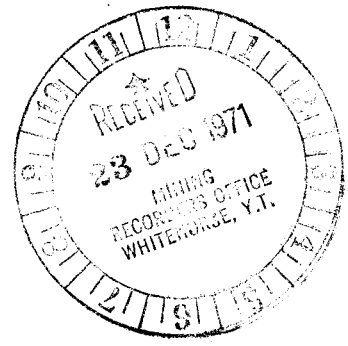

ASSESSMENT WORK REPORT

VAGAS CLAIMS NO. 1 TO 8

FRANCIS LAKE, YUKON TERRITORY

by

F.L. CROTEAU, B.Sc.
P.Geol. P.Eng.

VANCOUVER, B.C.
DECEMBER 1, 1971

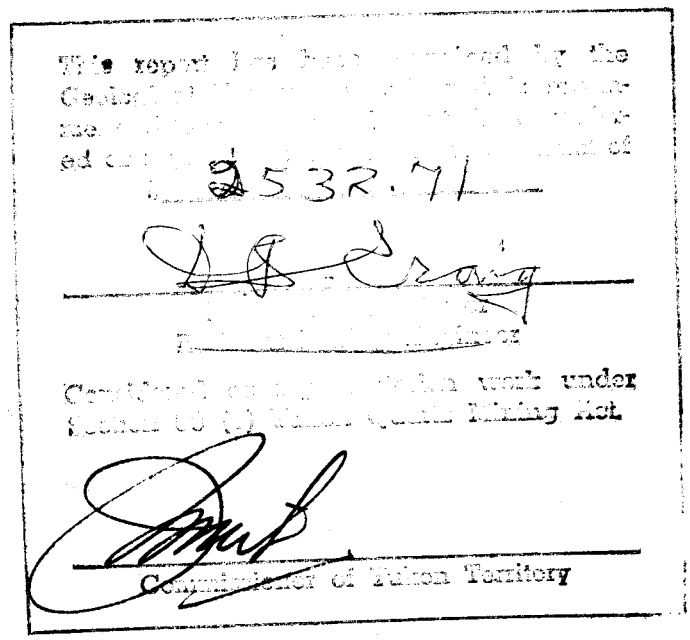

TABLE OF CONTENTS

INTRODUCTION

Acting under instruction from Welland Consolidated Mining Ltd. (N.P.L.) I have carried out a review of exploratory work done on certain mining claims known as the Vagas Group, located in the Yukon Territory.

The work under report was carried out by Turnex Exploration Services Limited and embraced the period from August 14th to August 24th, 1971, inclusive. The work was under the direct supervision of Mr. J.C. Turner. A crew of four men were employed in addition to the supervisor.

LOCATION AND ACCESS

The claims, Vagas 1 to 8 inclusive, are located in the Francis Lake area approximately 125 miles northeast of Watson Lake in the Yukon Territory. They are more specifically located at 61°15' North Latitude and 128°40' West Longitude and are shown on Mining Claim Sheet No. 105-H-2 Road access is available by means of the Cantung Road for a distance of 108 miles and then by 17 miles of road suitable for 4 wheel-drive vehicles.

TOPOGRAPHY

The Vagas claims are centered on a broad, flat, valley floor with each end of the group ascending a gentle rise towards steep mountain slopes. The valley sides are heavily covered with buckbrush while the general valley area is covered with moss, lichen, sparse evergreen

and a reasonable amount of buckbrush. A main stream flows through the claims with numerous irregular minor streams flowing into locally, swampy areas.

Soils are composed of medium to coarse sand and gravel with numerous small to medium sized boulders. Some glacial erratics are present.

Bedrock commonly ranges from 18 inches to 10 feet below the surface.

The "A" soil horizon is a 5' layer of grey to brown sand and clay with a fairly low humus content. The "B" and "C" zones are indistinguishable and consist of irregularly, alternating layers of sand and sandy gravel, generally with minor fine silt and clay partings. The color is mainly yellow-brown to brown, with reddish tinged layers near the surface.

The bedrock wherever exposed consisted mainly of biotite schists and phyllites with some exposures of limestone and dolomite. All rock had been subjected to metamorphic action.

GRID CONTROL

A control grid system of chained, and flagged picket lines were set up. A base line 4,500 feet long was established along the centre line of the claim group and extended through claims Vagas 1, 2, 3, 4, 5 and 6. Claims Vagas 7 and 8 are in a swampy area.

Pickets painted red and carrying fluorescent red flagging were placed at 100 foot intervals along the base line. Cross lines were established every 400 feet and in turn were picketed every 100 feet with blue flagging used on the pickets. A total of 6-1/2 miles of line was established. All pickets were marked as to line and station.

Messrs. Charlie Pete and Bob Reid of Lower Post, B.C. worked with Mr. Turner on the line cutting and establishment.

MAGNETOMETER SURVEY

A magnetometer survey was carried out over the control grid. Mr. B. Komish, a surveyor's assistant, of Watson Lake assisted by Mr. J.C. Turner conducted the survey. The magnetometer used was a prospector's model Fluxgate Sharps #3 Magnetometer.

A control station was established on Line 24 at Station (△) 12+00W and was located on a biotite schist outcrop.

Readings were taken every 100 feet and whenever an apparently anomalous reading occurred further readings were taken at 25 foot intervals.

A closed circuit traverse was carried out and checks were made for diurnal fluctuations at the base base station and at cross stations on the base line. Anomalous zones were rechecked the following day.

GEOCHEMICAL SURVEY

Soil samples were taken by use of a prospector's mattock and were collected in pre-numbered kraft paper sample bags. Samples were taken as deeply as reasonable and no samples were taken if they consisted mainly of organic material. Silt samples were taken if a stream occurred near the station.

The area sampled was mainly on the westerly grid in order to provide correlation and possibly confirmation with a survey carried out on adjoining claims by Nebco Oils.

Samples taken were ultimately assayed for lead and zinc content. Both assay results and maps depicting the geochemical coverage accompany this report.

CONCLUSIONS

1. The magnetometer survey revealed little that could be classed as anomalous areas. This cannot be construed as a negative factor since most of the area is predominantly orientated to silver, lead, zinc mineralization. These sulphides would not readily respond to a magnetometer.

2. The geochemical survey revealed a number of areas that showed anomalous conditions relative to zinc concentrations in the surface soils. This should be checked out more fully.

3. The geochemical results from lead accumulations must be classed as indefinite. There were minor areas showing anomalous characteristics and it is questionable that further detailed work would cause any improvement in this situation.

4. It would appear that the area encompassed by lines 32, 36 and 40 plus their extension into the beaver swamp area should be investigated in more detail relative to the potential indicated by the anomalous zinc soil sampling values.

Respectfully submitted

F.L. Croteau, B.Sc.
P.Eng. P.Geol.

CERTIFICATE

I, F.L. Croteau of 1910 - 1055 West Hastings Street, Vancouver, in the Province of British Columbia, certify that:

1. I am a graduate of the University of Saskatchewan and hold the degree of B.Sc. in Mining Geology. Year of graduation was 1936.

2. I am a Registered Professional Engineer in the Province of British Columbia and in the Yukon Territory, a Registered Professional Geologist in the Province of Alberta and hold a licence to practise Professional Engineering in the Province of Saskatchewan.

3. I have practised my profession in Canada, the United States, Mexico, the West Indies and Africa since 1936.

4. I have personally been on the claims and am acquainted with the personnel in charge of the work represented in this report.

5. I have no holdings in the securities or lands of Welland Consolidated Mining Ltd. (N.P.L.).

6. This report is a summation of information, maps, assays etc. supplied to me by Turnex Exploration and is supplemented by my personal knowledge of the general area.

F.L. Croteau, B.Sc.
P.Eng. P. Geol.

Vancouver, B.C.
December 1, 1971

TELEX: 04-50604

TELEPHONE: 980-1115

FRASER LABORATORIES LIMITED

1175 W 15th STREET • NORTH VANCOUVER, B.C.

Welland Consolidated Mining Ltd.
202 - 543 Granville Street
Vancouver, B. C.

GEOCHEMICAL ANALYSIS

Attention: Mr. A. Brander

REPORT No.: 218

DATE: September 10, 1971

SAMPLES FROM _____

SAMPLE	ppm Pb	ppm Zn			
B.L. 0 + 00S	57	193			
1 + 00S	156	225			
5 + 00S	35	84			
6 + 00S	270	550			
7 + 00S	63	118			
8 + 00S	34	103			
9 + 00S	26	63			
10 + 00S	33	100			
11 + 00S	62	92			
12 + 00S	40	87			
B.L. 2 + 00 S	35	94			
3 + 00 S	34	123			
24 + 00 S	39	106			
28 + 00 S	29	64			
29 + 00 S	19	67			
30 + 00 S	43	145			
31 + 00 S	29	92			
32 + 00 S	37	94			
33 + 00 S	30	65			
34 + 00 S	35	103			
35 + 00 S	32	80			
36 + 00 S	72	224			
37 + 00 S	67	152			
38 + 00 S	57	164			
40 + 00 S silt	56	170			
B.L. 4 + 00	41	99			
8 + 00	39	100			
12 + 00	23	66			
16 + 00	30	70			
B.L. 20 + 00 N	25	89			

ASSAYER _____

TELEX: 04-50604 TELEPHONE: 980-1115

FRASER LABORATORIES LIMITED

1175 W 15th STREET • NORTH VANCOUVER, B.C.

Welland Consolidated Mining Ltd.,
202 - 543 Granville Street
Vancouver, B. C.

GEOCHEMICAL ANALYSIS

Attention: Mr. W. Brander

REPORT No.: 218

DATE: September 10, 1971

SAMPLES FROM _____

SAMPLE	ppm Pb	ppm Zn			
L.C. 1 + 00 W	33	75			
2 + 00 W	40	106			
3 + 00 W	21	101			
4 + 00 W	55	99			
5 + 00 W	29	62			
6 + 00 W	39	80			
7 + 00 W	52	180			
8 + 00 W	51	134			
9 + 00 W	31	176			
10 + 00 W	33	180			
12 + 00 W	33	87			
13 + 00 W	37	88			
14 + 00 W	20	69			
15 + 00 W	18	60			
L.C. 17 + 00 W	59	268			
L. 4 1 + 00 W	37	68			
2 + 00 W	71	24			
3 + 00 W	138	310			
4 + 00 W	29	69			
5 + 00 W	30	107			
6 + 00 W	34	112			
7 + 00 W	29	92			
8 + 00 W	32	111			
9 + 00 W	64	112			
10 + 00 W	42	102			
11 + 00 W	37	101			
12 + 00 W	21	64			
13 + 00 W	42	103			
14 + 00 W	44	92			
L 4 15 + 00 W	43	435			

ASSAYER _____

TELEX: 04-50604

TELEPHONE: 980-1115

FRASER LABORATORIES LIMITED

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Welland Consolidated Mining Ltd.
202 - 543 Granville Street
Vancouver, B. C.

GEOCHEMICAL ANALYSIS

Attention: Mr. H. Irvine

REPORT No.: 218

DATE: September 10, 1971

SAMPLES FROM _____

SAMPLE	ppm Pb	ppm Zn			
L. 8 -1 + 00 W	30 -	51 -			
2 + 00 W	62 x	204 c			
3 + 00 W	39 -	94 x			
4 + 00 W	35 -	73 v			
5 + 00 W	38 -	74 v			
6 + 00 W	33 -	74 v			
7 + 00 W	41 v	109 c			
8 + 00 W	42 v	113 c			
9 + 00 W	31 -	70 v			
10 + 00 W	39 -	174 =			
11 + 00 W	21 -	62 v			
14 + 00 W	26 -	104 c			
L. 8-15 + 00 W	22 -	83 x			
L.12- 1 + 00 W	27 -	132 N			
2 + 00 W	22 -	78 v			
3 + 00 W	87 c	82 x			
4 + 00 W	51 v	132 N			
5 + 00 W	43 v	160 \			
6 + 00 W	32 -	145 \			
7 + 00 W	40 -	94 x			
8 + 00 W	39 -	95 x			
9 + 00 W	40 -	84 x			
10 + 00 W	40 -	106 c			
11 + 00 W	43 v	120 c			
12 + 00 W	52 v	174 =			
14 + 00 W	30 -	97 x			
L.12-15 + 00 W	34 -	96 x			
L.16- 1 + 00 W	38 -	69 v			
2 + 00 W	29 -	324 +			
L16- 3 + 00 W	95 c	172 =			

ASSAYER _____

TELEX: 04-50604 TELEPHONE: 980-1115

FRASER LABORATORIES LIMITED

1175 W 15th STREET • NORTH VANCOUVER, B.C.

Welland Consolidated Mining Limited
202 - 543 Granville Street
Vancouver, B. C.

GEOCHEMICAL ANALYSIS

Attention: Mr. W. Brander

REPORT No.: 218

DATE September 10, 1971

SAMPLES FROM _____

SAMPLE	ppm Pb	ppm Zn			
L. 16 - A + 00 W	81	80			
5 + 00 W	37	78			
6 + 00 W	42	116			
7 + 00 W	41	81			
8 + 00 W	69	250			
9 + 00 W	32	101			
10 + 00 W	27	67			
11 + 00 W	30	104			
12 + 00 W	39	99			
13 + 00 W	27	94			
14 + 00 W	53	101			
L. 16 - 15 + 00 W	28	98			
L. 20 - 1 + 00 W	31	84			
2 + 00 W	30	69			
3 + 00 W	31	90			
4 + 00 W	24	115			
5 + 00 W	23	77			
6 + 00 W	52	93			
7 + 00 W	63	114			
8 + 00 W	32	63			
9 + 00 W	29	54			
10 + 00 W	34	79			
11 + 00 W	43	92			
12 + 00 W	35	83			
13 + 00 W	52	70			
14 + 00 W	31	78			
L 20 - 15 + 00 W	40	192			
L 24 - 1 + 00 W	75	126			
2 + 00 W	63	115			
L 24 - 4 + 00 W	57	150			

ASSAYER _____

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TELEPHONE: 980-1115

FRASER LABORATORIES LIMITED

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Welland Consolidated Mining Limited
202 - 543 Granville Street
Vancouver, B. C.
Attention: Mr. W. Brander

GEOCHEMICAL ANALYSIS

REPORT No.: 218

DATE September 10, 1971

SAMPLES FROM _____

SAMPLE	ppm Pb	ppm Zn			
L 24 - 5 + 00 W	51	69			
6 + 00 W	46	48			
7 + 00 W	50	70			
8 + 00 W	25	34			
9 + 00 W	41	100			
10 + 00 W	43	82			
11 + 00 W	73	304			
12 + 00 W	49	76			
13 + 00 W	54	228			
14 + 00 W	208	400			
15 + 00 W	30	98			
L 24 - 1 + 00 E	52	230			
3 + 00 E	24	81			
4 + 00 E	23	40			
5 + 00 E	32	72			
6 + 00 E	24	57			
7 + 00 E	28	61			
8 + 00 E	55	57			
L 24 - 9 + 00 E	83	106			
L 28 - 1 + 00 W	20	34			
2 + 00 W	74	215			
4 + 00 W	48	80			
5 + 00 W	42	97			
6 + 00 W	50	110			
7 + 00 W	41	84			
8 + 00 W	40	68			
9 + 00 W	44	64			
10 + 00 W	33	60			
11 + 00 W	40	94			
L 28 -13 + 00 W	70	256			

ASSAYER _____

TELEX: 04-50604

TELEPHONE: 980-1115

FRASER LABORATORIES LIMITED

1175 W 15th STREET • NORTH VANCOUVER, B.C.

Welland Consolidated Mining Limited
202 - 543 Granville Street
Vancouver, B. C.
Attention: Mr. W. Krander

GEOCHEMICAL ANALYSIS

REPORT No.: 213

DATE: September 10, 1971

SAMPLES FROM _____

SAMPLE	ppm Pb	ppm Zn			
L 28 - 14 + 00 W	43	105			
15 + 00 W	18	41			
L 28 - 1 + 00 E	31	90			
2 + 00 E	32	92			
3 + 00 E	25	94			
4 + 00 E	24	102			
5 + 00 E	28	63			
6 + 00 E	31	63			
7 + 00 E	34	54			
8 + 00 E	21	39			
9 + 00 E	63	50			
11 + 00 E	32	55			
L 28 - 12 + 00 E	21	43			
L 32 - 1 + 00 W	32	77			
2 + 00 W	19	38			
3 + 00 W	46	100			
4 + 00 W	54	73			
5 + 00 W	35	81			
6 + 00 W	172	275			
7 + 00 W	51	64			
8 + 00 W	49	76			
9 + 00 W	No sample - (rock)				
10 + 00 W	48	95			
11 + 00 W	46	64			
12 + 00 W	38	65			
13 + 00 W	40	140			
14 + 00 W	42	100			
15 + 00 W	63	74			
L 32 - 1 + 00 E	39	70			
L 32 - 2 + 00 E	49	173			

ASSAYER _____

TELEX: 04-50604

TELEPHONE: 980-1115

FRASER LABORATORIES LIMITED

1175 W 15th STREET · NORTH VANCOUVER, B.C.

Welland Consolidated Mining Limited
202 - 543 Granville Street
Vancouver, B. C.
Attention: Mr. W. Brander

GEOCHEMICAL ANALYSIS

REPORT No.: 213

DATE: September 10, 1971

SAMPLES FROM _____

SAMPLE	ppm Pb	ppm Zn			
L 32 - 3 + 00 E	90	72			
4 + 00 E	73	180			
5 + 00 E	39	145			
6 + 00 E	34	123			
L 32 - 7 + 00 E	36	118			
L 36 - 2 + 00 W	78	284			
3 + 00 W	63	250			
4 + 00 W	37	40			
5 + 00 W	140	262			
6 + 00 W	170	268			
7 + 00 W	152	244			
8 + 00 W	53	99			
9 + 00 W	59	73			
10 + 00 W	40	76			
11 + 00 W	92	218			
12 + 00 W	76	170			
13 + 00 W	100	223			
14 + 00 W	98	215			
L 36 - 15 + 00 W	82	223			
L 36 - 1 + 00 E	77	168			
L 36 - 2 + 00 E silt	80	175			
L 40 - 1 + 00 W silt	35	125			
3 + 00 W	82	205			
4 + 00 W	64	170			
5 + 00 W	60	178			
6 + 00 W	71	164			
7 + 00 W silt	63	176			
8 + 00 W silt	93	183			
9 + 00 W silt	74	190			
L 40 - 10 + 00 W	65	165			

ASSAYER _____

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202 - 543 Granville Street
Vancouver, B. C.

GEOCHEMICAL ANALYSIS

Attention: Mr. W. Brander

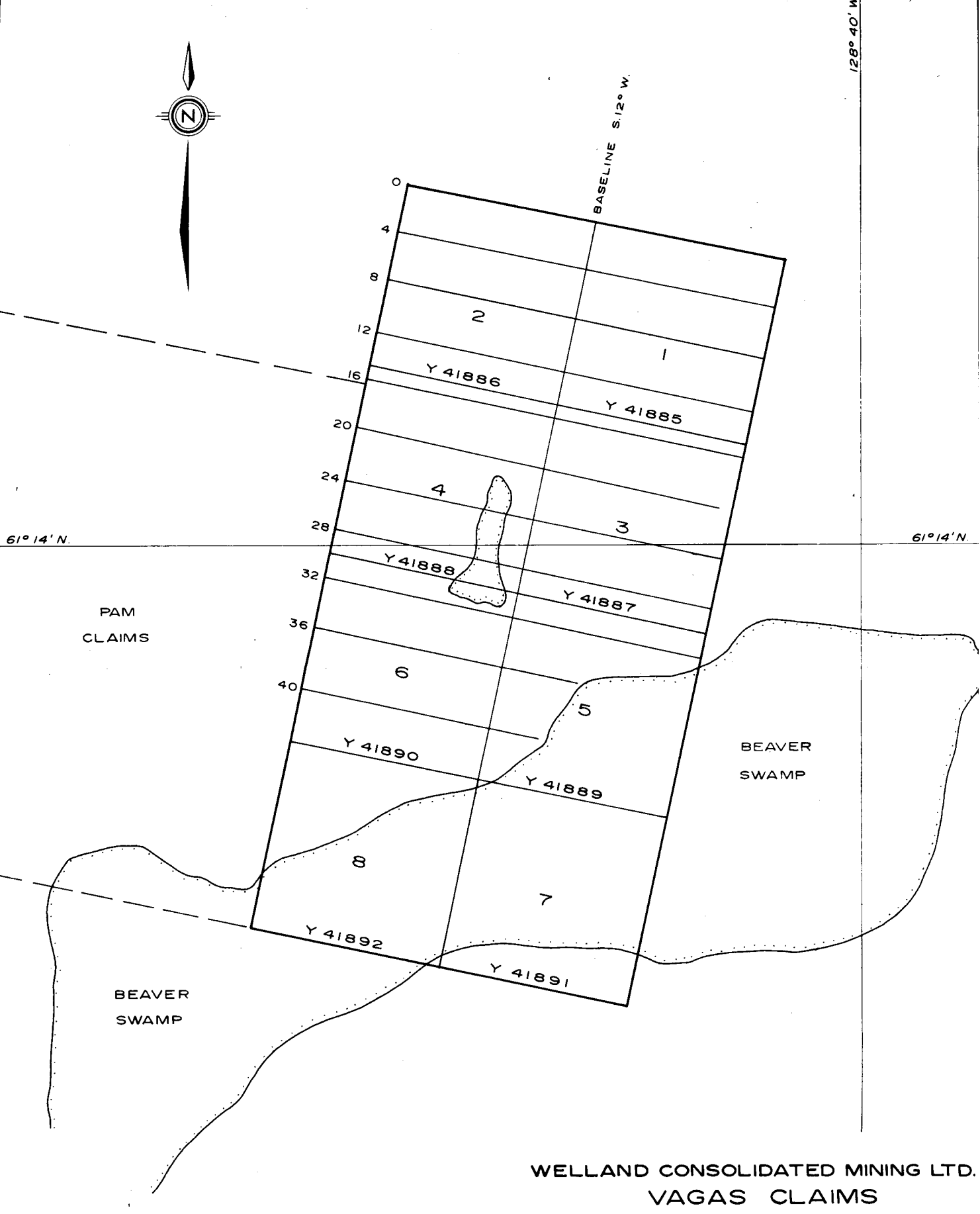
REPORT No.: 218

DATE: September 10, 1971

SAMPLES FROM _____

SAMPLE	ppm Pb	ppm Zn			
L 40 - 11 + 00 W	63	128			
12 + 00 W	85	198			
13 + 00 W	74	178			
14 + 00 W	73	150			
L 40 - 15 + 00 W	62	162			
L 40 - 1 + 00 E	66	203			
2 + 00 E	44	163			
L 40 - 3 + 00 E	53	172			

ASSAYER _____



WELLAND CONSOLIDATED MINING LTD.

VAGAS CLAIMS

LOCATION & GRID CONTROL

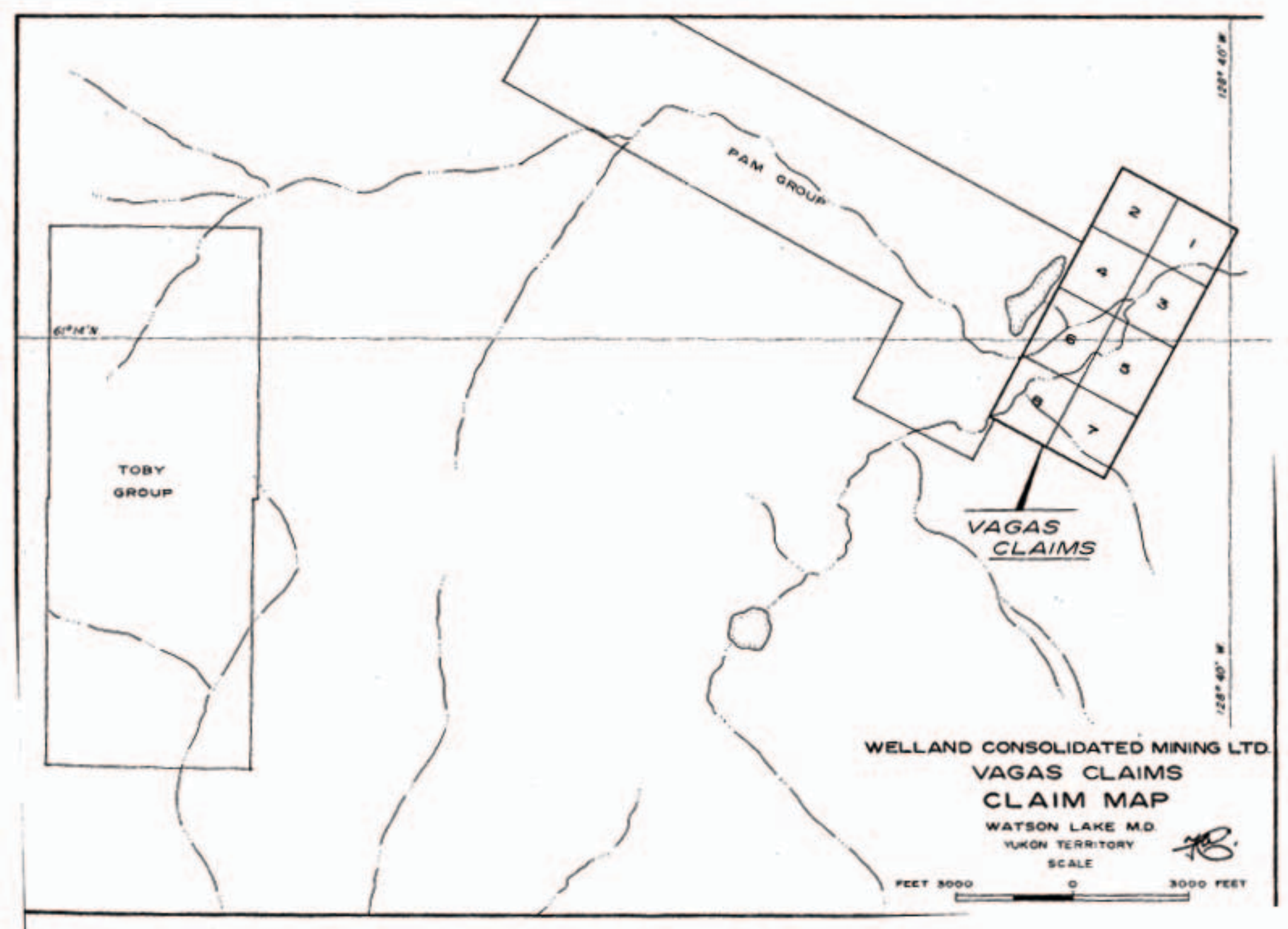
WATSON LAKE M.D.

YUKON TERRITORY

NOTE: Pickets at 100' intervals covering Magnetometer and Geochemical Surveys.

SCALE

FEET 1000 0 1000 FEET


PAM GROUP
TOBY
GROUP
61°14'N
128° 40' W
2
1
4
3
6
5
8
7
VAGAS
CLAIMS
WELLAND CONSOLIDATED MINING LTD.
VAGAS CLAIMS
CLAIM MAP
WATSON LAKE M.D.
YUKON TERRITORY
SCALE
FEET 3000
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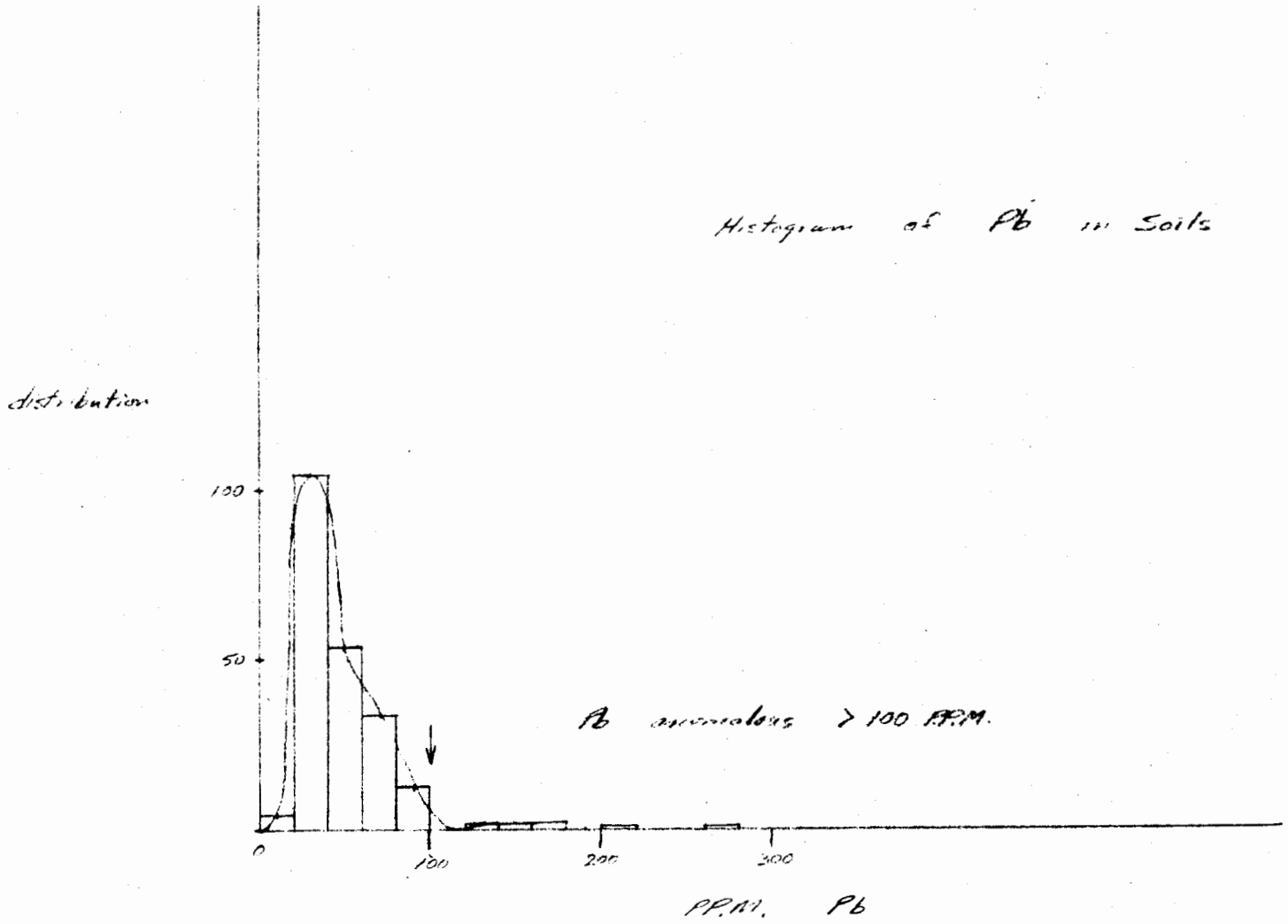
3000 FEET

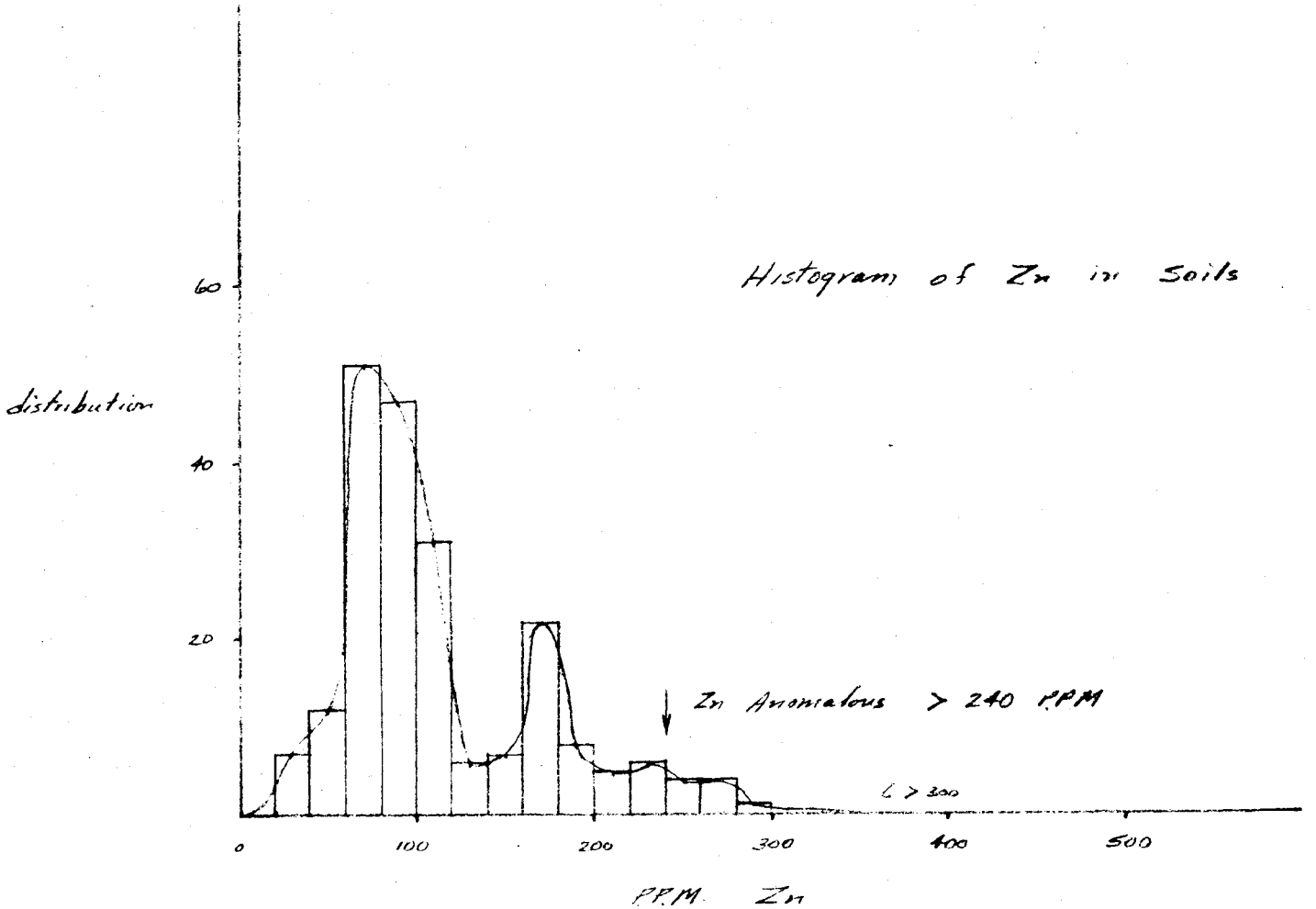
Histogram of Pb in Soils



Willard Consolidated Mines Ltd.

Vagas Claims

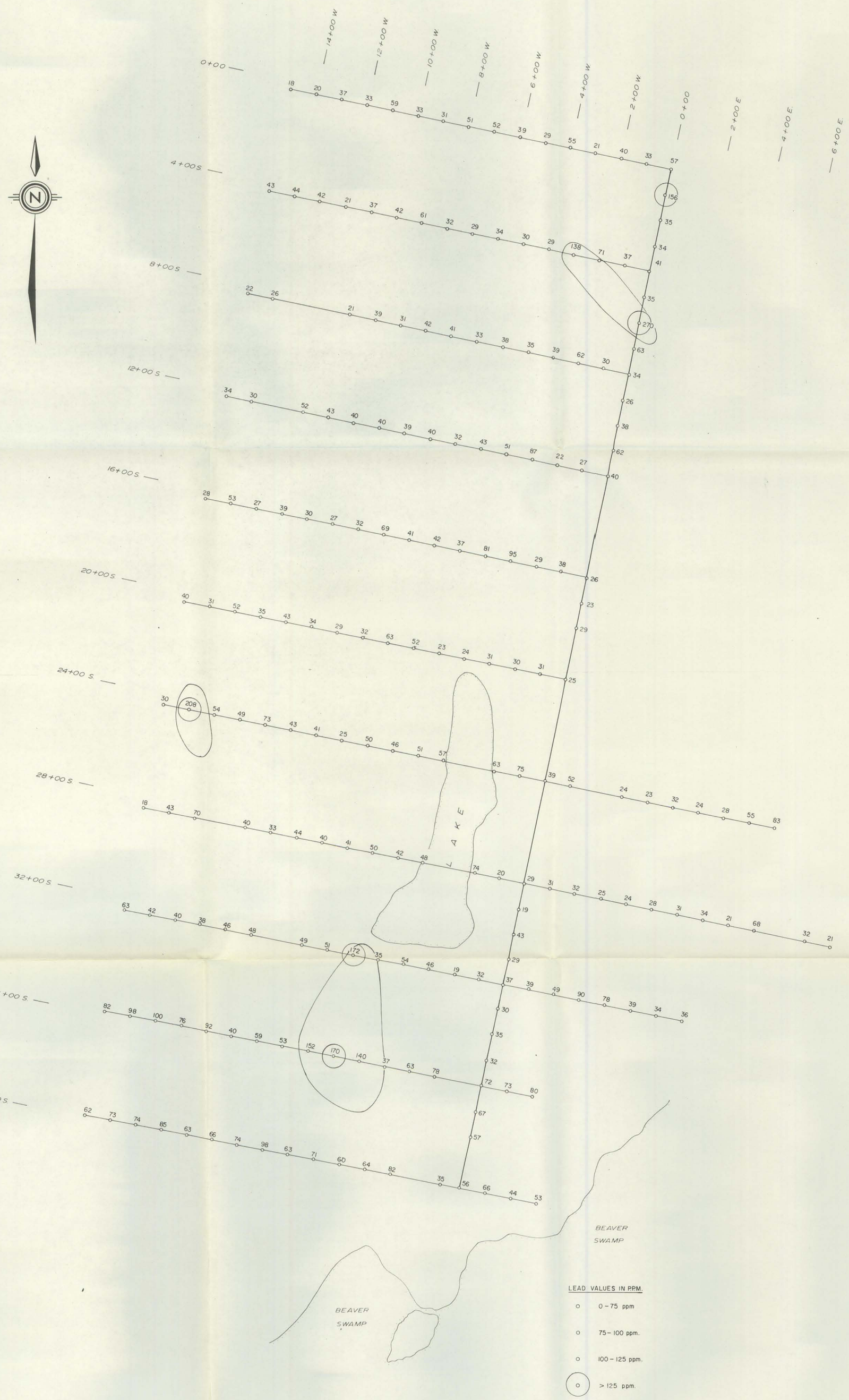
Nov. 1971.



Welland Consolidated Mines Ltd

Vagas Claims

Nov. 1971



LEAD VALUES IN P.P.M.

- ○ 0 – 75 ppm
- ○ 75 – 100 ppm.
- ○ 100 – 125 ppm.
- ◎ > 125 ppm.

WELLAND CONSOLIDATED MINING LTD.

VAGAS CLAIMS

GEOCHEMICAL DETERMINATIONS

LEAD IN P.P.M.

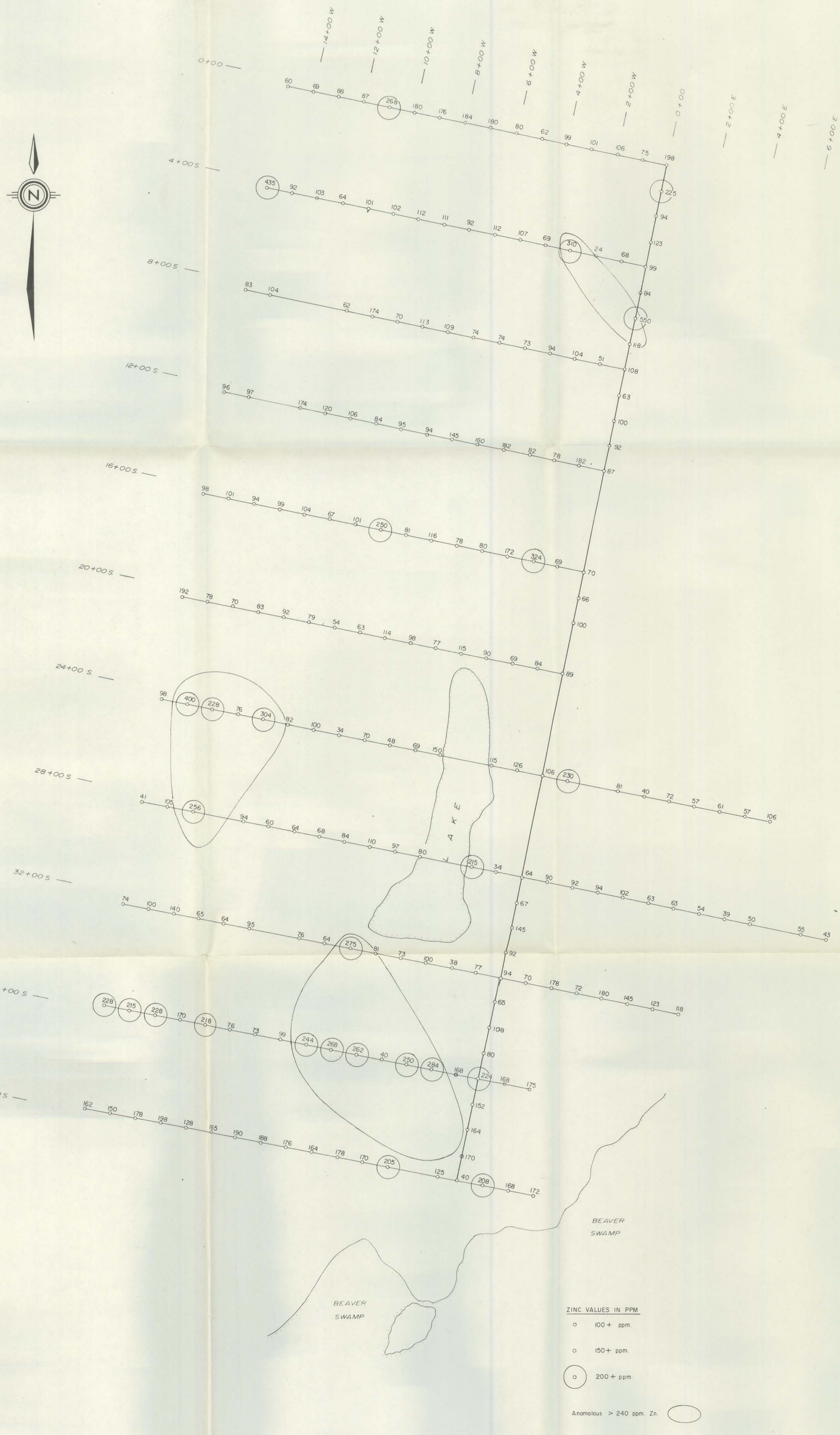
WATSON LAKE M.D.

YUKON TERRITORY

SCALE

FEET 200 0 200 400 FEET

Dec. 1/71



ZINC VALUES IN PPM

- ○ 100+ ppm.
- ○ 150+ ppm.
- ○ 200+ ppm.

Anomalous > 240 ppm. Zn.

WELLAND CONSOLIDATED MINING LTD.

VAGAS CLAIMS

GEOCHEMICAL DETERMINATIONS

ZINC IN P.P.M.

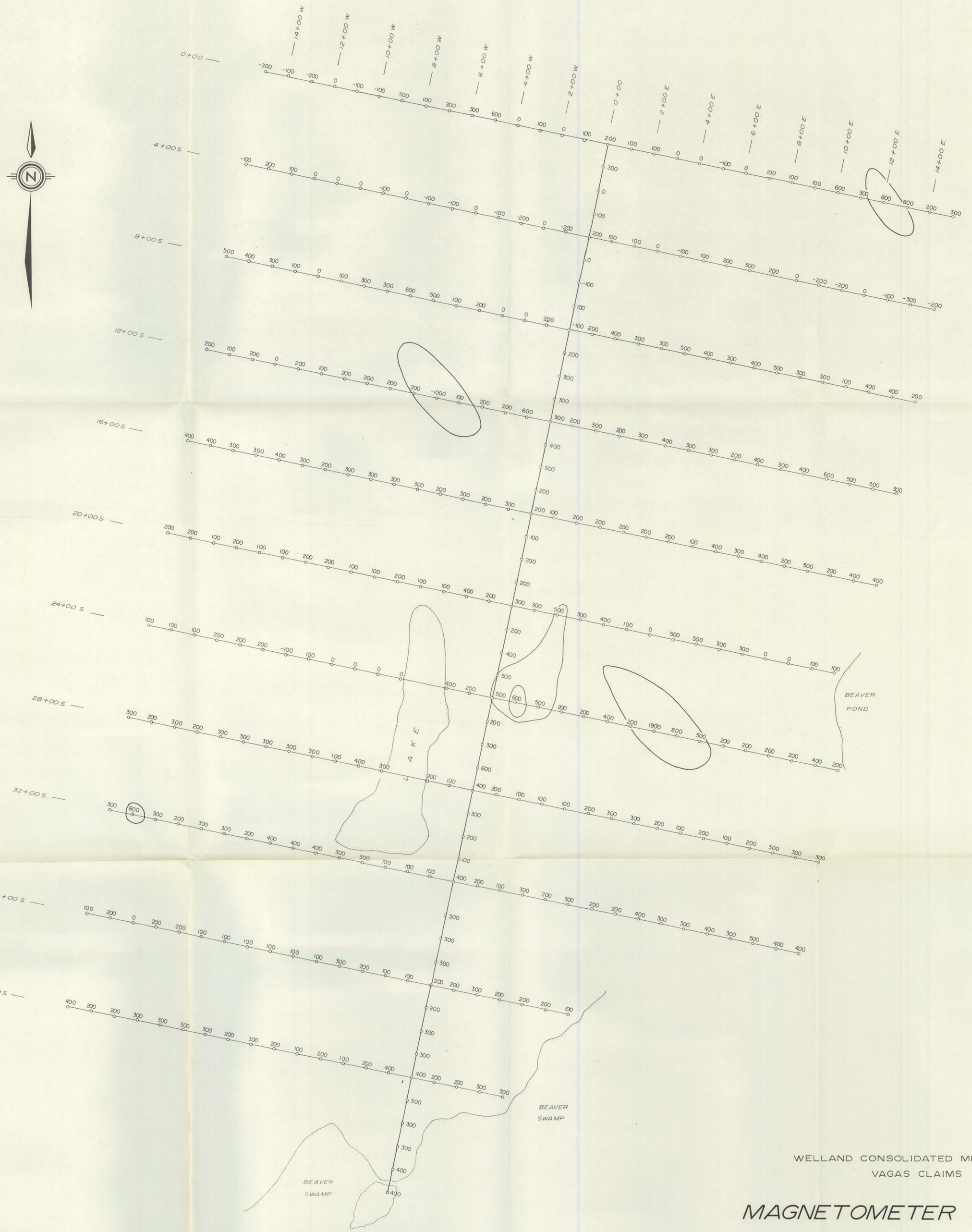
WATSON LAKE M.D.

YUKON TERRITORY

SCALE

FEET 200 0 200 400 FEET

Dec. 1/71



NOTE: Magnetometer setting on Baseline +500 gammas.
Rock Formation on Baseline is Biotite Schist.

WELLAND CONSOLIDATED MINING LTD.

VAGAS CLAIMS

MAGNETOMETER SURVEY

WATSON LAKE M.D.

YUKON TERRITORY

SCALE

FEET 200 0 200 400 FEET

Dec. 6/71