

October 18, 1961

PROGRESS REPORT ON PESO PROPERTY

006028

Since my last progress report of October 5, more encouraging results have been obtained on the No. 2 and No. 3 veins and particularly on the Rex vein.

No. 1 Vein

Further deep stripping shows that the west end of No. 1 vein may be cut off by a steeply dipping WNW cross fault and may be displaced to the right. Further exploration downhill to the northwest may find the continuation.

Indications of a large vein zone, perhaps a continuation of No. 4 vein, were reported in a creek bank north of camp after I left the property. This should be investigated.

In this area it can be expected that good silver-bearing sections may also occur on No. 4 vein, and that other undiscovered extensions of No's. 1 and 2 and other veins will yield yet more silver-bearing sections.

No. 2 Vein

No. 2 vein was traced 700 feet farther east by four bulldozer cuts. At the first new trench, 140 feet east of the last old trench, a width of 2.5 feet of scorodite gave 1.66 oz./ton silver; at 227 feet a similar vein width of 5 feet gave 18.1 oz./ton silver; at 348 feet 5 feet of relatively barren quartz was exposed; and at 701 feet the vein had widened, with a foot of yellow brown oxides that assayed 8.74 oz./ton silver. No. 2 vein is now known to have a section of good width and values at its west end, a section of good values (18 oz.) near the middle and encouraging values as far as it has been traced to the east. These sections and extensions of No. 2 vein should certainly be stripped to determine extent.

A new 15 foot wide arsenopyrite vein, assaying 0.38 oz./ton silver was intersected in a single cut about 200 feet north of No. 2 vein. This new vein, called No. 2 North, will have to be traced to test for silver bearing sections.

No. 3 vein

Stripping for the source of siderite float about 700 feet southwest of No. 3 vein revealed very extensive shearing and alteration with veins and pods of siderite a few inches wide containing about 2 oz./ton silver. More stripping will be needed to trace and explore for better parts of this zone.

About 800 feet to the west of No. 3 vein along its strike, at the end of intermittently traced float, a single bulldozer cut exposed a zone of shearing over 100 feet in width with about 20 to 30 feet of greyish oxide vein material. A grab sample of the grey oxides gave only 0.04 oz./ton silver but brecciated schist with interstitial yellow oxides leached from some nearby section, carried 0.46 oz./ton silver. This appears to be a stronger vein than No. 3 and should be traced carefully, especially toward No. 2 vein where higher silver values occur. This type of larger vein could easily prove to be better mineralized and thus more important than others because of its tonnage potential.

Rex Vein

Sampling from recent trenching on the Rex vein showed some very encouraging assays with silver content up to 184.2 oz./ton in small lenses of galena, over 100 oz./ton in weathered vein material with jamesonite, and up to 70 ounces across 4 or 5 feet of weathered vein, the bulk of samples averaging 20 to 30 oz./ton silver with 5 to 10% lead across 3 to 4 feet. The silver appears to occur in the galena or probably tetrahedrite or some other mineral, but not in the jamesonite itself since a width of 2.5 feet of massive jamesonite carried 21.8 oz./ton silver rather than a much higher value.

The vein is largely oxidized, consisting of oxidized siderite with orange and yellow oxides and some remnant jamesonite. No arsenic appears to be present except possibly in minor amounts.

Lying in schist and quartzite, the vein is lenticular but, from limited work, would appear to consist of a western shoot about 300 feet long and perhaps 2 to 8 feet wide, separated by 100 to 200 feet of mineralized gouge from an eastern shoot about 400 feet long and 3 to 4 feet wide. Although sampled too far apart to be representative of true widths or values, averages of the cuts would be of the order of 30 ounces across 3.5 feet.

The two indicated shoots should be stripped completely, mapped and sampled and a program of underground exploration should be planned according to the results of this more detailed work. Values may be expected to increase until unleached vein material is reached, probably at a depth of 100 to 200 feet since the water table appears to be near the surface. The northerly dip of the vein is advantageous for drifting in from the north; diamond drilling would be uncertain in this sheared and oxidized vein.

A strong, well altered shear zone found in one cut near the south-east corner of the property extends parallel to the Rex vein and other well mineralized veins similar to, or better than, the Rex may occur along strike, in parallel, or en echelon. In view of these encouraging results a group of 8 claims is to be staked on open ground southwest of the Rex group.

To avoid delay in thawing of frost, a road has been ordered pushed  $2\frac{1}{2}$  miles from camp to the Rex vein and a portal site will be stripped. This will make it possible to move out to the Rex at any time.

#### Other Veins

Several other shear zones, which might develop into veins along strike, have been found on the property and other features reflecting such shears or unexplored veins have been noted in other localities. These will be plotted as a guide to further exploration.

A mineralized vein is reported on the ridge halfway between the Rex and Peso No. 1 vein, and should be stripped before freeze-up.

Bulk samples for metallurgical and other tests will be obtained from Peso #1 shaft and from the Rex vein. Line cutting, tagging and rough triangulation have been completed on the claims and survey hubs have been set for work around No. 1 vein.

In view of the results of work to date on limited portions of ridge tops, it can be confidently expected that several more well mineralized sections of vein and new veins will be found rather easily by further stripping, perhaps even veins that are considerably better than the known ones. At a guess, no more than half and possibly much less than half of the surface potential of the area has been indicated by work to date; a much larger mineralized district appears to exist.

#### Camp and Road

Camp and portal sites have been prepared; a cookhouse, storage, office and compressor garage are completed; a bunk-house and oil storage are to be moved in shortly. A powder storage and cat garage will also be completed soon.

Frost has hardened the road but backed creeks up due to ice. Three bridges will be completed soon and a winter road readied for hauling in equipment.

It should be possible to start the 200 foot cross cut to intersect the west section of No. 1 vein in about three weeks.

Respectfully submitted,

Dr. A. E. Aho.