

NTS 93 G/7
520919

HIXON GOLD (GOLD)

CARIBOO MINING DIVISION
BRITISH COLUMBIA

LOCATION

The HIXON GOLD property lies about 50 kilometers south of Prince George, B.C., and 5 kilometers east of the village of Hixon on the Cariboo Highway.

The claims lie on the upstream edge of the Hixon Creek Placer workings, which have had intermittent production since the 1860's.

GENERAL DESCRIPTION

The HIXON GOLD claims are currently held by Esperanza Explorations Ltd. through an option agreement which allows earning of a 100 percent interest subject to a royalty from production.

Gold occurrences in bedrock have been known in the area since the 1870's. From time to time they have been investigated by limited underground workings. The higher grade gold is found in quartz veins and veinlets in carbonate altered greenstone. Lower values have been reported in sections of altered greenstone as well as in the vein material.

The oldest rocks on the property are a series of fissile sericite schist of Mesozoic age. Bands of altered greenstone are interlayered with the schists with maximum exposed widths of about 30 meters in the mineralized area.

The greenstone is a massive fine to medium grained rock of intermediate to basic composition. The exposures show no flow structures, pyroclastic beds or other evidence to suggest that they are extrusive in origin. Contacts against the schist are sharp and show a suggestion of chilling.

On the basis of the limited exposures seen it appears most likely that the greenstones are a series of dykes or sills interleaved into the schist. Quartz-carbonate alteration and associated gold mineralization appears to be closely restricted to the greenstone with negligible values reported from schists in the old work.

Most of the known gold occurrences are found within an area 1550 meters (5000 feet) wide and 4000 meters (12000 feet) long. Depth of the mineralization has been proven to be at least 50 meters (160 feet) by the original underground workings from which ore was taken in the late 1800's.

A well defined aeromagnetic anomaly appears to delineate the greenstone host to mineralization. The original Hixon underground workings are located within this magnetic expression; coincident and partially coincident geochemical anomalies further define the zone of interest.

PREVIOUS WORK

The history of the property dates back to the late 1800's at which time active mining of placer and lode gold deposits yielded significant production from gravels and approximately 300 ounces of lode gold. Previously reported results from underground workings are tabled below.

<u>Occurrence</u>	<u>Width</u>		<u>Weighted Average Assays</u>	
	<u>Feet</u>	<u>Meters</u>	<u>Au (oz/ton)</u>	<u>Ag (oz/ton)</u>
Cayenne Tunnel, 1929	25	7.6	0.24	0.4
Main Shaft, #3 level, 1935	4	1.2	0.20	-
Main Shaft, #3 level, 1935	6	1.8	0.04	-
Main Shaft, #2 level, 1935	5	1.5	0.50	-
Briscoe Adit, 1934	0.25 tons of ore		0.64	-
Main Shaft, 1933	"large volume of greenstone"		0.07	-
	239 tons of ore		1.00	-
Briscoe Stringers, 1933	8 tons of ore		0.88	0.38

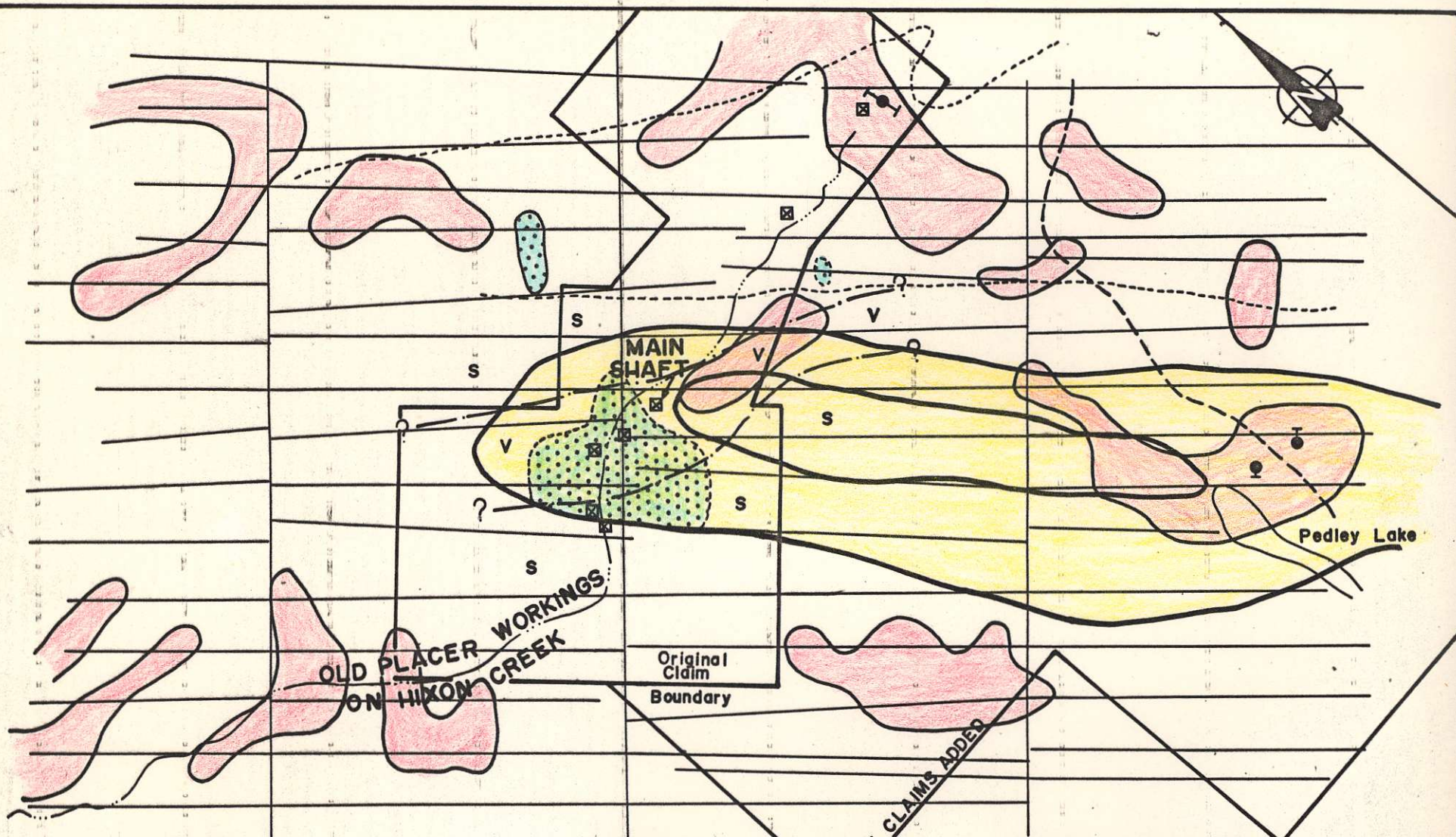
The property was mined as a placer deposit until 1970 at which time Bethlehem Copper Corporation conducted surface geological mapping and geochemical surveys followed by diamond drilling during 1971 and 1972 in order to test for lode gold potential, none of which tested the immediate vicinity of the underground workings.

Work performed by Esperanza in 1979 consisted of a re-examination of the property and compilation of data derived from previous work. Six separate dump areas were sampled, they returned an arithmetic average of 0.027 ounces/ton gold with the highest single value of 0.102 ounces/ton.





RECOMMENDATIONS

The Hixon Creek Gold property represents potential for deposits of volcanic-associated lode gold. Previous underground exploration and extension of those gold-bearing zones as represented by geophysical interpretation of aeromagnetic anomalies and coincident geochemical anomalies presents an excellent target for further exploration.








Further exploration calls for ground magnetometer and soil sampling surveys coupled with geological assessment of the original Hixon workings. Diamond drilling of the immediate area of the previously mined zones and their extensions would follow.




LEGEND

-  ZONE OF ABUNDANT AURIFEROUS QUARTZ VEINS
-  GOLD GEOCHEMICAL ANOMALY
-  AIRBORNE MAGNETIC ANOMALY
-  BOUNDARY OF MINERALIZED SCHIST ZONE

SYMBOLS

-  CUTLINE 1972
-  DIAMOND DRILL HOLE 1972
-  OLD ADITS AND SHAFTS
-  ROAD
-  GREENSTONE
-  SCHIST
-  GEOLOGICAL CONTACT

	WELCOME NORTH MINES LTD.	
ESPERANZA EXPL. LTD.		
HIXON CREEK PROPERTY		
COMPILATION MAP		
Scale: <u>1" = 2000'</u>	Date: <u>May 1979</u>	N.T.S. _____
Revised: _____	By: <u>E.F.</u>	Fig. _____

HIXON GOLD

January 21, 1980.

- | | |
|---|---------------------------------|
| 1) Cash payment on signing of agreement | \$10,000.00 |
| 2) Optional Cash Payments | |
| January 1, 1981 | \$15,000.00 |
| January 1, 1982 | \$20,000.00 |
| and annually thereafter | \$20,000.00 |
| until total payments of | \$115,000.00 have been received |
| 3) Earning of Interest | |
| The Participant/Optionee will earn a 100 percent interest in the property at which time total cash option payments of \$115,000 have been made, which interest will be subject to a 5 percent net royalty return interest to Esperanza. | |

DESCRIPTION OF PROPERTIES

HIXON PROPERTY

<u>Claim Name</u>	<u>Number of Units</u>	<u>Record Number</u>	<u>Expiry Date</u>
HQ	4	856	September 25, 1981
HQ 1	20	969	April 9, 1980
HQ 3	6	970	April 9, 1980
Hixon Quartz No. 1	n/a	61413	December 16, 1981
Hixon Quartz No. 11	n/a	61414	December 16, 1981
Hixon Quartz #3	n/a	821	September 1, 1981
Hixon Quartz #4	n/a	822	September 1, 1981
Hixon Quartz #5	n/a	823	September 1, 1981
Hixon Quartz #6	n/a	824	September 1, 1981

The Hixon Property consists of the above described 9 located mineral claims located in the Hixon Creek area in the Cariboo Mining Division of British Columbia.

Pursuant to an agreement dated March 21, 1979, between the Company and Messrs. Victor Guinet and Andrew Harman, Joint Owners, the Company, in consideration of the sum of \$3,500.00 acquired the exclusive option to acquire 100% right, title and interest in the HQ and Hixon Quartz 1 to 6 inclusive mineral claims by making further cash payments of \$7,500.00 by March 31, 1980, an additional \$10,000.00 by March 31, 1981, an additional \$10,000.00 by March 31, 1982 and an additional \$15,000.00 by March 31, 1983, and subject to the right of the joint owners to 2.5% of net smelter returns received by the Company from production from the property. The Company at any time prior to March 31, 1984, discharge its obligation to pay the said net smelter returns as aforesaid by issue and allotment to the joint owners of 200,000 shares in the capital of the Company. The HQ 2 and 3 mineral claims were located by Victor Guinet in late March, 1979 and transferred to the Company at cost of staking. The HQ 2 and 3 mineral claims are deemed Further Property and fall under the provisions of the agreement dated March 21, 1979 described above.