

MAP NO.	ASSESSMENT REPORT	X	DOCUMENT NO.:	092620
	PROSPECTUS		MINING DISTRICT:	Whitehorse
	CONFIDENTIAL	X	TYPE OF WORK:	Geochemical
105 K 2	OPEN FILE			

REPORT FILED UNDER: Welcome North Mines Ltd

DATE PERFORMED:	13-16 May, 1988	DATE FILED:	20 January, 1989
LOCATION:	LAT.: 62 08'N	AREA:	Faro
	LONG.: 132 58'W	VALUE \$:	

CLAIM NAME & NO.: PELLY 1-18 (YB22737-54)

WORK DONE BY: J. McClintock

WORK DONE FOR: Welcome North Mines Ltd

DATE TO GOOD STANDING	REMARKS:
	#98 PELLY
	In 1988 a gossanous outcrop of altered schist and limestone containing traces of arsenopyrite and pyrite was systematically sampled. Three zones from 4 to 6 m wide returned values > 100 ppb Au and 4.0 ppm Ag.

**GEOLOGICAL REPORT
ON THE
PELLY CLAIMS**



WHITEHORSE MINING DISTRICT, YUKON

N.T.S.: 105K/2

**LATITUDE: 62°08'N
LONGITUDE: 132°58'W.**

FOR

**WELCOME NORTH MINES LTD.
15th Fl. - 675 W. Hastings Street
Vancouver, B.C.
V6B 1N2**

BY

J. McClintock, P.Eng.

December, 1988



PELLY 1-18 (YB12737 TO YB12754)

**(WORK CARRIED OUT DURING
MAY 13 TO 16, 1988, INCLUSIVE)**

09 24 20

This report has been examined by
the Geological Evaluation Unit
under Section 53 (4) Yukon Quartz
Mining Act and is allowed as
representation work in the amount
of \$ 1800.00.

J. J. Brennan
for Regional Manager, Exploration and
Geological Services for Commissioner
of Yukon Territory.

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INTRODUCTION

In the early spring of 1988, Welcome North Mines Ltd. acquired by option from Franklin Charlie and Arthur John, Sr., the Pelly claims situated 25 kilometres south of the town of Faro, Yukon. During May, 1988, the Pelly claims were geologically mapped and prospected by a three-man crew under the direction of John McClintock, P.Eng. The purpose of the work was to assess the gold and silver grade of altered quartzites and limestones present on the claims. The findings of the May program are discussed herein.

1.1 LOCATION AND ACCESS

The Pelly claims lie 25 kilometres south of the town of Faro, Yukon, and 5 kilometres north of Golden Nevada's and Noranda's Grew Creek Deposit (Fig. 1). More precisely, the claims occur at latitude 62°08' north and longitude 132°58' west on N.T.S. map sheet 105K/2.

Access to the claims is by helicopter or boat from either Faro or the village of Ross River.

1.2 PHYSIOGRAPHY

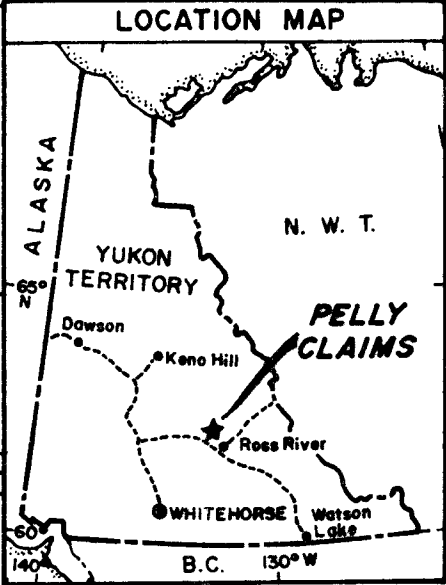
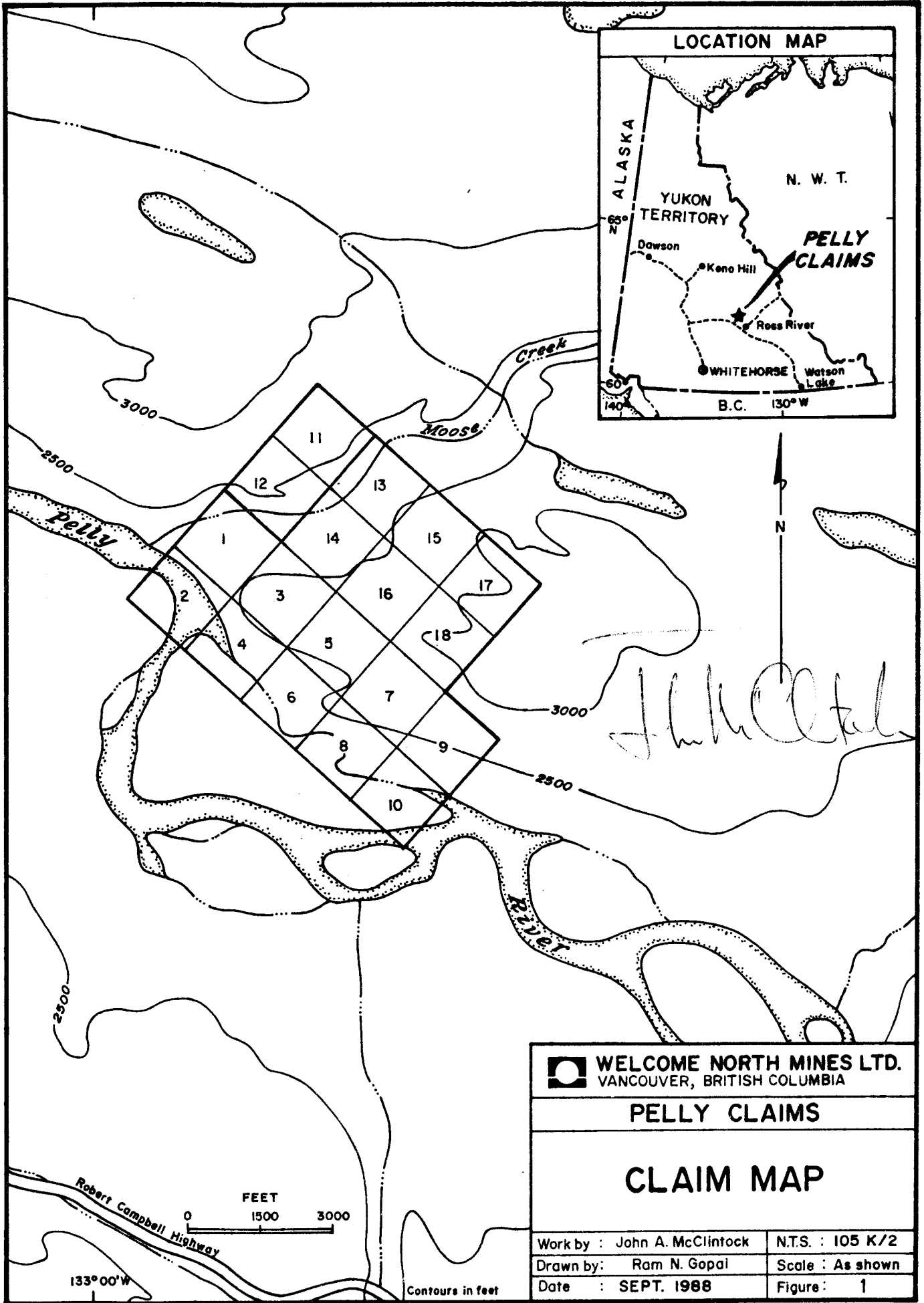
The claims cover a portion of the north bank of the Pelly River, upstream from the mouth of Moose Creek. Elevations on the claims range from 2150 feet to 2900 feet a.s.l. The most prominent topographic feature is a 200 foot high bluff which forms the immediate bank of the Pelly River. North of the crest of the bluff, is a broad plateau with gradually steepening slope to the northeast. This plateau was formed by down-cutting of the Pelly River through its paleo-valley.

Vegetation consists of spruce and fir on gentler slopes with open, grass cover areas and poplars on the steeper slopes.


1.3 CLAIM INFORMATION

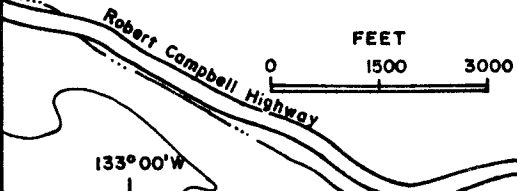
The claims consist of 18 full sized quartz claims registered in the Whitehorse Mining District. The claims are held by Welcome North Mines Ltd. under terms of an option agreement with Franklin Charlie and Arthur John, Sr. The current expiry date of the claims is December 18, 1988.

<u>Claim Name</u>	<u>Grant No.</u>	<u>Current Expiry Date</u>
PELLY 1-18	YB12737-YB12754	December 18, 1988



John A. McClintock

 WELCOME NORTH MINES LTD. VANCOUVER, BRITISH COLUMBIA	
PELTY CLAIMS	
CLAIM MAP	
Work by : John A. McClintock	N.T.S. : 105 K/2
Drawn by: Ram N. Gopal	Scale : As shown
Date : SEPT. 1988	Figure: 1



1.4 HISTORY

The earliest recorded work in the vicinity of the PELLY claims was in 1976 when Welcome North Mines Ltd. and Getty Mines Limited staked the area as the Tar claims. Welcome North and Getty carried out a limited program of geological mapping, rock sampling and two widely spaced lines of soil samples. Because of low lead and zinc values in the samples, the Tar claims were allowed to lapse. None of the samples were run for gold.

In 1987, Franklin Charlie and Arthur John, Sr. staked the PELLY claims after samples from a gossanous outcrop returned anomalous gold values. In the spring of 1988, Welcome North Mines optioned the PELLY claims.

2.0 GEOLOGY

2.1 REGIONAL GEOLOGY

The PELLY claims occur in the Tintina Trench in an area underlain by Paleozoic and Mesozoic rocks of the Anvil and Nisutlin Allochthonous Assemblages (Gordy, 1988). The Anvil Allochthon, which has been thrust over the Nisutlin Allochthon, consists of a Pennsylvanian-age sequence of basalt, tuff, breccia, chert and tuff containing lesser amounts of limestone and serpentine. The Nisutlin Allochthonous Assemblage is a complex sequence of Carboniferous-to Triassic-age blastomylonite, quartzite and quartz schists with lesser amounts of chert, limestone and basalt. Emplacement of both the Anvil and Nisutlin Allochthonous Assemblages occurred in the Jura-Cretaceous periods.

To the southwest, Tertiary faulting has down dropped Eocene-aged sedimentary rocks against rocks of the Anvil Allochthon.

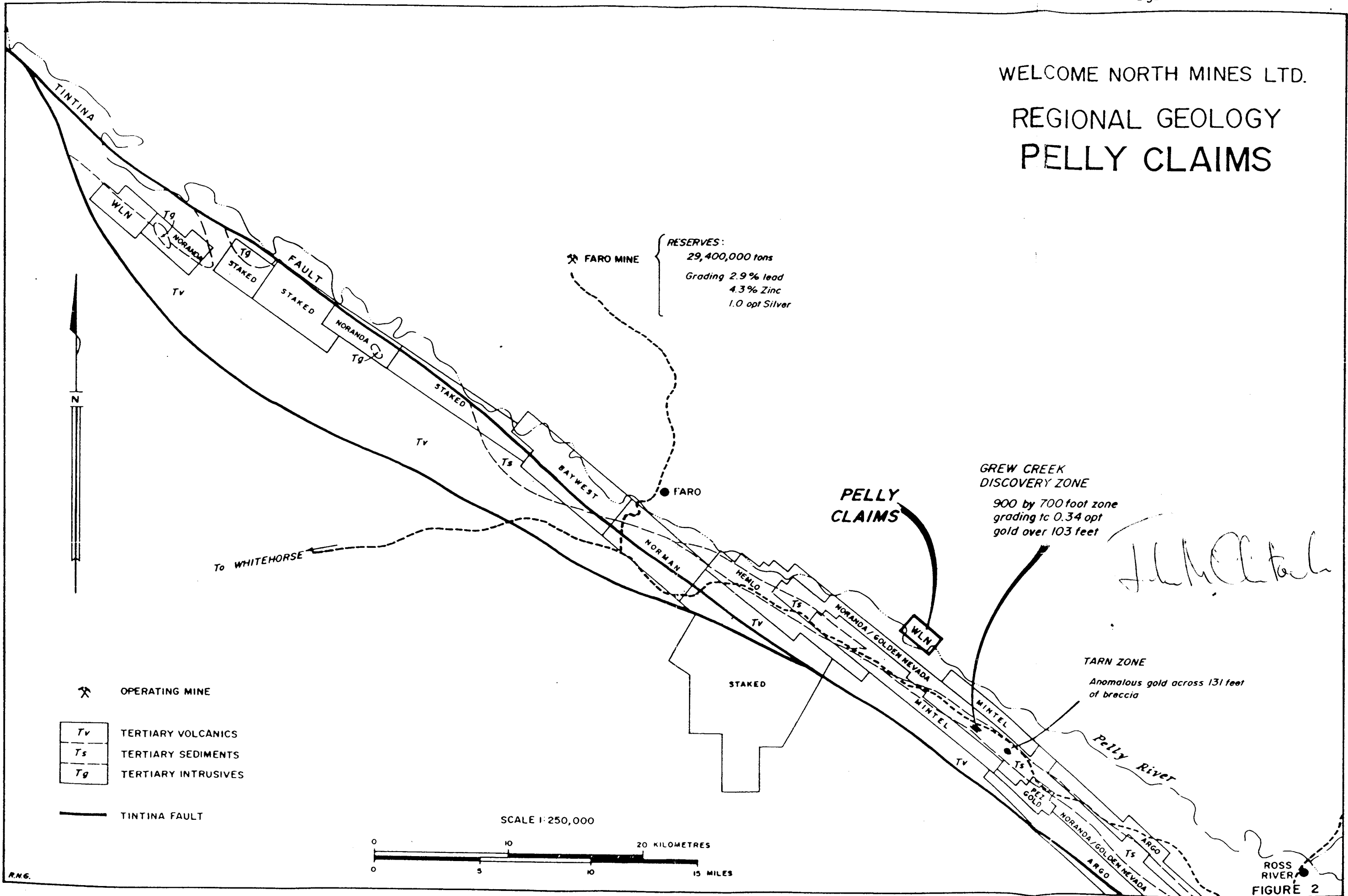
2.2 PROPERTY GEOLOGY

The PELLY claims straddle the contact between the Anvil and Nisutlin Allochthon (Fig. 3). On the claims the Anvil Assemblage occurs in the northern claim area and consists of a northwest trending unit of massive green and grey basalt with lesser chert.

The Nisutlin rocks occur in the southern claim area and consist of a complex assemblage of quartz-mica schists, quartzites, chert, greenstone and limestone. The internal structure of this metamorphic package of rocks is complex being characterized by sheared and faulted contacts.

The contact between the Anvil and Nisutlin rocks is masked by a thick mantle of fluvial gravels, but is believed to be the main thrust fault separating the two Allochthonous Assemblages.

WELCOME NORTH MINES LTD. REGIONAL GEOLOGY PELLY CLAIMS








RESERVES:
29,400,000 tons
Grading 2.9% lead
4.3% Zinc
1.0 opt Silver

GREW CREEK DISCOVERY ZONE
900 by 700 foot zone
grading to 0.34 opt
gold over 103 feet

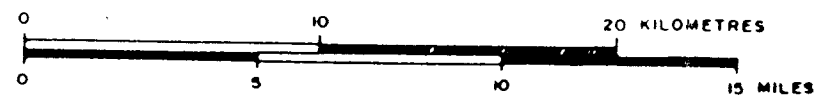
TARN ZONE
Anomalous gold across 131 feet
of breccia

J. H. McArthur



-  OPERATING MINE
-  TERTIARY VOLCANICS
-  TERTIARY SEDIMENTS
-  TERTIARY INTRUSIVES
-  TINTINA FAULT

SCALE 1:250,000

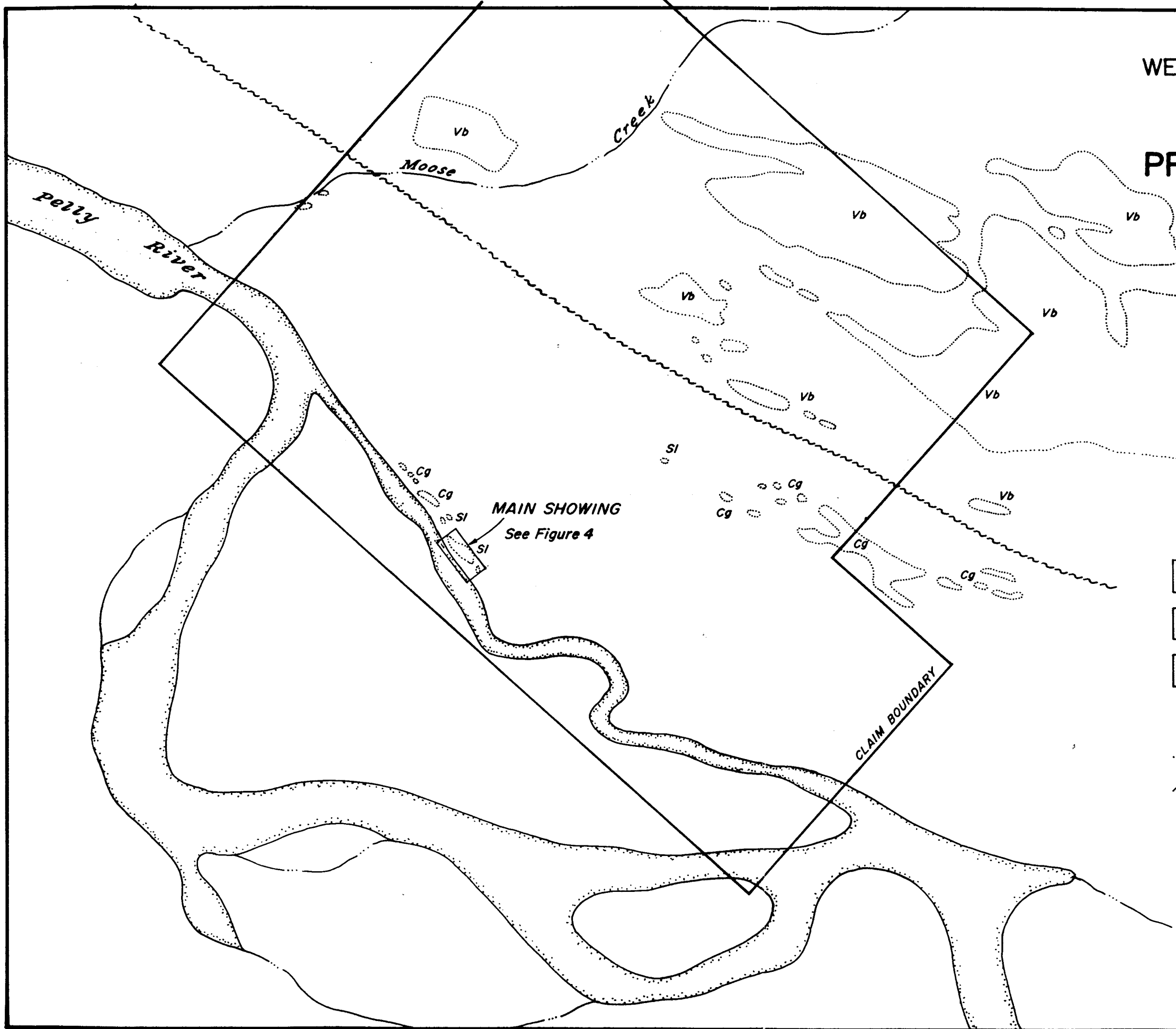


R.N.G.

ROSS RIVER
FIGURE 2

WELCOME NORTH MINES LTD. PELTY CLAIMS PROPERTY GEOLOGY

N.T.S. 105 K/2



- Cg Conglomerate
- Sl Quartzite, limestone, mica schist, shale
- Vb Massive green basalt, minor chert

- Outcrop outline
- Fault

J. L. McCall

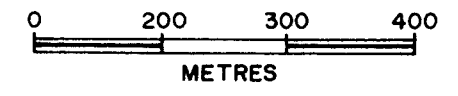
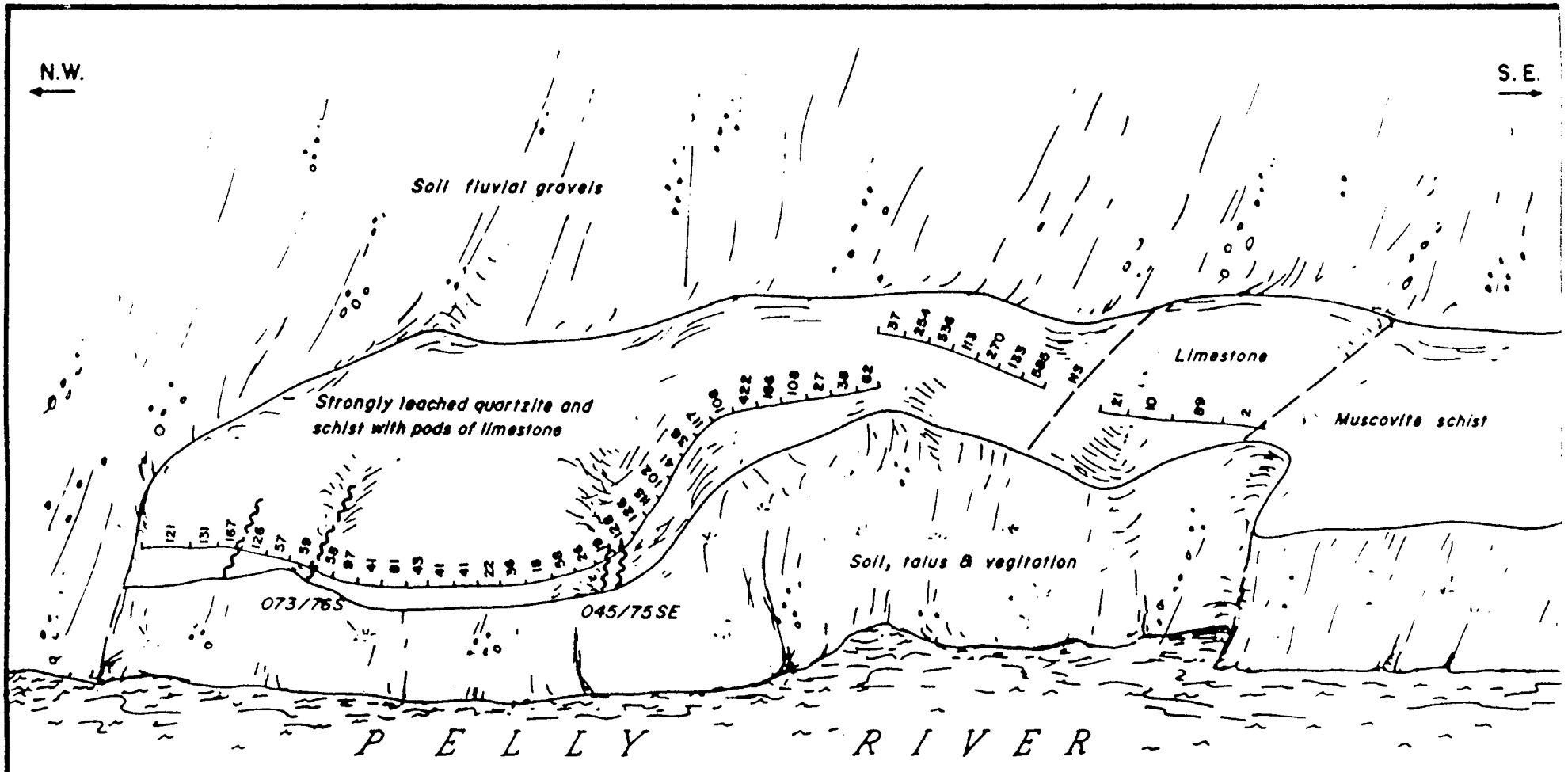


FIGURE 3

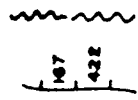
N.W.

S.E.



073/765

045/75SE



Fault

Rock samples with Gold assay in ppb



John A. McClintock

WELCOME NORTH MINES LTD.
VANCOUVER, BRITISH COLUMBIA

PELLY CLAIMS

MAIN SHOWINGS
GEOLOGY & SAMPLE LOCATIONS

Work by : John A. McClintock	N.T.S. : 105 K/2
Drawn by: Ram N. Gopal	Scale : As shown
Date : SEPTEMBER, 1988	Figure: 4

3.0 MINERALIZATION

The main showing on the PELLY claims occurs at the base of the bluffs forming the north bank of the Pelly River. Here, gossanous quartz muscovite schists containing pods of limestone are fault bounded to the northwest and southeast by argillite. The quartz-muscovite schist is sheared, intensely leached, limonitic, locally sericitized and cut by widely spaced quartz stringers. Variable amounts of pyrite and traces of arsenopyrite and chalcopyrite occur as disseminations and irregular pods along shears.

Initial sampling of the altered outcrops by Franklin Charlie and Arthur John, Sr. obtained gold assays to 0.03 opt gold. To better assess the gold content of the altered outcrops, a program of systematic rock sampling was carried out. Each altered outcrop was tested by collecting a continuous series of one metre chip samples across the exposure.

At each sample site approximately 3 kilograms of rock chips were placed in a carefully marked plastic bag. These samples were then shipped to Min-En Laboratories in North Vancouver, B.C. where the samples were crushed to -1/4 inch. A 250 gram split from the sample was then pulverized to -100 mesh. A 10 gram sub-sample was then analyzed for gold and silver by atomic absorption techniques after digestion with aqua regia solution.

During the May program, a total of 67 rock samples were collected and analyzed. Analytical results are provided in the Appendix, and sample locations are plotted on Figure 4.

Analyses of the samples showed three distinctly anomalous zones of gold and silver associated with the limonitic, leached schist and limestone. These anomalous zones have widths of 4, 5 and 6 metres (Fig. 4). Within these zones, gold values are greater than 100 ppb and most silver values are greater than 4.0 ppm. The northeasterly extensions of these zones are concealed beneath a thick mantle of fluvial gravels and therefore remain open.

4.0 CONCLUSIONS

Epithermal gold mineralization is known to occur in Tertiary volcanic rocks on the Grew Creek Property situated 5 kilometres south of the Pelly claims. The anomalous levels of gold (up to 585 ppb) in faulted, sheared and limonitic carbonate rocks on the Pelly claims indicates potential for a sedimentary hosted, epithermal gold deposit similar to that found at Carlin and Cortez, Nevada. Further, more detailed rock sampling in conjunction with petrographic studies are required to better assess the controls and grade of gold mineralization.

5.0 RECOMMENDATIONS

It is recommended that a two-phase program be undertaken to evaluate the grade and extent of the mineralized zone. Phase I would consist of initial hand trenching to remove overburden followed by trenching utilizing explosives. The fresh mineralization can then be mapped and sampled in greater detail. This Phase I work would develop drill targets for a Phase II program.

5.1 BUDGET

A fly camp could easily be established near the showing. The total cost of Phase I is anticipated to be \$15,900 should favourable results be obtained, a Phase II drilling program costing \$64,400 is recommended.

Phase I

	\$
Geologist - 10 days @ \$100/day	2,000
Assistant - 10 days @ \$150/day	1,500
Blaster & Assistant - 5 days @ \$500/day	2,500
Rock Assays - 100 samples @ \$15/sample	1,500
Helicopter - 10 hrs. @ \$625/hr.	6,300
Truck & Fuel - 10 days @ \$70/day	700
Food & Supplies	<u>1,400</u>
Total Phase I	<u>15,900</u>

PHASE II

1500 ft. NQ wireline (all-in)	\$ <u>64,400</u>
-------------------------------	---------------------

6. COST STATEMENT

	\$
Salaries & Wages	2,150
Accommodation - 10 man days @ \$40/day	400
Sample Analyses (Min-En Laboratories) - 67 rock samples @ \$12/sample	804
Transportation	
- Helicopter (TNTA) - 4 hrs. @ \$500/hr.	2,000
- Freight	200
Report - preparation, typing, binding, etc.	<u>800</u>
	<u>6,354</u>

Cost apportioned to claims:

Geological - \$5550 spread equally over Pelly 1 to 18
\$ 308.33/claim

Geochemical - \$804 on Pelly 4

LIST OF PERSONNEL

John McClintock, 32841 Ashley Way, Matsqui, B.C.
Period Worked: May 13 - 14, 1988

George Nicholson, 406 - 2020 W. 2nd Avenue, Vancouver, B.C.
Period Worked: May 13 - 16, 1988

Michael Renning, 8071 Rosewell, Richmond, B.C.
Period Worked: May 13 - 16, 1988

7.0 REFERENCES

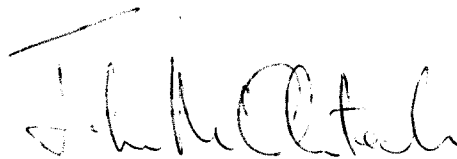
Foster, F., 1978, Vangorda Project, Summary Report, 1977
Exploration, February, 1978, unpublished report
prepared by Welcome North Mines Ltd.

Gordy, S., 1987, Tay River Map Area, Yukon Territory,
Geological Survey of Canada, Map 19-1987.

8. STATEMENT OF QUALIFICATIONS

John A. McClintock

1. I am a geologist residing at 32841 Ashley Way, Matsqui, British Columbia, and I am a partner in McClintock/Hardy Engineering, 418 - 837 West Hastings Street, Vancouver, British Columbia;
2. I graduated from the University of British Columbia in 1973 with a B.Sc. (honours) in Geology and have practised my profession continuously since that time;
3. I supervised and directed the field work carried out on the Pelly claims;
4. I am an active member in good standing of the Association of Professional Engineers of the Province of British Columbia.



John A. McClintock, P.Eng.

APPENDIX I

ANALYTICAL RESULTS

MIN-EN LABORATORIES LTD.

Specialists in Mineral Environments

705 West 15th Street North Vancouver, B.C. Canada V7M 1T2

PHONE: (604) 980-5814 OR (604) 988-4524

TELEX: VIA USA 7601067

Certificate of GEOCHEM

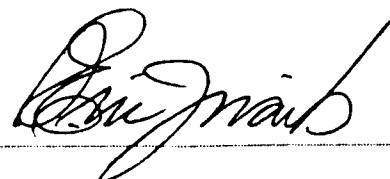
Company: WELCOME NORTH MINES LTD.
Project: TINTINA - PELLY
Attention: JOHN BROCK

File: 8-565/P1
Date: MAY 27/88
Type: ROCK GEOCHEM

We hereby certify the following results for samples submitted.

Sample Number	AG PPM	AU-FIRE PPB
501	3.0	115
502	1.8	102
503	1.4	41
504	3.7	36
505	5.8	117
506	5.4	108
507	4.0	422
508	4.1	186
509	2.2	108
510	2.3	27
511	1.8	38
512	1.0	62
513	2.0	37
514	4.3	254
515	213	536
516	2.0	113
517	6.0	270
518	4.8	133
519	9.8	585
521	3.2	21
522	2.4	10
523	2.5	89
524	2.2	2
525	2.4	118
527	0.5	12
528	0.6	17
529	1.0	16
530	0.7	5
531	1.0	10
532	2.0	16

Certified by _____



MIN-EN LABORATORIES LTD.

MIN-EN LABORATORIES LTD.

Specialists in Mineral Environments

705 West 15th Street North Vancouver, B.C. Canada V7M 1T2

PHONE: (604) 980-5814 OR (604) 988-4524

TELEX: VIA USA 7601067

Certificate of Geochem

Company: WELCOME NORTH MINES LTD.
Project: TINTINA
Attention: JOHN BROCK

File: R-565/P2
Date: MAY 27/81
Type: ROCK GEOCHEM

We hereby certify the following results for samples submitted.

Sample Number	AG PPM	AU-FIRE PPB
533	2.0	17
534	2.3	21
535	1.2	22
536	0.6	3
537	2.5	16
538	1.4	2
539	1.2	3
540	0.6	1
541	0.4	4
542	0.3	2
543	0.4	3
544	0.6	2
545	0.4	6
546	1.8	19
547	1.6	21
548	1.3	18
549	4.6	39
550	4.3	76
555	4.9	121
556	4.0	131
557	4.4	167
558	5.1	126
559	1.6	57
560	2.4	59
561	1.2	58
562	2.4	97
563	2.0	41
564	2.4	81
565	1.0	43
566	1.4	41

Certified by



MIN-EN LABORATORIES LTD.

JM/gs
13/12/88
WR-PELTY

MIN-EN LABORATORIES LTD.

Specialists in Mineral Environments

705 West 15th Street North Vancouver, B.C. Canada V7M 1T2

PHONE: (604) 960-5814 OR (604) 968-4524

TELEX: VIA USA 7601067

Certificate of Geochem

Company: WELCOME NORTH MINES LTD.

Project: TINTINA

Attention: JOHN BROOK

File: 8-565/P3

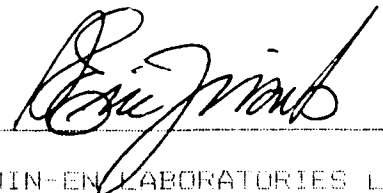
Date: MAY 27/88

Type: ROCK GEOCHEM

We hereby certify the following results for samples submitted.

Sample Number	AG PPM	AU-FIRE PPB
567	1.1	41
568	1.6	22
569	1.6	36
570	1.7	18
571	2.0	58
572	2.6	26
573	2.2	19
574	1.9	188
575	4.6	126
576	1.0	22
577	1.2	17
578	2.3	38
579	1.9	4
580	2.0	16
581	1.1	5
582	1.9	19
584	0.5	3
585	0.2	2
586	0.7	3
567	53.5	1

Certified by



MIN-EN LABORATORIES LTD.