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REPORT ON THE
AMAI INLET GOLD PROSPECT

by

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for

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INTRODUCTION

This report is an evaluation of the exploration potential of the Amai Gold prospect situated on the west coast of Vancouver Island near Zeballos, B. C. Conclusions and recommendations tendered herein are based on geochemical soil data obtained by D. Murphy, a series of previous reports and descriptions, and a personal examination of the property on March 19-21, 1979.

The purpose of the examination was first to evaluate possible soil "anomalies" outlined by Murphy's work that suggested several broad areas of auriferous soils perhaps linked to a zone of disseminated gold, and second, to briefly examine the Patmore lode deposit situated near the ridge summit to the south.

LOCATION AND ACCESS

The prospect is situated on the south side of Amai Inlet 25 kilometres west of Zeballos and 5 kilometres from the entrance to Kyuquot Sound (Figure 1). Island Airlines supplies charter service from Gold River and a schedule service to the nearby Cachelot Inlet dock immediately west of the property. The property can also be reached by boat from Fair Harbour, a distance of 30 kilometres.

CLAIMS

The Amai property consists of four mineral claims (17 units) plus several claims currently being located by D. Murphy. A list of claims and expiry dates is given below.

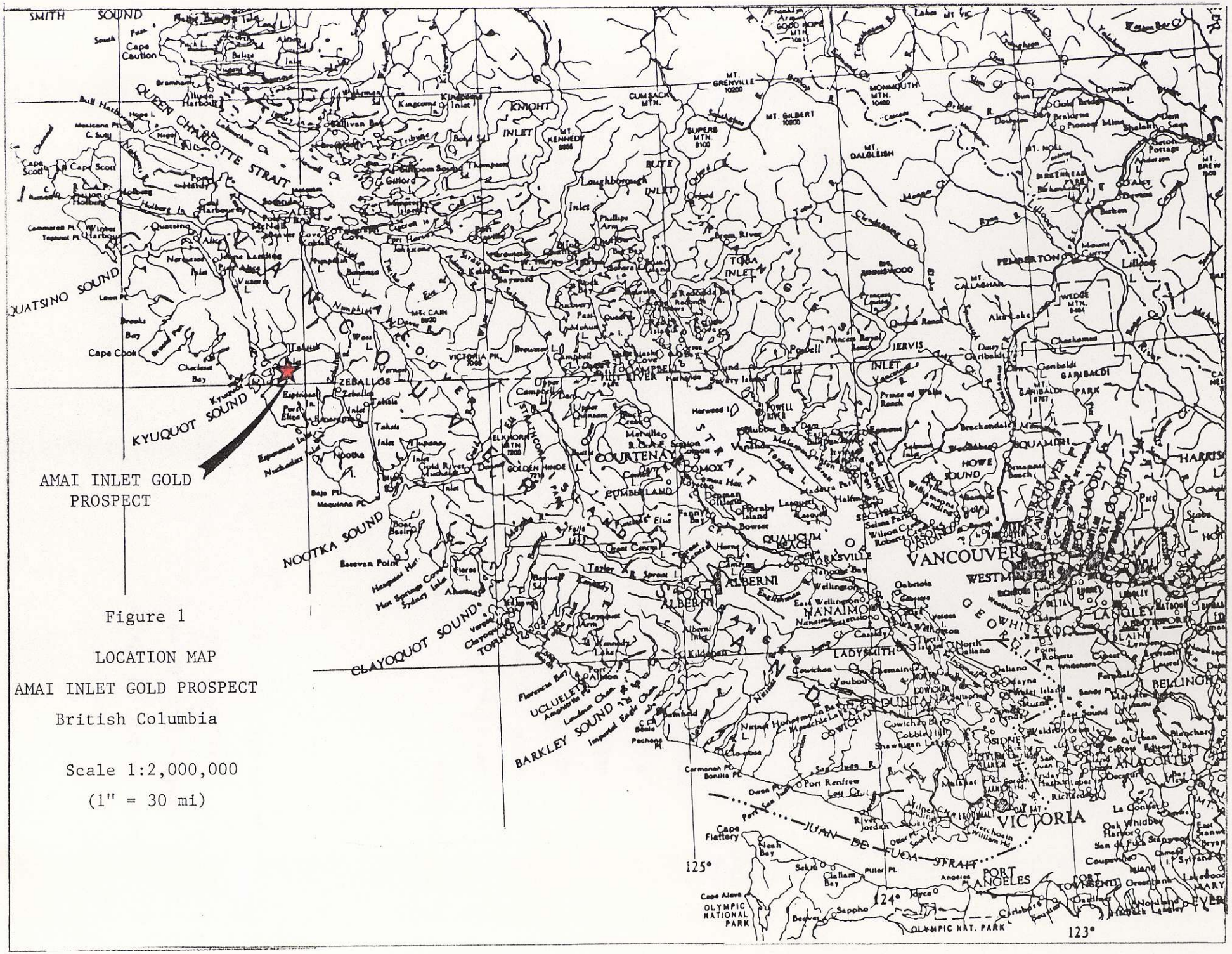


Figure 1

LOCATION MAP

AMAI INLET GOLD PROSPECT

British Columbia

Scale 1:2,000,000

(1" = 30 mi)

Name	No. Units	Record No.	Expiry Date
Amai Gold	6	152	November 23, 1983
Cachelot Gold	6	195	April 27, 1984
Narrowgut Gold	4	194	April 27, 1984
Phil Mil	1	196	April 27, 1984

The main claim (Amai Gold) will remain in good standing until November 23, 1983.

HISTORY AND PREVIOUS WORK

The property was originally staked in 1938 by J. J. Pugh and Associates and later leased to W. H. Patmore in 1941. Patmore drove 3 adits to explore an irregular gold-bearing fissure zone comprising quartz veins and mineralized gouge near the upper slopes of the south side of Amai Inlet. A total of 183 metres of underground development was done along with construction of a mill and tramline system from the adit area to sea level one kilometre to the north. Although considerable funds must have been disbursed on property development, no shipments of ore were made nor was underground development extended beyond the three short adits.

CURRENT WORK PROGRAM

D. Murphy established a small flagged grid in 1978 at the north end of the Amai Gold claim and subsequently collected 167 soil and silt samples at 25-metre intervals along three grid lines 100 metres apart. Some of the old access trails were refurbished and the #1 adit resampled.

Work in progress includes the property examination described herein and an extension of the grid system to the south.

REGIONAL GEOLOGY

The Amai lodes occur in a large pluton of Jurassic age (?) comprising a multiphase batholith situated at the upper reaches of Amai Inlet. Bonanza Group volcanic rocks and associated sediments enclose the pluton and form irregular inclusions and xenoliths within. A thick succession of Bonanza rocks, locally pyritic, is situated west of the property near Cachelot Inlet.

PROPERTY GEOLOGY

Granitic rocks of the Amai Inlet pluton, which underlie much of the property (Figure 2), consist of medium grained, equigranular quartz diorite and granodiorite locally rich in hornfelsed basic inclusions and xenoliths. These rocks are generally well exposed in creek gullies and moss-ridden bluffs within the Amai Gold claim, particularly on the upper slopes near the #1 adit. They are generally fresh, unaltered and broken by north- and easterly-trending joint systems. Erosion of granitic rocks along these joint systems has produced numerous steep-sided gullies. North-trending shear zones are exposed near the #1 adit and near the west boundary of the Amai Gold claim at the west end of lines 2S and 3S. Aplite and mafic dykes associated with auriferous gouge and quartz veins are exposed in the #1 adit.

GEOCHEMISTRY

Soil sample data are compiled on Figure 2. Data given represent original samples collected in 1978 by Murphy and check samples obtained this year to evaluate auriferous samples in the original program. Original "anomalies" were checked by detailed sampling and resampling the same sample site (check samples are underlined in Figure 2). In addition, the overall dispersion environment was assessed for each anomaly area. All data given in Figure 2 are in ppb gold.

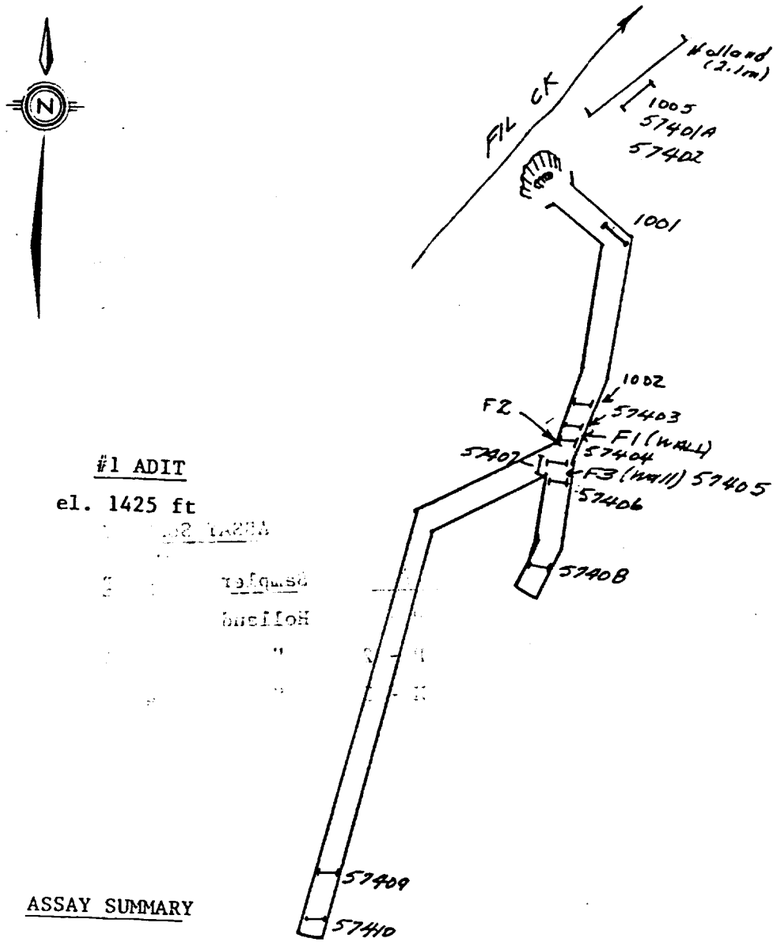
Much of the sampled area comprises subcropping and rubble-crop material overlain by a thin (0.2 metres) reddish glacial till in part consisting of decomposed granitic rock. A thick mantle of decayed organic matter overlies all of the bedrock and soil horizons. Soils are largely reworked colluvial materials washed from upper slopes downhill into the local drainage system by heavy winter rainfalls (800 cm per year) and some spring run-off. Some of the soil and organic matter collects in steep, joint-bounded gullies that locally form elongate swampy depressions. Sample data are classed into anomalous, threshold and background amounts in Figure 2. Categories were determined by partitioning of a bimodal cumulative graph using the methods described by Sinclair (1976). Two lognormal populations are present, an anomalous population having a mean of 600 ppb and a second population having a mean of 15 ppb. The anomalous range is generally above 200 ppb gold.

Sample 1.75W,0S, which contained 290 ppb gold, returned 60 ppb on resampling of the same sample site. Three other samples from the same

area returned <10, 60, <10 ppb gold. Results for follow-up work on line 1S are shown in Figure 2. Sample 1W (3400 ppb) returned a check sample of 170 ppb and a second sample from a reddish soil horizon nearby contained 1020 ppb. At 2W, resampling of 4600 ppb material returned a gold concentration of 140 ppb and at 2.25W, a 460 ppb sample returned a check analysis of <10 ppb. Other samples in the same area contained 60, 40, and 360 ppb. Resampling of a 400 ppb sample at 4.75W returned a check of 320 ppb. Three nearby samples contained 130, 140, and 30 ppb. Similarly a resample of 220 ppb at 8.50W contained 20 ppb and surrounding samples returned 170 and <10 ppb. The westerly part of line 2S followed a steep gully choked with organic debris. Original soil sites could not be found nor could any meaningful samples be collected. Thus the significance of all samples on 2S west of Fil Creek is unknown. Samples on line 3S west of the tramline returned a resample value of 60 ppb for the original 880 ppb and nearby follow-up samples returned <10 ppb.

PATMORE LODES

Four samples were collected from the #1 adit area and three from the #3 adit. Results are summarized in Figure 3. The auriferous lodes consist of siliceous gouge developed in aplitic rocks in #1 adit and a composite lode comprising two zones separated by a barren mafic dyke is exposed in adits 2 and 3. All zones appear to be colinear, part of a northerly-trending recurrent shear zone in part filled by mafic and aplite dykes. A summary of assay results obtained by C. M. Campbell in 1944 is given below. Diluted grades given are those for a one-metre mining width.

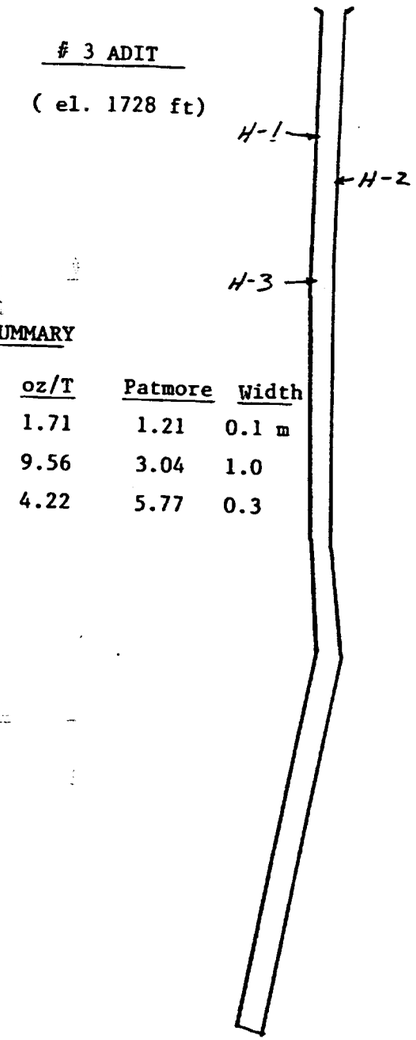


#1 ADIT

el. 1425 ft

ASSAY SUMMARY

#	Sampler	Width (m)	oz/T	g/t
1001	Murphy	1.0	0.088	
1002	"	0.8	0.906	
1005	"	1.0	0.246	
57401A	"	1.0		+10
57402	"	0.6		3.1
57403	"	0.6		2.5
57404		0.6		4.3
57405	"	0.6		4.2
57406	"	0.4		0.22
57407	"	0.8		5.6
57408	"	0.4		0.08
57409	"	0.4		0.07
57410	"	0.4		0.02
F-1	Fox	1.2 (wall)	0.078	
F-2	Fox	1.0 "	0.024	
F-3	Fox	0.8 "	0.238	
Holland		0.5	< 0.002	total length
		0.5	0.004	2.1m
		0.5	0.008	
		0.6	0.010	



ASSAY SUMMARY

#	Sampler	oz/T	Patmore	Width
H -1	Holland	1.71	1.21	0.1 m
H - 2	"	9.56	3.04	1.0
H - 3	"	4.22	5.77	0.3

FIGURE 3

ASSAY SUMMARY FOR PATMORE LODE
#1 and #3 ADITS

Scale: 1:480
(1" = 40')

Area	Width (m)*	Length (m)*	Au Grade (oz)*	Diluted Grade (oz)
#1 Adit	0.30	7.6	0.64	0.19
#2 Adit (A)	0.20	15.1	1.31	0.26
#2 Adit (B)	0.20	6.1	3.09	0.62
#3 Adit (A)	0.20	32.1	1.36	0.27
#3 Adit (B)	0.16	11.2	1.30	0.21

*C. M. Campbell

CONCLUSIONS

(1) Geochemical data collected to date indicate low contrast anomalies of doubtful significance at 1S,2W and 1S,4.75W. Other "anomalous" samples in the original survey were not confirmed by resampling or were found to be rich in organic materials. The latter samples are difficult to interpret because of the concentrating effect of gold in the biocycle. 'B' horizon samples should be reflected by an enhanced gold concentration in corresponding organic samples.

(2) Soil anomalies may reflect narrow lodes or mineralized shear zones similar to the Patmore veins or mineralized gouge exposed near the west end of line 3S. A broad auriferous zone or porphyry-type deposit is not indicated by information available to date.

(3) The Patmore lodes are of too low grade, too small, and too inaccessible to represent viable exploration targets at present. Even "high-grading" of the #2 and #3 veins will be unprofitable because of poor access.

RECOMMENDATIONS

The low contrast anomalies at 1S,2W and 1S,4.75W noted above should be prospected. Sufficient outcrop exists in both these areas to provide a reasonable evaluation.

Prepared by
FOX GEOLOGICAL CONSULTANTS LTD.

P. E. FOX, PhD. P.Eng.
April 6, 1979

REFERENCES

Sinclair, A. J., 1976: Application of Probability Graphs in Mineral Exploration. Assoc. Exploration Geochemists Spec. Vol.4.

A P P E N D I X I

ANALYSES

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CERTIFICATE OF ANALYSIS

CERTIFICATE NO. 46900

INVOICE NO. 29858

RECEIVED March 27/79

ANALYSED March 28/79

TO: Welcom North Mines Ltd.,
1027 - 470 Granville St.,
VAncouver, B.C.
V6C 1V5

AMAI INLET

ATTN: CC. Fox Geological Cons. Ltd.

SAMPLE NO. :	PPB Au
0+20N 1+80W	<10
L00S 1+75W	60
L1S 2Wa	60
2WAA	140
2WC	380
2W	120
2.25A	<10
2.25	<10
4.75WA	130
4.75WB	140
4.75WC	30
L1S 4.75W	320
0S 1+60W	10
0S 1+75W	60
0+90S 8+30W	30
1S ~~1+98W~~ 0+98 W	1020 Bag marked wrong
~~2+00W~~ 1+00 W	170
8+30W	170
1S 8+50W	20
1.80S 1.50W	40
2S 8+15W	<10
2S 8+25W	<10
2+50S 8+25W	<10
3S 8+10W	<10
3S 8+25W	60
Adamcrk. 79001	<10
Logging Rd. 15001 up 79004	<10
Creek flowing into Adam Crk E. Side	10

CTA MEMBER CANADIAN TESTING ASSOCIATION

CERTIFIED BY: Hawthorne

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CERTIFICATE OF ASSAY

CERTIFICATE NO. 65078

INVOICE NO. 29859

RECEIVED March 27/79

ANALYSED March 28/79

TO: Welcome North Mines Ltd.,
1027 - 470 Granville St.,
Vancouver, B.C.
V6C 1V5

ATTN: CC. Fox Geological Cons. Ltd.

SAMPLE NO. :	oz/ton Au
F-1	0.078
F-2	0.024
F-3	0.238

MEMBER
CANADIAN TESTING
ASSOCIATION

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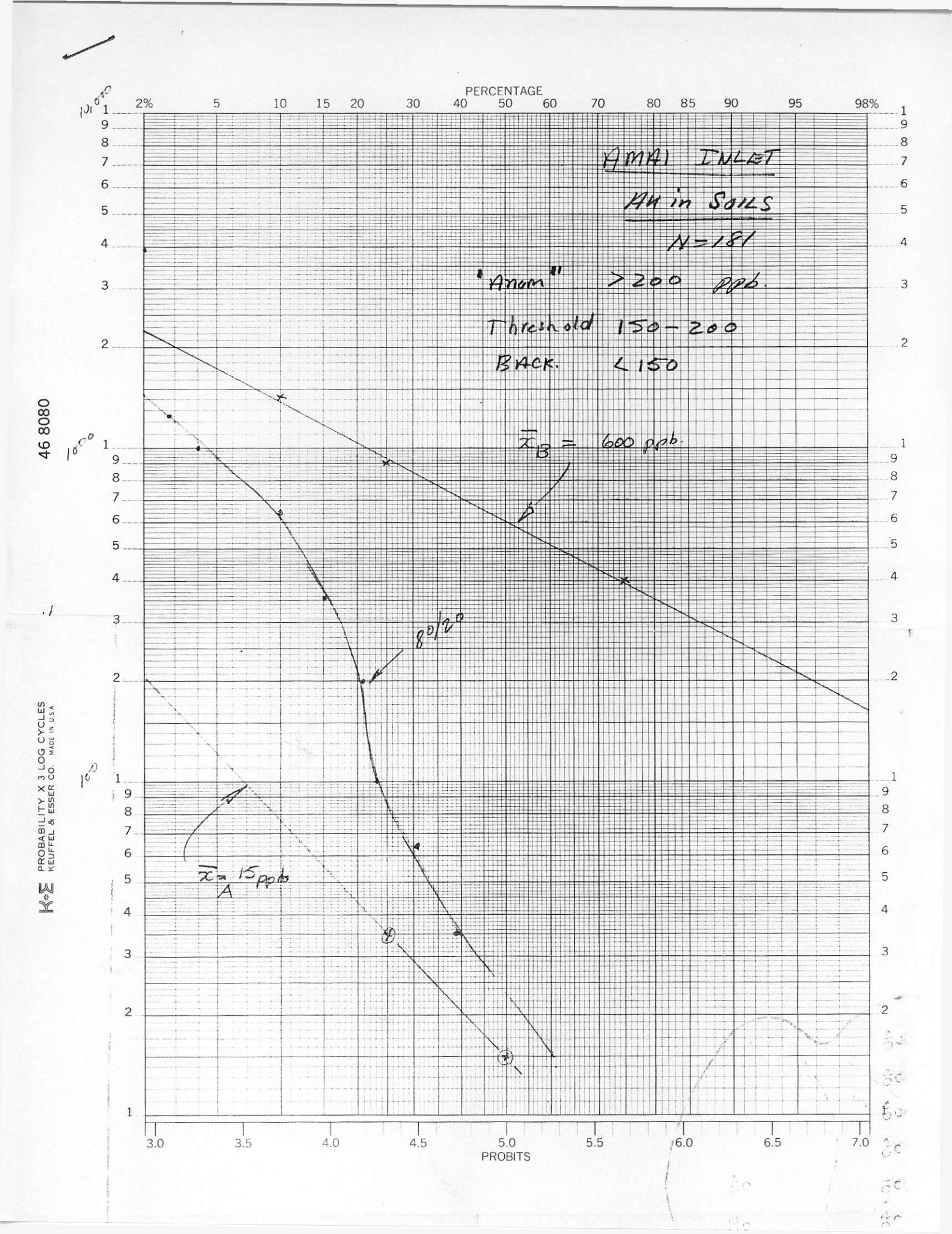
PERCENTAGE
2%
5
10
15
20
30
40
50
60
70
80
85
90
95
98%
AMAI INLET
Au in SOILS
N=181
"Anom" >200 ppb.
Threshold 150-200
BACK. <150
$\bar{x}_B$ = 600 ppb.
80/20
A
$\bar{x}_A$ = 15 ppb
PROBITS
3.0
3.5
4.0
4.5
5.0
5.5
6.0
6.5
7.0
46 8080
PROBABILITY X 3 LOG CYCLES
KEUFFEL & ESSER CO. MADE IN U.S.A.

ANAI INLET

MILL CK

TRAMLINE

CAMP

LCP

2200

SAMPLE FROM SHEAR ZONE 0.05 oz/ton

500

1000

1500

AMAI GOLD

FIL CK

#1

#2

#3

SYMBOLS

- Au ppb / CHECK SAMPLE — SOIL SAMPLE
- ● ANOMALOUS (> 200 PPB Au)
- ⊙ THRESHOLD (150–200 PPB Au)
- ○ BACKGROUND (< 150 PPB Au)
- 2200 □ SILT SAMPLE (PPB Au)
- AREA CONTINUOUS OUTCROP: GRANITIC ROCKS
- 70 JOINTS: INCLINED, VERTICAL
- FAULT
- ADIT
- TRAIL

NOTE: TRAILS AND GRID APPROXIMATE

inches 0 1 2 3 4 5
centimetres 0 1 2 3 4 5

This reference scale bar has been added to the original image. It will print proportionally as the image, therefore it can be used as a reference for the original size.

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AMAI INLET GOLD PROSPECT

ALBERNI M.D.

VANCOUVER ISLAND, B.C.

Tech. Wk: Fox Geological Cons.	SCALE: 1:2500 3000
DATE: April 6, 1979	NTS: 92E14
Checked by: PEF	Dwg No: FIG 2