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ARCTIC RED JOINT VENTURE

YEAR END REPORT

JANUARY 1, 1976 - NOVEMBER 25, 1976

VOLUME I

AB, CAB, PR, REP AND REV

PROPERTY REPORTS

N.T.S. 106A, B, C, F, G

YUKON AND NORTHWEST TERRITORIES

by

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M.L. McArthur

November 25, 1976

GENERAL SUMMARY

This report presents a review of prospecting data and results of on-property exploration within the Arctic Red Project area as compiled by Welcome North during the 1976 field season.

The project was initially designed to cover Proterozoic carbonate and clastic rocks within the Mackenzie fold belt. This approach was modified in 1975 to include Paleozoic carbonate and clastic rocks and in 1976 to include shales of the Besa and Road River Formations.

Within the Project area, in excess of forty separate mineral occurrences were discovered by Welcome North as operators for the Arctic Red Joint Venture during the 1976 field season. Two of these were staked and have received some preliminary exploration.

The following table of expenditures represents gross expenditures made by the Arctic Red Joint Venture to October 31, 1976. It is anticipated that the Project will finish the year with approximately \$70,000 on hand, which cash balance will be applied to 1977 expenditures.

Geology	\$ 37,654	
Geochemistry	12,723	
Prospecting	24,187	
Trenching	4,617	
Staking and Acquisition	1,308	
Property Maintenance	375	
Camp Operation	30,907	
Expediting	2,517	
Freight and Transport	144,900	
Administration	<u>19,517</u>	
	278,705	
Projected Costs November-December, 1976	<u>15,000</u>	
	\$293,705	
Cash on hand December 31, 1976		\$70,085

The 1976 under budget figures are the direct result of a shorter field season. Two weeks in May and two weeks in September were budgeted for. However, due to snow conditions work did not commence until June 1, 1976 and was hindered in the early part due

to snow cover. In September early snow in the Arctic Red area brought about an early closure of the program.

As a result of the 1976 program, the following recommendations are proposed for a continuation of the Arctic Red Project in 1977.

A) Approval of a budgeted expenditure of \$250,100

AB	\$181,400
REP	15,675
PR	8,838
CAB-BB-DAB-EAB	24,512
OUTSIDE EXPLORATION	19,675
TOTAL	<u>\$250,100</u>

B) Proposed Work 1977 Field Season

- 1) Drilling on the AB C-Zone, approximately 1,000 feet.
- 2) Trenching on the AB Main Zone, T1 - T8.
- 3) Contingent on trenching results drilling AB Main Zone.
- 4) Detailed mapping and sampling AB claims.
- 5) Mapping, prospecting and geochemistry BB-DAB claims.
- 6) Mapping, prospecting and geochemistry EAB claims.
- 7) Mapping, sampling CAB showings which have not been examined.
- 8) Mapping, prospecting, sampling, and geochemistry REP claims, contingent trenching.
- 9) Mapping, prospecting, sampling, and geochemistry PR claims.

Much of this exploration work would be carried out in conjunction with the work planned for the AB claims.

During the 1977 field season follow up of outside exploration targets on which further work has been recommended in previous years is suggested. Two other targets are of some interest:

- 1) Middle Ordovician Volcanics (massive sulphides).
- 2) Carbonatite/Kimberlite (REV-BEAR type).

The final regional report is now in the process of being prepared and should be completed at the end of January, 1977.

PROPOSED ARCTIC RED BUDGET 1977 AND PRO-RATA VENTURER PARTICIPATION

GEOLOGY	\$ 39,300
GEOCHEMISTRY	4,500
DRILLING	62,500
TRENCHING	8,000
CAMP	33,000
FREIGHT AND TRANSPORTATION	83,500
EXPEDITING	2,100
ADMINISTRATION	<u>17,200</u>

TOTAL \$250,100

TOTAL BUDGET \$250,100

Forward 1976 cash on hand 70,100

Total Funds Requested \$180,000

Bethlehem Copper Corp	\$60,000
Utah Mines Ltd.	\$60,000
Getty Mining Pacific	\$30,000
Du Pont of Canada Exploration	\$30,000

QUARTERLY CONTRIBUTION SCHEDULE

	<u>Bethlehem</u>	<u>Utah</u>	<u>Getty</u>	<u>Du Pont</u>	<u>Total</u>
1st Quarter	10,000	10,000	5,000	5,000	30,000
2nd Quarter	20,000	20,000	10,000	10,000	60,000
3rd Quarter	20,000	20,000	10,000	10,000	60,000
4th Quarter	<u>10,000</u>	<u>10,000</u>	<u>5,000</u>	<u>5,000</u>	<u>30,000</u>
	60,000	60,000	30,000	30,000	180,000

COMPETITIVE EXPLORATION ACTIVITY

The most significant competition came from Cordilleran Engineering, who continued their regional geochemistry program in the Road River and Besa River shales. As far as is known to date they did not stake any claims.

Archer-Cathro, Urangesellschaft and Harman Management were actively exploring for uranium in the Helikian rocks in the Mayo area (N.T.S. 106C/D/E.F). Several claim groups were staked in late August.

Rio Tinto drilled 30,000 feet in the Gayna River area (N.T.S. 106B-15) and will continue drilling in 1977.

INCO conducted a regional search for lead-zinc in the Godlin Lakes area.

SUMMARY, FIELD ACTIVITIES

Until July 15, the prospecting and property crews were based at Rev Lake. Of principal interest was the mineralized siltstone in the Besa River shales (see June 30 Progress Report 76-2). Assay results from a regional chip sampling program showed no zinc mineralization over significant widths. Of approximately 200 vertical chip samples one assayed 3.80 percent zinc over 5 feet and another 2.28 percent zinc over 5 feet.

Field crews completed detailed mapping, soil sampling and rock chip sampling on the REV claims. No new mineralization of any extent was discovered. Channel sampling on the main showing improved grades over the 1975 chip sampling results.

The new data from the REV main showing suggests there are two horizons of stratabound zinc mineralization as well as the cross-cutting mineralized breccia zone. A lower sucrosic dolomite contains disseminated green sphalerite and commonly assays 10 percent zinc. Potential thickness is 14 feet over a width of 350 feet, however mineralization is patchy.

Fifty stratigraphic feet above the lower zone is a five-foot thick, light-grey, laminated dolomite with sphalerite along the laminations. This unit also has potential for extensive stratabound mineralization.

July 15, the camp was moved to Reptile Lake (132°00'W, 64°42'N). Prospecting continued from this location in the Road River and Besa River shales. Two occurrences of sphalerite mineralization, the REP and the PR, were staked.

August 17, 48 REP claims were staked to cover an occurrence of laminated red sphalerite and pyrite in the Road River Formation (N.T.S. 106C-8, 132°05'W, 64°28'N). A chip sample taken on the original showing assayed 3.56 percent zinc over 10 vertical feet. Lead is only minor in the occurrence. Outcrop is minimal on the REP property, therefore a soil geochemistry grid 9000 feet x 4000 feet was done over the mineralized area.

The PR 1-24 claims were staked on August 25 (N.T.S. 106B-5, 131°52'W, 64°28'N). They cover an area of Besa River shales associated with travertine deposits which average 3 percent zinc. Mineralized float on the property assayed 11.52 percent lead, 36.6 percent zinc. Soil geochemistry was done on this property as well since outcrop was limited. Local areas as high as 33,000 ppm zinc were delineated.

From the Reptile Lake camp regional mapping of the AB/CAB claims was done. Emphasis was placed on the AB "C" Zone, a newly found sphalerite occurrence in the Lower Cambrian Sekwi Formation. The original showing was sampled and assayed 12.6 percent over 5 feet vertical and 8.3 percent over 20 feet horizontal. August 22, trenching was done to verify the extent of the mineralization. In total, 10 trenches were blasted. Results from sampling suggest that the lower high-grade bed extends at least 225 feet horizontally, maintaining an average grade of 10 percent. There are two mineralized horizons separated by a low-grade zone - a lower 13 feet of 9.2 percent and an upper 11 feet of 9.75 percent separated by 27 feet of 0.64 percent zinc. Approximately

200 stratigraphic feet above the lower zone is another mineralized horizon. Three of the trenches were in this horizon and the best assay was 11.6 percent zinc over 3 1/2 vertical feet. Galena is also found in this zone and a 6-foot vertical chip assayed 2.92 percent zinc, 1.58 percent lead.

The prospecting crews left the Arctic Red agreement area on August 26. Trenching continued until September 1, at which time the summer field season was terminated.

The final Arctic Red report is now in preparation and is planned to be completed by early 1977.

PERSONNEL, 1976 FIELD SEASON

PROPERTY CREW

G. McArthur	Geologist
M. McArthur	Geologist
Glen Fung	Field Assistant

PROSPECTING CREW - OEX

Jim Crawford	Stratigrapher
Pete Risby	Chief Prospector
Arthur John	Prospector
Robert Etzel	Prospector
Esau Dick	Prospector
Amos Dick	Assistant Prospector
Jill Pangman	Assistant Prospector
Jane Gahan	Assistant Prospector
Evelyn Vipond	Cook
George Howell	Helicopter Pilot
Rod Watt	Helicopter Pilot

REVIEW OF PROPERTY STATUS NOVEMBER 25, 1976

	<u>Exploration Proposal</u>	<u>Due Date</u>
AB	Drilling C-Zone Trenching Main Zone - contingent drilling	1977-80
CAB	Mapping and Sampling	1977-80
BB	Geochemistry - mapping, sampling	1977
DAB	Geochemistry - mapping, sampling	1977
EAB	Mapping, sampling	1977
PR	Geochemistry - mapping, sampling	1977
REP	Geochemistry - mapping, sampling	1977
REV	Inactive	1981
HAB	Inactive	1978
RA	Inactive	1978
JIM	Inactive	1978
AJ	Inactive	1979
DOR	Allow to lapse	1977
JAN	Allow to lapse	1977
AXE	Allow to lapse	1977
NEST	Allow to lapse	1977