

KERR ADDISON MINES LIMITED

(FOR INTER-OFFICE USE ONLY)

MAY 22 1973

105 P
007350

To G. M. Hogg From W. M. Sirola
Subject WELCOME NORTH EXPLORATIONS
GODLIN LAKES AREA, NWT 105P Date May 18, 1973

P.M.K.
C.M.H.
R.D.S.
B.C.B.
L.D.R.
M.D.R.
J.H.F.

I spoke with John Brock and secretary Irene Wilson who are involved in Welcome North with entrepreneur, Al Kulan.

Welcome North has staked a total of 7 claim groups varying in size from 24 to 77 claims. These claims were staked on actual showings or in some cases lead-zinc float found in Middle Devonian reefoid limestones and graptolitic shales.

The claim blocks are distributed over a strike distance (northwest) of 24 miles and an eastwest distance of approximately 20 miles.

The samples John Brock showed me contained lead and zinc occurring interstitially between brecciated fragments of dolomite or limestone. Apparently, their best showing ran 35% combined lead-zinc across 60 feet but I don't pretend to know who did the sampling.

Of the 7 groups staked northwest of Godlin Lakes, 3 have already been optioned and 4 are still available. The asking price is \$8,000 in cash on the signing of the deal, \$15,000 one year later, \$22,000 two years later and \$35,000 three years later. In addition to these payments Welcome North would retain a 40% free ride which would drop to 30% if a property reached the production stage and if Welcome North did not participate pro rata.

I believe the showings were all staked originally by prospector, Pete Risby of Ross River who optioned the properties to Arrow Inter-American Corporation who carried out some geological work and returned the properties to Risby. Arrow Inter-American allegedly dropped the properties because of a budget cut.

The nature of the occurrences is such that they would have to be mined by underground methods and as yet we have no way of knowing what the average grade of the showings might be. My feeling at the moment is that if we were fortunate enough to find similar occurrences in the proposed joint venture with Noranda we would certainly do follow-up work. However, the combination of a very short season together with rapidly increasing payments, plus the 40% free ride makes the optioning of the Welcome North properties a rather expensive operation.

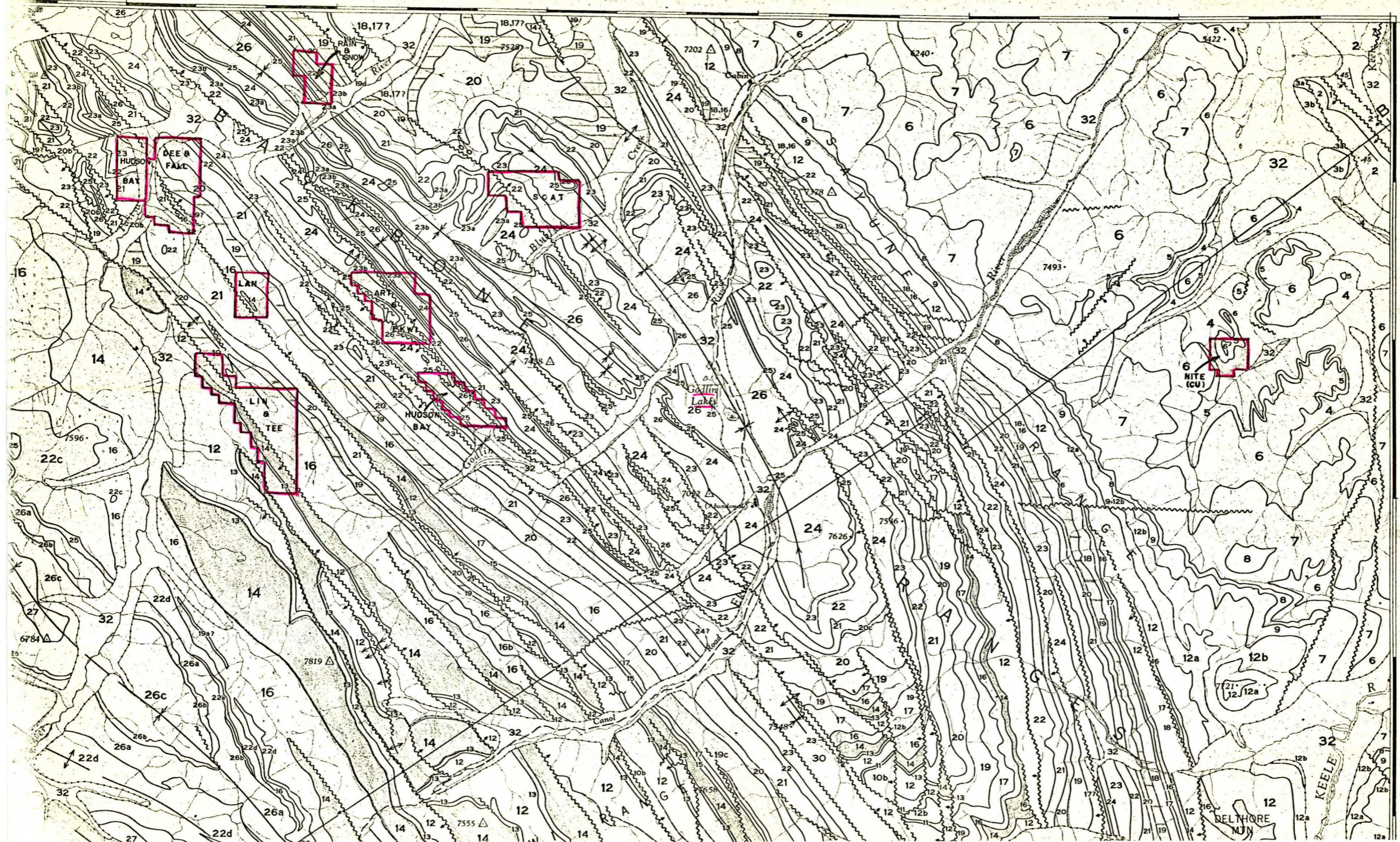
It is conceivable that the terms are to some degree negotiable, but I personally would rather enter into the joint venture with Noranda rather than option one of these claim blocks for the terms stipulated.

We do not know enough about this area to move too quickly - and in any event there is no way a 40% free interest can be given. The noted Noranda Joint Venture deal has been refused, and Bill Sirola is to visit the area later on.

WMS/ab
Bill
W. M. Sirola
Sent June 1/73

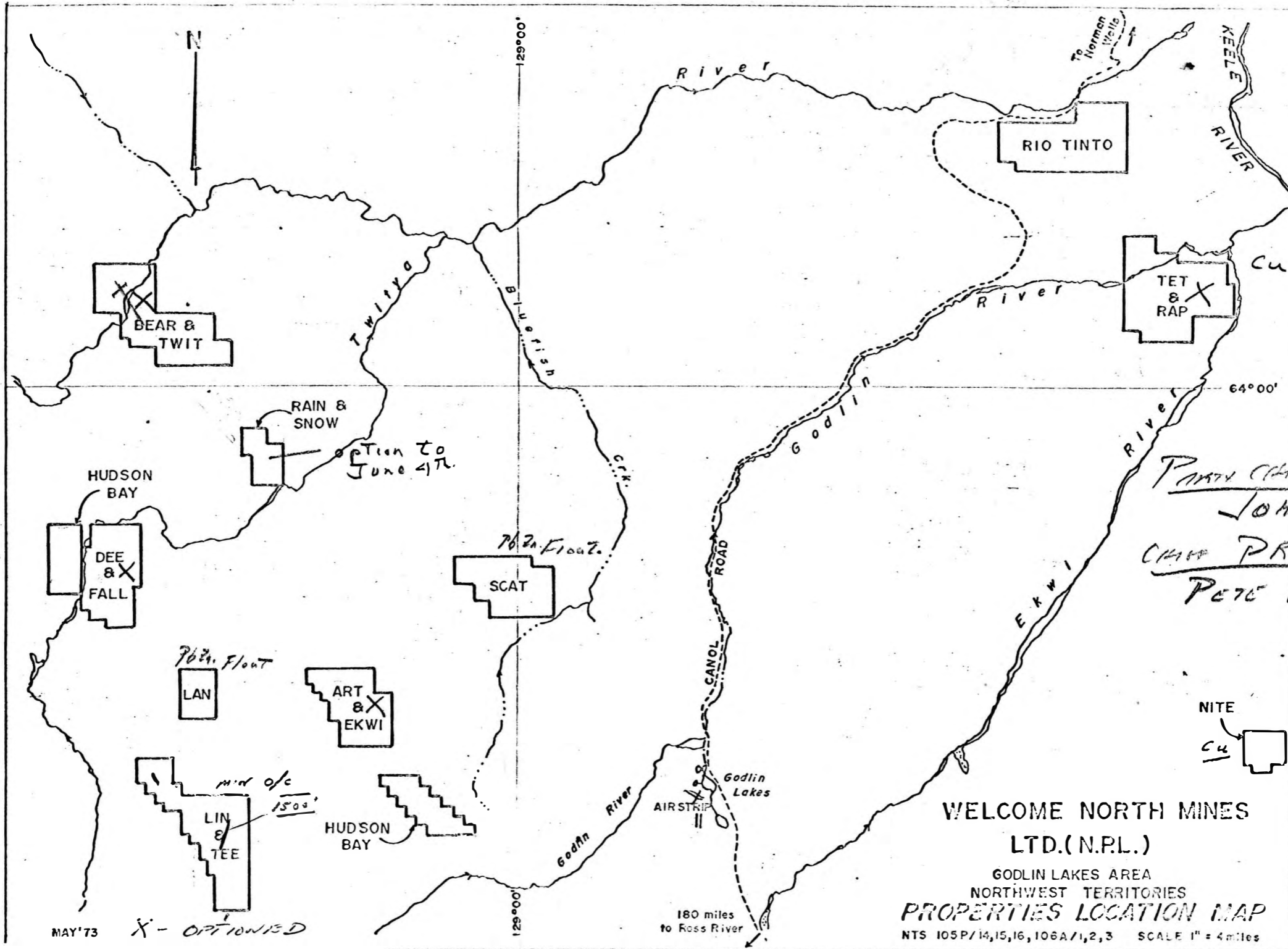
30' 15' 129°00' 45' 30' 15' 128°00'

64°00'



*Welcome North Properties
Sekwi Sheet 105 P.*

*Scale
1" = 4mi*



MAY '73

X - OPTIONED

THOMAS CHASE
JOHN RICKER
CHAS PROSP.
PETE RISBY

WELCOME NORTH MINES
 LTD.(N.P.L.)
 GODLIN LAKES AREA
 NORTHWEST TERRITORIES
 PROPERTIES LOCATION MAP
 NTS 105P/14,15,16,106A/1,2,3 SCALE 1" = 4 miles