



**WELCOME NORTH MINES LTD.
ESPERANZA EXPLORATIONS LTD.**

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WELCOME/ESPERANZA JOINT VENTURE

PROGRESS REPORT - TILlicUM GOLD PROPERTY

Exploration carried out over the past two months continues to provide encouraging results on the TILlicUM GOLD Property near Burton, in the Arrow Lakes region of B.C. An 8 kilometre (5 miles) access road to the TILlicUM was completed in late October. Data gathered during the 1981 program of geological mapping, geochemical and geophysical surveys and trenching is now in the final stages of compilation; four separate mineralized zones are indicated. Welcome North Mines Ltd. and Esperanza Explorations Ltd., through the Welcome/Esperanza Joint Venture, share equally in the right to earn a 100 percent working interest in the TILlicUM.

The West Zone has been traced geochemically over a strike length of 930 metres (3,050 feet), with widths of up to 140 metres (460 feet). Anomalous gold in soils ranges from 100 to 16,000 parts per billion (up to 0.5 ounces per ton). A number of hand trenches have been blasted and sampled over short intervals throughout the south half of the West Zone. Significant gold and silver assays are reported below:

Co-ordinates (Metres)		Trench	Width (Metres)	Results	
North	West			Gold (oz/ton)	Silver (oz/ton)
375	390	Top	1.0	0.046	0.29
430	390	Ridge	4.0	0.067	0.78
450	390	3 Ounce	2.0	0.399	0.73
475	390	Middle	2.0	0.035	1.30
550	410	Screamer	1.9	2.456	not assayed
560	415	Money Pit	1.7	2.68	not assayed
670	360	Upper Jenny	2.9	0.039	0.21
675	360	Upper Jenny	0.8	0.110	0.44
677	360	Upper Jenny	1.3	0.310	1.00
680	360	Upper Jenny	2.1	0.074	0.85
685	360	Upper Jenny	0.4	0.212	0.90
700	380	Lower Jenny	1.5	0.059	not assayed
725	350	Lower Jenny	2.2	0.055	0.50
745	350	Lower Jenny	4.3	0.077	not assayed
775	370	Lower Jenny	3.3	1.408	0.78

Within the West Zone, the Money Pit contains the most spectacular gold values found to date on the property and good tonnage potential for high-grade gold exists to depth. Three bulk samples have been obtained from surface and shipped to the Cominco smelter at Trail from this steeply dipping, elliptically-shaped ore shoot. The first two bulk sample shipments, totalling 48 tons, assayed 2.44 ounces gold and 1.83 ounces silver per ton; an assay has not yet been received from a third, 16 ton shipment.

The East Zone, which is parallel to the West Zone, has been delineated by geochemical surveys over a strike length of 400 metres (1,300 feet), and widths of up to 100 metres (330 feet). A few short trenches have been dug and sampled within the East Zone. Significant assays are presented below:

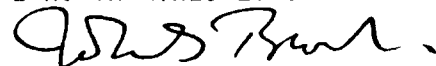
Co-ordinates (Metres)		Trench	Width (Metres)	Results	
North	West			Gold (oz/ton)	Silver (oz/ton)
440	225	East Pit	1.0	0.315	4.93
712	210	Blue Pits	2.0	0.109	1.11
725	220	Blue Pits	0.7	0.082	3.34

Recent bulldozer work has exposed a number of new zones of mineralization between the East and West Zones, as well as a northwest extension of the East Zone. The best assays obtained to date from the preliminary chip sampling of portions of the new areas showed gold grading 0.11 ounces per ton over a 5 metre width.

The next phase of exploration is currently proposed to consist of 3,000 metres (10,000 feet) of diamond drilling along with underground investigation of the Money Pit.

Yours truly,

ESPERANZA EXPLORATIONS LTD.
WELCOME NORTH MINES LTD.



John S. Brock
President