PROPOSED OPTION AGREEMENT
LADY DI AND CHUCK MINERAL CLAIMS
(THE PROPERTIES) AND BASIN '82
EXPLORATION PROGRAM

1. CASH DOWN PAYMENT - $150,000

2. CASH OPTION PAYMENTS

In order to maintain the Option in good standing, commencing January 5, 1983, and annually thereafter, $150,000 until a total of $750,000 has been received on or before January 5, 1987.

3. WORK COMMITMENTS

On or before August 12, 1982, the Optionee shall make sufficient exploration expenditures to maintain at least 60 mineral claims in good standing for a subsequent 5 year period. In any event, all work performed shall be filed to the maximum extent allowable.

4. EARNING OF INTEREST

At which time, on or before December 31, 1987, the Optionee has made cash option payments totalling $750,000, and has made exploration expenditures totalling $4 million, the Optionee shall have earned a 60 percent interest in the Properties.

5. WELCOME/ESPERANZA INTEREST

At which time the Optionee has earned a 60 percent interest in the Properties, Welcome/Esperanza shall have, within 180 days, the right to elect to either:

a) contribute to ongoing expenditures on a 60/40 basis under the provisions of a Joint Venture Agreement

or

b) waive its right to a 60 percent working interest and assume a 5 percent Net Smelter Return Interest, which interest shall, commencing December 31, 1988, pay a minimum royalty of $200,000 per year.

6. OPERATOR

The Optionee would be Operator for work performed on the Properties.

OPTION TO PARTICIPATE IN BASIN '82 EXPLORATION PROGRAM

The Optionee will have the right at any time prior to January 5, 1982 to participate in the BASIN '82 Exploration Program in accordance with the following principal terms:

a) The Optionee would fund an approved Exploration Program within a defined Area of Interest, which Area of Interest as proposed would include N.T.S. Quadrangles 105K/9, 10, 11, 12, 13, 14, 15 and 16, and 105L/9 and 16. The Area of Interest would remain in effect until December 31, 1982, after which time the period could be extended by mutual consent.

b) The total budget of the proposed Exploration Program is estimated to not exceed $200,000. Welcome North would be manager of the Program for the period to December 31, 1982.

c) The provision of a Prospector's Incentive Agreement would form part of the BASIN '82 Exploration Program (a copy of which Agreement is available on request).

d) All mineral properties staked as a result of the BASIN '82 Program would, prior to December 31, 1982, be designated Specific Properties. Areas not staked, but recommended for follow-up in 1983, would be designated as Specific Areas of Interest.

   Specific Properties shall include an area of 5 kilometres from the outer boundaries of the initially staked mineral claims provided that the total number of claims comprising the Specific Property shall not exceed 200 in total.

   The 5 kilometre perimeter area cannot extend south of 62°30'N because of the provisions of another Area of Interest with a third party (Getty/Welcome/Vangorda Project 1975).

e) With respect to each Specific Property acquired within the Area of Interest and held in good standing as of January 5, 1984, the Optionee will have the right to enter into an Option Agreement by making the following payments for each Specific Property of its choice:

OPTION TO PARTICIPATE IN BASIN '82 EXPLORATION PROGRAM

e) cont'd.)

(i) commencing January 5, 1984, $100,000 per year to a maximum of 5 years at which time the Optionee will have earned a 50 percent interest in such property subject to:

(ii) Welcome/Esperanza's right to participate at that time as to a 50 percent working interest or elect to waive its right to participate in lieu of a:

(iii) 5 percent Net Smelter Return Interest, which interest shall, commencing December 31, 1989, pay minimum royalty of $100,000 per year.

(iv) The Optionee may terminate the Agreement or abondon any property at any time provided that the claims are transferred to Welcome/Esperanza and all in good standing for ensuing period of one year.

SHEET 105K-13

LATITUDE 62°45' To 63°00'
LONGITUDE 133°30' To 134°00'

CANADA
DEPARTMENT OF NORTHERN AFFAIRS AND NATIONAL RESOURCES
NORTHERN ADMINISTRATION AND LANDS BRANCH
LANDS DIVISION

SCALE: 1/2 MILE To 1 INCH

FT. 1500 0 1500 3000 4500 6000 7500 9000 10500 FT.

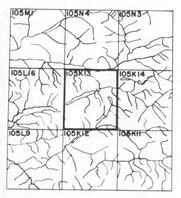
ISSUED UNDER THE AUTHORITY OF THE MINISTER
OF
NORTHERN AFFAIRS AND NATIONAL RESOURCES

inches 0 1 2
0 1 2 3 4 5 centimetres

YUKON GEOLOGICAL SURVEY

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

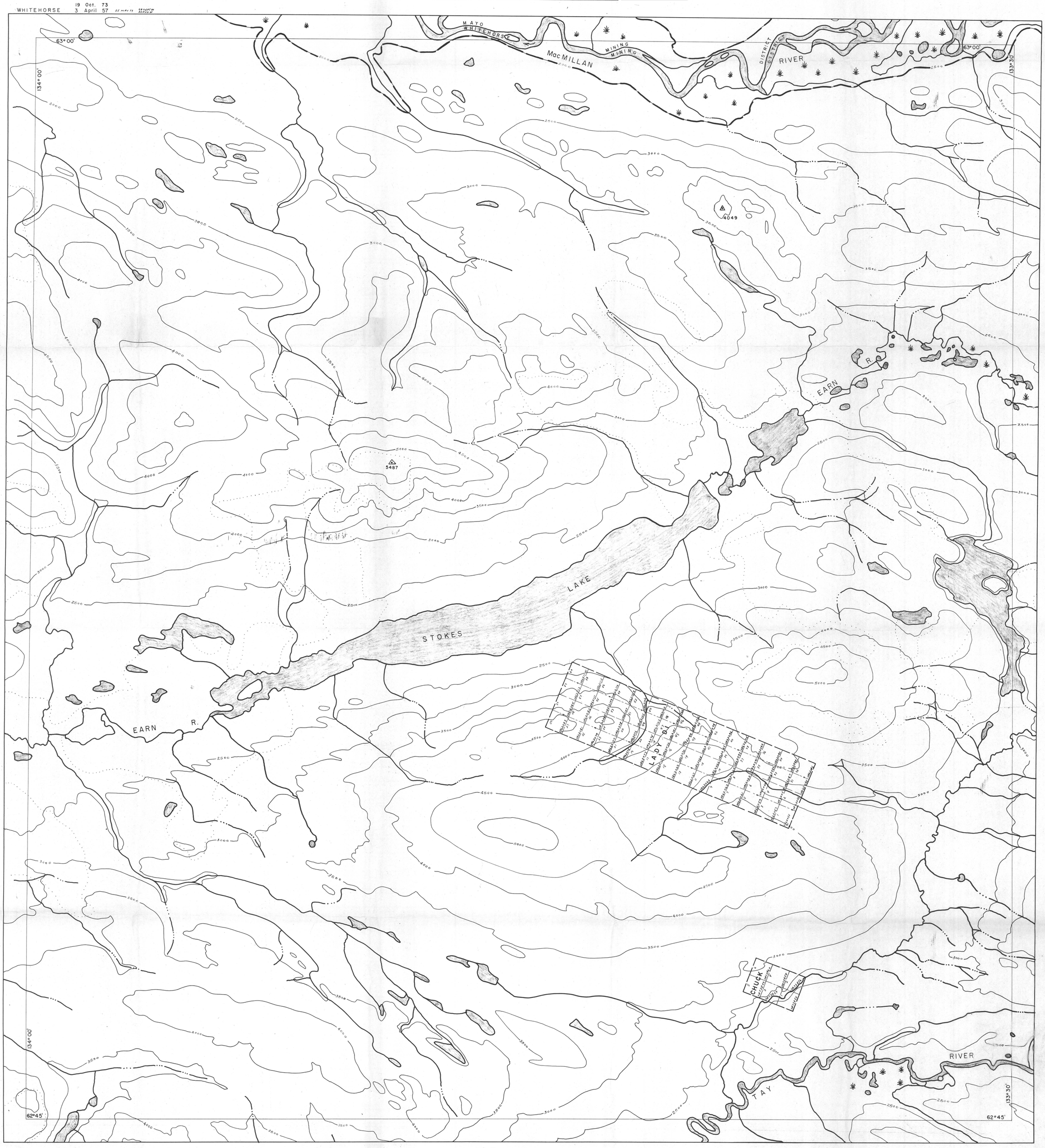
Magnetic North
N34° 12'E



NOTICE

THIS MAP IS ISSUED AS A PRELIMINARY GUIDE FOR WHICH THE DEPARTMENT OF INDIAN AFFAIRS AND NORTHERN DEVELOPMENT WILL ACCEPT NO RESPONSIBILITY FOR ANY ERRORS, INACCURACIES OR OMISSIONS WHATSOEVER.

WHITEHORSE 19 Oct. 73
3 April 57 25 MAY 73



105K-13