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PROPERTY EXAMINATION REPORT

THE PANSY GOLD PROJECT

N.T.S. 92B/12W

Latitude 48° 36'N

Longitude 123° 58'W

for

WELCOME NORTH MINES LTD.

by

G. H. Rayner, P.Eng.

January 27, 1981

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Appendix I - Assay Sheets

SUMMARY AND CONCLUSIONS

The PANSY GOLD prospect appeared from submitted data to have considerable untested potential for the discovery of gold-bearing zones. Of particular interest was an extensive area of anomalous arsenic geochemistry located some distance away from the old vein-type gold quartz showing.

Examination on the ground by the writer found that the favourable area had in fact been tested. Rock exposures were numerous in bulldozer road cuts and trenches. Evidence of diamond drilling was also noted. There is no record of the results of this work.

Geologically this north west area appears to represent a volcanic exhalite environment. Although sampling of exposures by the writer returned negligible values, the complex has not been exhaustively explored and potential remains to locate something of interest within it.

INTRODUCTION

At the request of Mr. J. S. Brock of Welcome North Mines the prospect was examined on August 31, 1980. The West (Ruby) gold vein area was superficially examined, however, most time was spent on the area of arsenic and copper anomalous values about 700 metres to the north west.

LOCATION AND ACCESS

The property is located on the north side of the San Juan River on Vancouver Island about 50 km W.N.W. of Victoria, B.C. The specific location is 48° 36' North Latitude; 123° 58' West Longitude.

A good logging road passes about 2 km to the south of the area but it is unfortunately on the wrong side of the canyon of the San Juan River.

A cleared area with a helicopter pad is located at the Ruby showing. The writer used helicopter access for the examination.

A bulldozer had been used on the ground some ten years ago and a road connection was built between the Ruby zone and the northwest anomaly at that time. The access route to the property used by the bulldozer was not retraced but it may be a route suitable for upgrading for use by four wheel drive vehicles.

HISTORY AND PREVIOUS WORK

The showings have apparently been known and worked since about the time of World War 1. The water-filled shaft on the Ruby (West) vein dates from this period.

The earliest hard data presently available is contained in a report by J. S. Stevenson of the B.C. Dept. of Mines. This report, dated May, 1944 describes the gold antimony veins and several minor tungsten vein showings that were worked on during World War II. He also describes 5 drill holes put down on the Ruby vein at this time. No assays are reported, but the lengths of vein material cut are not encouraging.

Later work on the property is described in reports by T. J. Donaldson and R. D. Phelp. The most recent report (Phelp, 1968) describes geochemical soil survey results including a strong arsenic and modest copper geochemical anomalies in the north west part of the property. It was these anomalies that prompted the present examination.

GENERAL GEOLOGY

The property is mainly underlain by schists of the Leech River Formation. Vancouver Group Volcanics are mapped as occurring on the northern edge of the property. The contact was not seen and is reportedly faulted.

ECONOMIC GEOLOGY

The economic potential of the property centres on two types of deposits. The first type consists of the quartz veins with gold and antimony values.

These carry attractive grades in some places, but, as presently known, do not seem to have much tonnage potential.

The second type of mineralization is expressed in the geochemical data as the large arsenic anomaly in the northwestern portion of the property with some areas of anomalous copper geochemistry nearby. In view of the common association of arsenic and gold, it was hoped that the arsenic anomaly might reflect a permissive gold area of some size.

Phelps (1968) had reported this northwestern area to be underlain by tuffs and volcanic breccia with iron sulphides and some arsenopyrite.

When the property was examined it was found that this favourable area had subsequently been investigated with bulldozer cuts and by at least one diamond drill hole. Rock exposure in the new workings was quite good but no certain attitudes were noted. Since no grid points were located in the field it is not possible to exactly relate the new workings to the geochemistry, however they appear to correspond quite closely.

The rocks exposed in the new workings consist of tuffs and volcanic breccia as noted by Phelps. These are generally not highly sheared but do show alteration, particularly of matrix material and the rims of fragments. It seems most likely that they are part of the Vancouver Group volcanic sequence.

In composition they are generally andesitic to dacitic, however one section of road cut exposed rhyolite breccia for a length of about 50 metres. The rhyolite does not carry much sulphide but the surrounding pyroclastics carry from 10 to 25 percent pyrite. No arsenopyrite was noted.

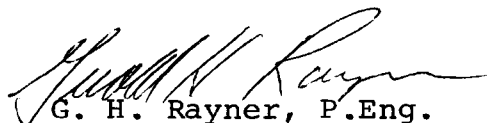
The exposures seen were generally chaotic and probably represent near-vent disposition without orderly bedding.

The alteration and sulphides also appear to be derived from a volcanic exhalative source rather than introduced later.

Six samples (3 grabs and 3 random chips) were taken during the examination. None returned values of interest in either precious or base metals.

RECOMMENDATIONS

Although the volcanic breccia area is not encouraging for gold-arsenic deposits the environment seems permissive for volcanogenic massive sulphide mineralization. Further work consisting of geological mapping and perhaps E.M. surveys is probably warranted.


G. H. Rayner, P.Eng.

West Vancouver, B.C.
January 27, 1981

MIN-EN LABORATORIES LTD.

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SEP 24 1980

Certificate of Assay

TO: Welcome North Mines,
1027-470 Granville St.,
Vancouver, B.C.

PROJECT No. _____

DATE Sept. 22/80.

File No. 0-844

SAMPLE No.	Ag	As %	Au	
	oz/ton		oz/ton	
69256B	.02	.01	.002	Pansy (PW 3A)
57B	.01	.01	.001	Pansy (RW1)
58B	.02	.01	.001	Pansy (PW 6A)
59B	.01	.02	.001	Pansy (PW1A)
69260B	.04	.02	.002	Pansy (PW2A)

MIN-EN Laboratories Ltd.
 CERTIFIED BY 

MIN-EN Laboratories Ltd.

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SEP 24 1980

ANALYTICAL REPORT

Ref: 42

Project Date of report **Sept. 22/80.**
 File No. **0-844** Date samples received **Sept. 16/80.**
 Samples submitted by:
 Company: **Welcome North Mines (PANSY).**
 Report on: **G. RAYNER** Geochem samples

 **5** Assay samples

Copies sent to:

1. **Welcome North Mines, Vancouver, B.C.**
2.
3.

Samples: Sieved to mesh Ground to mesh **-100**

Prepared samples stored discarded

rejects stored discarded

Methods of analysis: **As, Ag-Acid digestion-chemical analysis.**

Au-Fire and A.A. Finish.

Remarks:

