MAP NO.: 105 J 12	**ASSESSMENT REPORT** X **PROSPECTUS** **CONFIDENTIAL** X **OPEN FILE**	**DOCUMENT NO:** **MINING DISTRICT:** **TYPE OF WORK:**	092731 Whitehorse Geological, geochemical

REPORT FILED UNDER: Welcome North Mines Ltd

DATE PERFORMED: 11-21 July, 1988 — **DATE FILED:** 30 June, 1989

LOCATION: **LAT.:** 62 37'N — **AREA:** Dragon Lake

LONG.: 131 33'W — **VALUE $:** 1600.00

CLAIM NAME & NO.: FIRE 1-28 (YB20238-347)

WORK DONE BY: J. McClintock

WORK DONE FOR: Welcome North Mines Ltd

DATE TO GOOD STANDING:

REMARKS: #6 DRAGON

Pyrrhotite-chalcopyrite skarns contain gold and silver. A small geochemical survey in 1988 outlined a 200 x 500 m gold-silver-copper anomaly over the main zone. A chip sample across the main zone assayed 12.7 g/t Au, 5.4 g/t Ag.

REPORT ON THE

FIRE CLAIM GROUP

DRAGON LAKE AREA

WHITEHORSE MINING DISTRICT

YUKON

LATITUDE: 62°37' NORTH
LONGITUDE: 131°33' WEST

N.T.S. 105J/12

FOR

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

BY

J. McClintock, P.Eng.

October, 1988

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 $ 1600.00 .

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

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SUMMARY

The FIRE mineral claim group is located on the west side of Dragon Lake, 85 kilometres northeast of Ross River, Yukon.

The property is underlain by Precambian-Cambrian limey metasediments which are intruded by a Cretaceous-age biotite granite.

Mineralization on the Fire claim group consists of pyrrhotite (±chalcopyrite)-pyroxene skarns with associated values in gold and silver. Two zones, approximately 600 metres apart have been outlined. One chip sample of the Main zone assayed 12.7 gm/tonne gold, 5.4 gm/tonne silver. Highest chip assay of the second zone assayed 0.23 gm/tonne gold, 1.5 gm/tonne silver.

A small soil geochemical survey conducted outlined a multi-element (Au, Ag, Cu) anomaly (200 x 500 metre) over the Main zone.

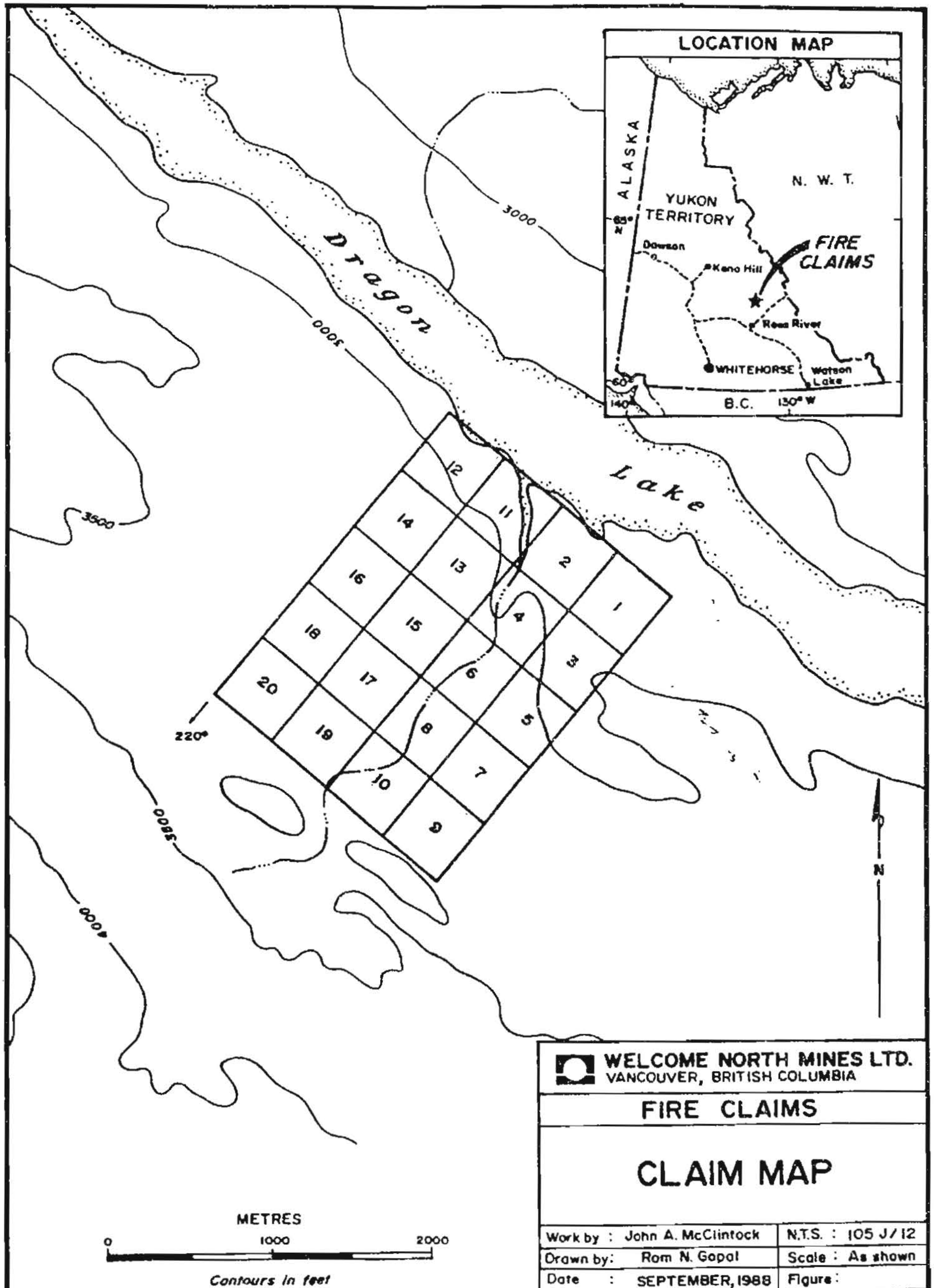
Further work is recommended on the property. A Phase II program of linecutting, geophysics, detail geological mapping and trenching is recommended.

INTRODUCTION

This report summarizes the property work conducted over the FIRE mineral claims group located on Dragon Lake approximately 85 kilometres northeast of Ross River, Yukon.

The claim, wholly owned by Welcome North Mines Ltd. of Vancouver, British Columbia, were examined July 11 to 21, 1988. Utilizing a 1.5 km x 1.5 km flagged line grid, geological mapping, soil and rock sampling were conducted over the areas of interest.

This report summarizes results to date and presents recommendations for further work. The data presented herein was obtained during the course of the author's field examination as well as information obtained through various Government and private publications listed in the bibliography. As may be noted in the Summary of Expenditures, direct field expenditures involved with geological mapping and rock sampling are being used for application of assessment credit.



LOCATION MAP
ALASKA
YUKON TERRITORY
N. W. T.
FIRE CLAIMS
Dawson
Keno Hill
Ross River
WHITEHORSE
Watson Lake
B.C.
130° W
140°
60°
65°
Dragon
Lake
3000
3500
3800
4000
220°
N
1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
METRES
0
1000
2000
Contours in feet
WELCOME NORTH MINES LTD.
VANCOUVER, BRITISH COLUMBIA
FIRE CLAIMS
CLAIM MAP
Work by : John A. McClintock
N.T.S. : 105 J/12
Drawn by: Ram N. Gopal
Scale : As shown
Date : SEPTEMBER, 1988
Figure :

PROPERTY DESCRIPTION, LOCATION AND ACCESS

The FIRE mineral claim group consists of 20 claim units. All claims are wholly owned by Welcome North Mines Ltd. of Vancouver, British Columbia.

Present information for the claim block is:

Name	Tag Nos.	Record Date	Anniversary Year
FIRE 1-28 (inclusive)	YB20328-YB20347	July 05, 1988	July 05, 1989

All claims are located within the Whitehorse Mining District.

The claim block, situated half way along the west shore of Dragon Lake, is approximately 85 kilometres northeast of Ross River, Yukon. The claims are centered at 62°37' north latitude, 131°33' west longitude on N.T.S. map sheet 105J/12.

Access is provided to the claims either by helicopter or float plane from Ross River, or by travelling approximately 110 kilometres along the North Canol Road to the south end of Dragon Lake and then utilizing a motor boat to access the claims.

PHYSIOGRAPHY AND VEGETATION

The property is located in the Yukon plateau, typically characterized by gentle to moderately rugged topography. There is easy access throughout the claim area. Elevations range from 857 metres (Dragon Lake) to 1060 metres at the southwest corner.

Over the majority of the claim area, an old burn (plus 10 years) with successional growth of alder, willow, and birch predominate. Mature stands of fir and spruce can be observed along the waterways and moist areas.

HISTORY AND PREVIOUS WORK

Little is known about the claim area, however, in 1961, Kennco Explorations Ltd. conducted limited geological mapping, sampling and a magnetometer survey over the skarn areas. In the early 1980's Canamax acquired the ground and carried out a limited soil sampling program prior to dropping the claims. Results of the Canamax sampling are unknown as the work was not filed for assessment credit.

GEOLOGY

Three creeks transect the claim area and the best rock exposure is confined to the creek banks.

The FIRE claim group is underlain by metasediments of the Precambrian to Lower Cambrian Hyland group (Gordy, 1987). The Hyland group consists of argillaceous limestones, varied coloured slates, quartzites and quartz pebble conglomerates.

Intensive to this metasedimentary package is a medium to coarse grained (in part porphyritic) biotite granite, probably related to the Selwyn plutonic suite of Mid Cretaceous-age.

The granite is mapped in the northeast quadrant of the claim group and is best described as a northwesterly elongate cigar shape body. Contact relations with the metaseds is unclear. However, to the east and west the boundary is abrupt and may indicate a fault relation.

Two zones of mineralization have been defined on the property. Both zones consist of a pyrrhotite (± chalcopyrite), rich pyroxene skarn enclosed with limey sediments.

The Main zone, located at the southeast end of the claim group, forms a conspicuous gossan and consists of several separate skarn pods. This zone is within 200 metres of the mapped intensive.

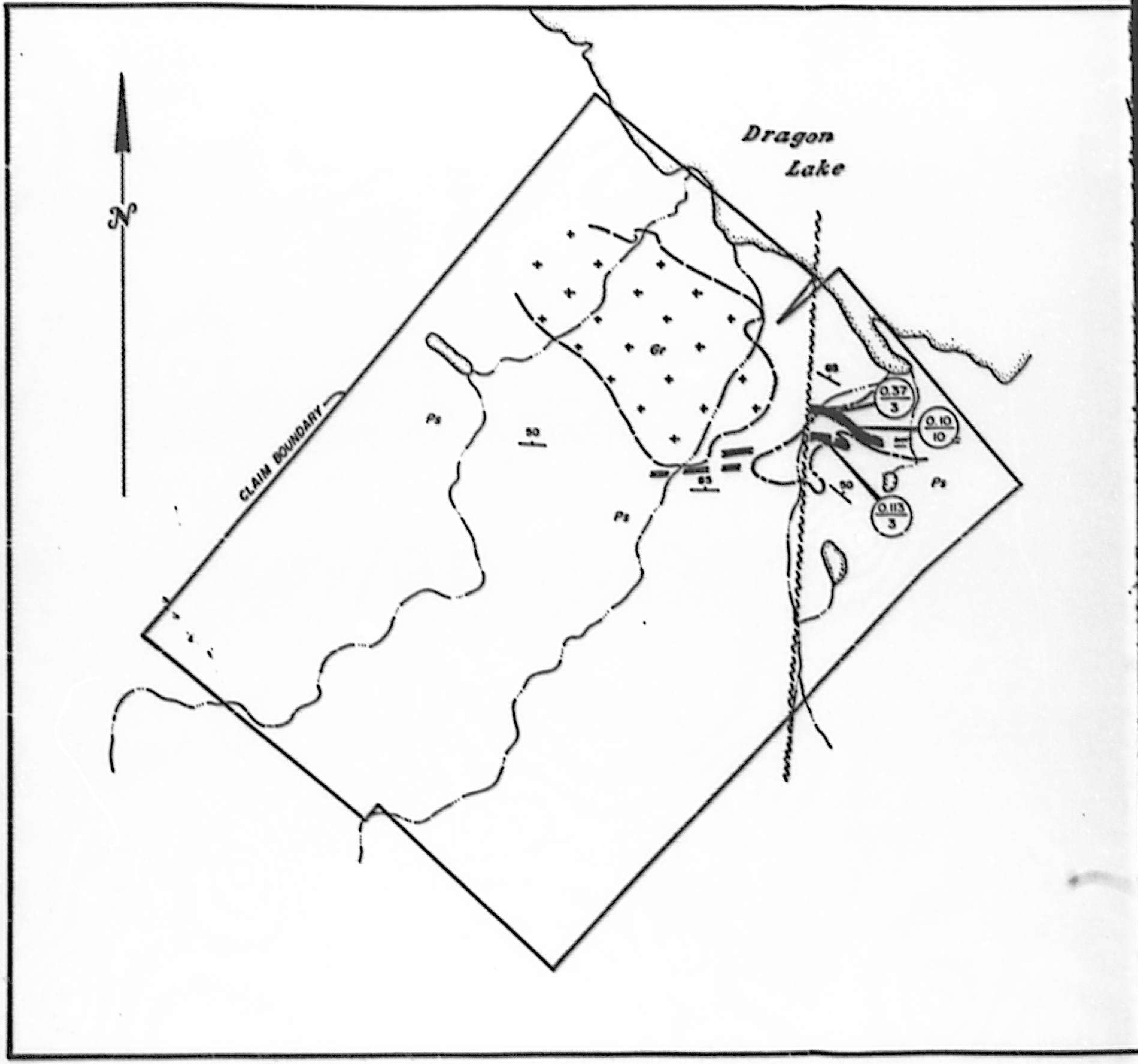
The easterly most skarn is approximately 6 metres wide and is exposed along a dip slope for 120 metres. A distinct close space fracturing crosscuts perpendicular to this skarn. Of the 20 rock samples collected over this zone, the best Au assay was 4.45 gm/tonne (#435 - 1 metre chip) and 3.38 gm/tonne (#436 - 1 metre chip). Highest Ag (#436) assayed 2.3 gm/tonne. Most samples assayed high copper with the highest value 0.19%.

The best sample (#12 - 1 metre chip) assaying 12.7 gm/tonne Au, 5.4 gm/tonne Ag, and 5.4% As, 0.06% Cu, came from a small skarn exposure located 100 metres north down slope The sample chips contained blebs of arsenopyrite and pyrrhotite.

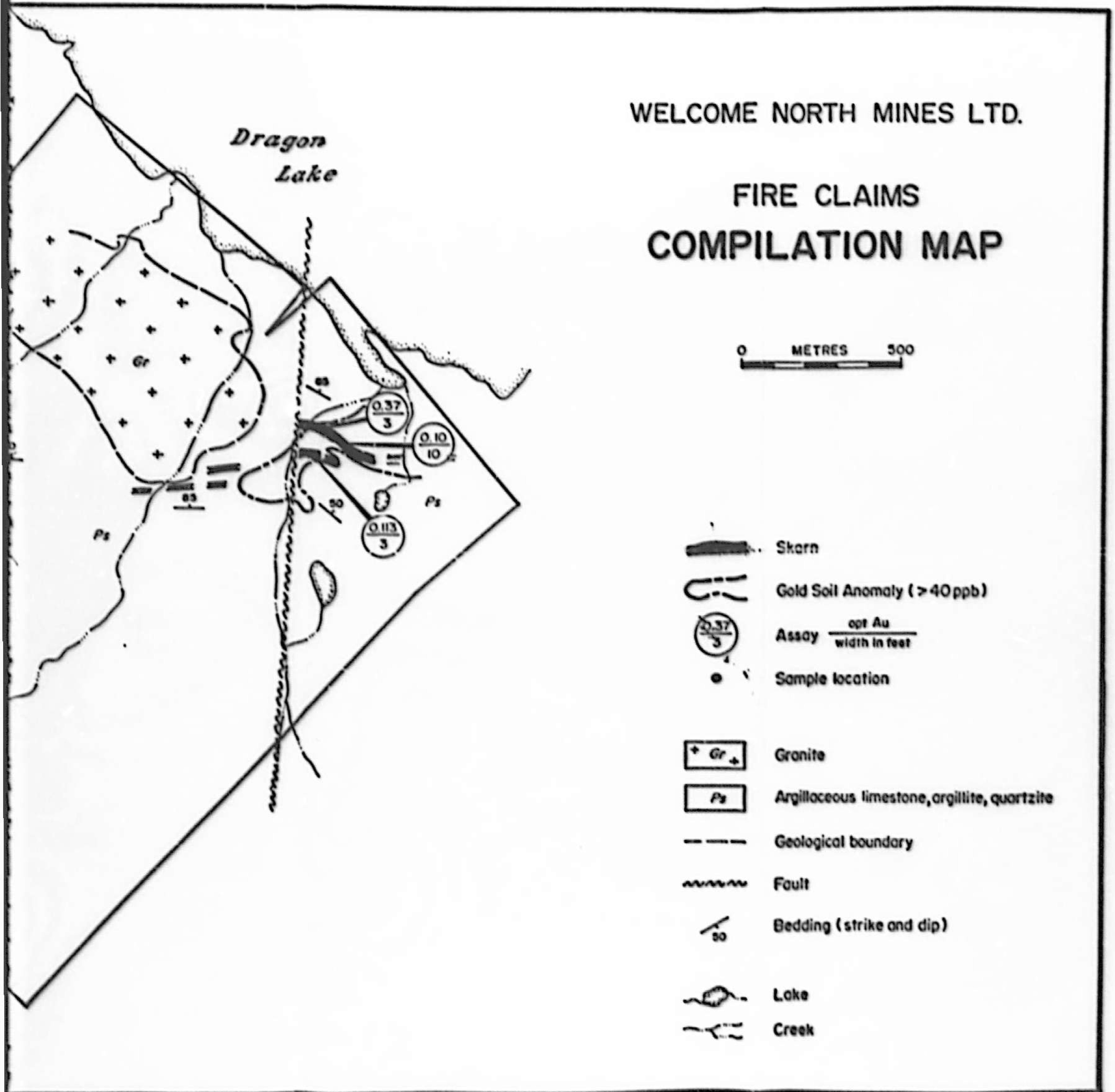
The second zone, located approximately 600 metres west of the Main zone, is exposed in a creek cut transecting through the center of the property.

This zone is roughly 5 metres wide and is exposed along strike for 100 metres. Six rock samples were collected with the best assay (F-15) 0.23 gm/tonne Au, 1.5 gm/tonne Ag, 0.13% Cu. The sample collected was a pyrrhotite-chalcopyrite garnet/diopside skarn (2 metre chip).

Stibnite has been noted associated with pryite in quartz veins within the granite [(F-9) 10.6 gm/tonne Ag, 21 ppm Sb, 402 ppm Pb].



N
Dragon
Lake
CLAIM BOUNDARY
Ps
50
Gr
65
Ps
65
0.37
3
0.10
10
Ps
50
0.113
3


WELCOME NORTH MINES LTD.
FIRE CLAIMS
COMPILATION MAP
0 METRES 500
Dragon Lake
Gr
Ps
Ps
0.37 / 3
0.10 / 10
0.113 / 3
85
85
50
Skarn
Gold Soil Anomaly (>40 ppb)
Assay opt Au / width in feet
Sample location
Gr
Granite
Ps
Argillaceous limestone, argillite, quartzite
Geological boundary
Fault
Bedding (strike and dip)
50
Lake
Creek

PROPERTY WORK

Soil and rock sampling was conducted over portions of the claim area utilizing a 1.5 x 1.5 kilometre grid. Geological mapping was done at a scale of 1:5000.

A total of 340 soil samples were collected from the "B" horizon where possible at 50 metre stations along lined spaces at 100 metres (detail grid 50 metre lines x 25 metre stations). A total of 44 rock samples were collected. All samples were shipped to Min-En Laboratories in Vancouver and analyzed for rock:- gold, silver, and tungsten; soil:- (I.C.P.) silver, arsenic, copper, lead, zinc, and antimony. Gold was analyzed by fire assay with AA fission.

Results of the soil geochemistry are very encouraging. A multi-element anomaly of gold, arsenic and copper is centered over the Main zone. The anomaly appears open to the south and therefore the detail grid should be extended to the south.

SUMMARY OF EXPENDITURES

GEOLOGICAL SURVEYS

	$
Analysis - Assays	
46 samples @ $12.50/sample	575.00
Salaries	
J. McClintock - July 12, 18 & 19 (3 days) @ $350/day	1050.00
Transportation - Helicopter (Trans North Turbo Air Ltd.)	
July 12, 18 & 19, 1988, total of 4.3 hrs. @ $620/hr.	2666.00
	4291.00

CONCLUSIONS AND RECOMMENDATIONS

Results of the work done to date on the FIRE claim group is very encouraging.

A known pyrrhotite-pyroxene skarn is further enhanced by its anomalous values in gold, silver and copper. Skarning of Precambiran-Cambrian limey sediments is fairly widespread in a zone of 300 metres x 300 metres.

The property warrants a thorough geological appraisal.

A follow-up program of linecutting, magnetic and electromagnetic survey, detail mapping, prospecting, soil sampling and trenching is recommended.

PROPOSED PROGRAM EXPENDITURES

The cost of the recommended program is as follows:

	$
Analyses	20,000
Geologist	6,000
Assistant	10,000
Blaster	4,000
Helicopter	6,000
Food & Accommodation	10,000
Travel & Freight	5,000
Report & Supervision	3,000
	64,000

STATEMENT OF QUALIFICATIONS

John A. McClintock

1. I am a geologist residing at 32841 Ashley Way, Clearbrook, British Columbia, and I am a partner in McClintock/Hardy Engineering, 418 - 837 W. 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 physical and field work carried out on the Fire claim group.

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.

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GORDY, S.P., and S.E.B. IRWIN, 1987. Sheldon Lake and Tay River map areas. East Central Yukon G.S.C. Map 19-1987 1:250,000

RODDICK, J.A., and L.H. GREEN, 1961. Sheldon Lake Map area. G.S.C. P12-1961, Map 12-1961.

RAYNER, G.H., and J.A. GOWER, 1961. Pad Group, Kennco Explorations (File 63908-A A.R.).

G.S.C. Map 1398A, MacMillan River, 1980. 1:1,000,000.

APPENDIX I

CERTIFICATE OF ASSAYS

MIN-EN LABORATORIES LTD.
SPECIALISTS IN MINERAL ENVIRONMENTS
CHEMISTS • ASSAYERS • ANALYSTS • GEOCHEMISTS

NORTH VANCOUVER, B.C. CANADA V7M 1T2
TELEPHONE (604) 980-5814 OR (604) 988-4524
TELEX: VIA U.S.A. 7601067 • FAX (604) 980-9621

TIMMINS OFFICE:
33 EAST IROQUOIS ROAD
P.O. BOX 867
TIMMINS, ONTARIO CANADA P4N 7G7
TELEPHONE: (705) 264-9996

AUG 1 5 1988

Certificate of ASSAY

Company: WELCOME NORTH MINES
Project: TINTINA-DRAGON (FILE)
Attention: J.BROCK

File: 8-1140/P1
Date: AUG 10/88
Type: ROCK ASSAY

We hereby certify the following results for samples submitted.

Sample Number	AU G/TONNE	AU OZ/TON	WO3 %
429	1.40	0.041	.001
430	1.34	0.039	.001
431	.83	0.024	.001
432	1.19	0.035	.001
433	.39	0.011	.001
434	.22	0.006	.001
435	4.45	0.130	.001
436	3.38	0.099	.002
437	2.17	0.063	.001
438	2.22	0.065	.001
439	1.23	0.036	.001
440	1.07	0.031	.001
441	.46	0.013	.001
442	.41	0.012	.001
11	.98	0.029	.002
12	12.70	0.370	.002
13	.18	0.005	.001
14	.19	0.006	.003
15	.04	0.001	.001
16	.01	0.001	.001
17	3.87	0.113	.001
18	.18	0.005	.001
19	.72	0.021	.001
20	.23	0.007	.001
21	.59	0.017	.001
DRAG 1	.12	0.004	.001
DRAG 2	.07	0.001	.001
DRAG 3	.04	0.001	.001
DRAG 4	.02	0.001	.001
F1	.07	0.001	.001

Certified by

MIN-EN LABORATORIES LTD.

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TIMMINS OFFICE:
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P.O. BOX 867
TIMMINS, ONTARIO CANADA P4N 7G7
TELEPHONE: (705) 264-9996

Certificate of Assay

Company: WELCOME NORTH MINES
Project: TINTINA-DRAGON
Attention: J.BROCK

File: 8-1140/P2
Date: AUG 10/88
Type: ROCK ASSAY

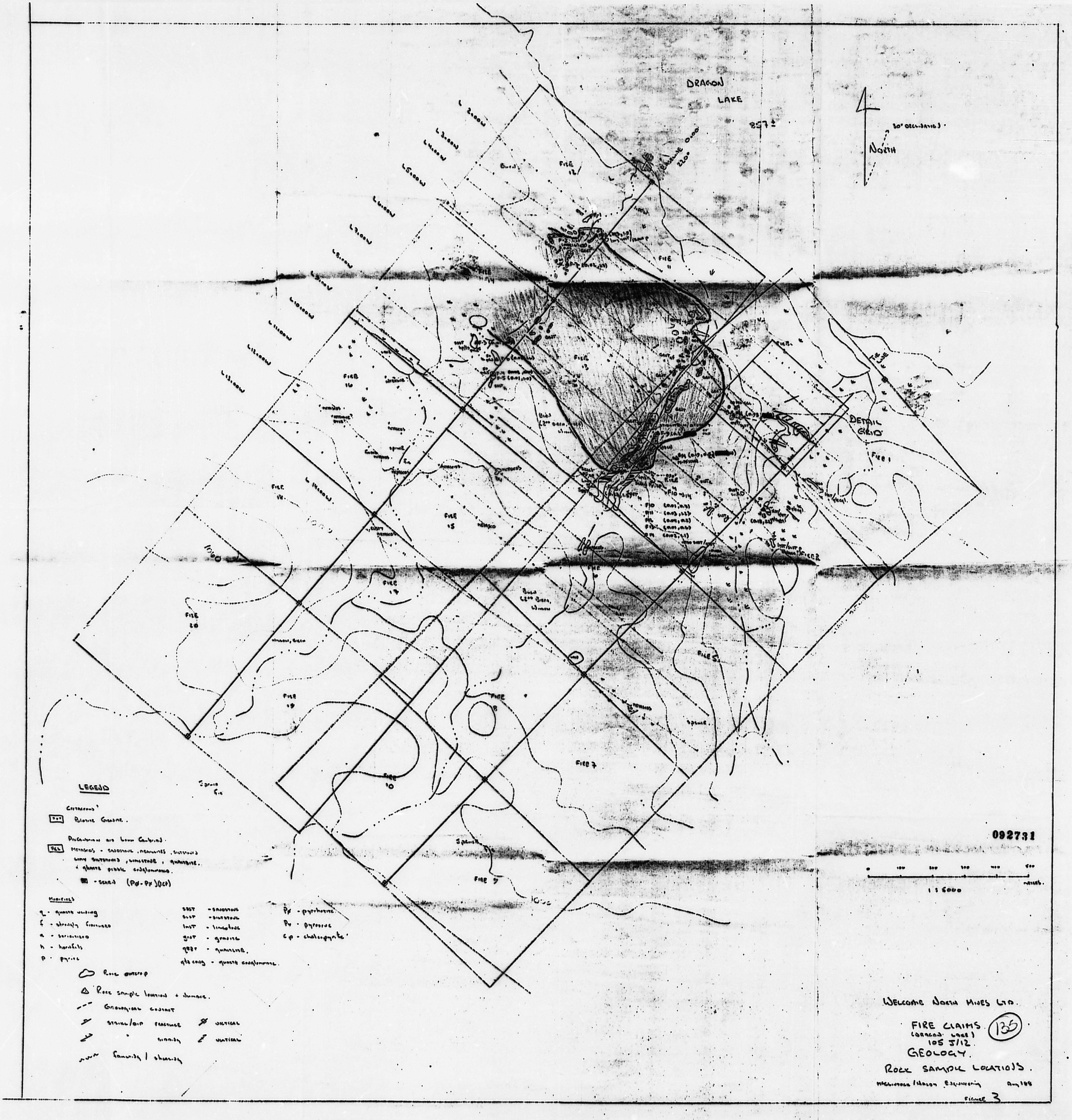
We hereby certify the following results for samples submitted.

Sample Number	AU G/TONNE	AU OZ/TON	WO3 %
F2	.02	0.001	.001
F3	.01	0.001	.001
F5	.01	0.001	.001
F6	.02	0.001	.001
F7	.02	0.001	.001
F8	.03	0.001	.001
F9	.02	0.001	.120
F10	.01	0.001	.001
F11	.03	0.001	.002
F12	.04	0.001	.001
F13	.01	0.001	.001
F14	.02	0.001	.001
F15	.23	0.007	.004
NORTH CANOL 1	.02	0.001	
NORTH CANOL 2	.03	0.001	
NORTH CANOL 3	.01	0.001	

Certified by ____________
MIN-EN LABORATORIES LTD.

PROJECT NO: TINTINA-DRAGON 705 WEST 15TH ST., NORTH VANCOUVER, B.C. V7M 1T2 FILE NO: 8-1140/P1+2
ATTENTION: J.BROCK (604)980-5814 OR (604)988-4524 * TYPE ROCK ASSAY * DATE:AUGUST 10, 1988

(VALUES IN PPM)	AS	AS	CU	PB	SB	ZN
429	1.9	20	606	14	1	13
430	1.7	9	611	17	1	11
431	1.4	22	614	15	1	14
432	.3	26	391	13	1	17
433	.6	24	324	13	1	22
434	.3	10	449	14	1	22
435	1.6	1	987	13	1	14
436	2.3	28	806	10	1	2
437	1.5	16	1246	11	1	16
438	.6	18	588	9	1	19
439	.9	19	386	14	1	18
440	1.1	12	400	13	1	19
441	.4	1	179	15	1	22
442	.4	4	190	14	1	25
11	2.1	17	1907	12	1	28
12	5.4	54088	661	27	11	15
13	2.2	362	38	15	1	19
14	.5	156	71	15	3	39
15	.9	4	385	14	1	29
16	1.3	24	115	11	1	16
17	1.9	20	1887	8	3	8
18	.3	9	71	12	1	15
19	1.9	22	291	12	1	22
20	1.2	7	227	12	1	25
21	2.1	24	573	14	1	12
DRAG1	1.5	30	16	21	1	74
DRAG2	1.3	25	5	26	1	68
DRAG3	1.5	28	4	36	1	64
DRAG4	1.3	27	8	29	1	41
F1	2.4	62	40	15	5	16
F2	1.6	29	20	22	3	24
F3	.9	13	100	10	1	13
F5	1.0	3	65	15	1	21
F6	1.6	23	27	12	1	26
F7	1.7	33	5	16	3	11
F8	1.9	34	40	17	2	21
F9	10.6	51	35	402	21	8
F10	.7	14	11	10	1	58
F11	1.2	20	56	15	1	38
F12	.2	1	55	14	1	74
F13	.6	9	69	16	1	44
F14	1.1	18	39	25	1	39
F15	1.5	15	1331	15	1	28
NORTH CANOL 1	1.4	18	64	13	3	40
NORTH CANOL 2	1.5	21	42	18	6	57
NORTH CANOL 3	.4	1	12	22	1	26



DRAGON LAKE
857±
NORTH
30° DECLINATION
DETAIL GRID
FIRE 1
FIRE 3
FIRE 5
FIRE 7
FIRE 8
FIRE 9
FIRE 10
FIRE 11
FIRE 12
FIRE 13
FIRE 14
FIRE 15
FIRE 16
FIRE 17
FIRE 18
FIRE 19
FIRE 20
L 2000W
L 3000W
L 4000W
L 5000W
L 6000W
L 7000W
L 8000W
L 9000W
L 10000W
L 11000W
L 12000W
L 13000W
L 14000W
1060
1050
092731
0 100 200 300 400 500
METRES.
1 : 5000
LEGEND
Cretaceous
Biotite Granite.
Precambrian and Lower Cambrian.
METASEDS - SANDSTONE, ARGILLITES, SILTSTONES
LIMY SILTSTONES, LIMESTONE, QUARTZITE.
+ QUARTZ PEBBLE CONGLOMERATE.
- SKARN (Pø-Px)(±cp)
Modifiers
q - quartz veining
f - strongly fractured
s - sericitized
h - hornfels
p - pyrite
SDST - sandstone
SLST - siltstone
lmst - limestone
grnt - granite
qtzt - quartzite.
qtz cong - quartz conglomerate.
Pø - pyrrhotite.
Px - pyroxene
cp - chalcopyrite.
Rock outcrop
Rock sample location + number.
Geological contact
strike/dip fracture
vertical
" bedding
vertical
faulting / shearing
WELCOME NORTH MINES LTD.
FIRE CLAIMS
(DRAGON LAKE)
105 J/12.
135
GEOLOGY.
ROCK SAMPLE LOCATIONS.
McClintock/Halom Engineering
Aug 188
FIGURE 3