions (see below).

Further careful data evaluation and interpretation is needed, followed by mapping, prospecting and sampling of selected targets.

2. Boomerang Showing Area, Bloo Claim

The Boomerang showing area embraces old hand pits, bulldozer trenches, and diamond drill holes investigating fracture controlled copper mineralisation in diorites immediately east of the favourable sequence described above. Low to moderate gold soil anomalies led to the discovery of anomalous gold (up to 980 ppb) in the altered (propylitisation) fractured diorites. The gold occurs in quartz-carbonate veins. Only preliminary follow-up work has been done in this area. Further mapping, prospecting and sampling is required. Structural control (faults) is of importance.

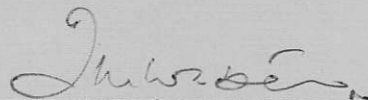
3. Thor 13-16 Area

Despite generally weak soil sampling results (in part a function of glacial cover), rock sampling by ourselves and Peto (1985) has indicated the presence of anomalous gold in a 'QR' type environment. There is also the possibility that the host rocks of the 'Sadim gold zone' to the south, pass through or on to the western part of the area - an area which has not been investigated in any detail as yet.

We discussed these areas during your visit to Vancouver last week, using our preliminary partial 'density dot' geochemical plans and overlays, for illustration; however, a full 'formal' data compilation/interpretation, with programme recommendations and budget would require further office work and expenditure.

In view of Labrador/Vanco's intention to terminate mineral exploration, I would be obliged if you would advise me by letter whether the Lisle reports and this memorandum fulfil Vanco's present and future requirements from I.M. Watson & Associates Ltd., or if any further information or clarification is needed.

I. M. WATSON & ASSOCIATES LTD.



I. M. Watson

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