

THIS PROSPECTUS CONSTITUTES A PUBLIC OFFERING OF THESE SECURITIES ONLY IN THOSE JURISDICTIONS WHERE THEY MAY BE LAWFULLY OFFERED FOR SALE.

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NO SECURITIES COMMISSION OR SIMILAR AUTHORITY IN CANADA HAS IN ANY WAY PASSED UPON THE MERITS OF THE SECURITIES OFFERED HEREUNDER AND ANY REPRESENTATION TO THE CONTRARY IS AN OFFENCE.

NEW ISSUE

PROSPECTUS

THE MOSQUITO CREEK GOLD MINING COMPANY LIMITED (N.P.L.)

600,000 UNITS

Consisting of  
600,000 shares  
and  
600,000 Series "A"  
warrants

Price to Public	Underwriting Discount	Proceeds to Issuer
Per unit...\$0.55 (1)	\$0.075	\$0.475
Total - \$330,000	\$45,000 (2)	\$285,000 (3)

(1) The price of units has been determined by the Company in negotiation with the Underwriters.

(2) The Underwriters have an option to acquire 250,000 shares at 60¢ per share, see "Plan of Distribution".

(3) Before deduction of expenses of this issue estimated to be \$20,000.

THE COMPANY'S MINERAL PROPERTY WHICH IS LOCATED IN BRITISH COLUMBIA IS WITHOUT A KNOWN BODY OF COMMERCIAL ORE AND THE PROPOSED PROGRAM IS AN EXPLORATORY SEARCH FOR ORE. NO SURVEY HAS BEEN MADE OF THE COMPANY'S TWO PLACER MINING LEASEHOLD PROPERTIES AND THEREFORE, IN ACCORDANCE WITH THE MINING LAWS OF THE PROVINCE OF BRITISH COLUMBIA, THEIR EXISTENCE AND AREA COULD BE IN DOUBT. A PURCHASE OF THE UNITS OFFERED HEREUNDER MUST BE CONSIDERED A SPECULATION.

REFERENCE SHOULD BE MADE TO "PRINCIPAL HOLDERS OF SECURITIES" AND "PARTICULARS OF SHARES ISSUED OTHER THAN FOR CASH" HEREIN FOR A COMPARISON OF THE NUMBER OF SHARES HELD BY THE PROMOTERS AND DIRECTORS OF THE COMPANY AND RECEIVED FOR CASH, SERVICES AND PROPERTY, WITH THE NUMBER OF SHARES OFFERED BY THIS PROSPECTUS.

THERE IS NO MARKET FOR SECURITIES OF THE COMPANY AND A PURCHASE OF THE UNITS OFFERED HEREBY MUST BE CONSIDERED A SPECULATION.

We, as principals, conditionally offer these Units, subject to prior sale, if, as and when issued by the Company and accepted by us in accordance with the conditions contained in the Underwriting Agreement referred to under "Plan of Distribution" on page 3 and subject to approval of all legal matters on our behalf by Swinton & Company, Barristers & Solicitors, Vancouver, B.C. and on behalf of The Mosquito Creek Gold Mining Company Limited (N.P.L.) by Clark, Wilson & Company, Barristers & Solicitors, Vancouver, B.C.

CONTINENTAL CARLISLE DOUGLAS LTD.

CANARIM INVESTMENT CORPORATION LTD.

C.M. OLIVER & CO. LTD.

MCDERMID MILLER MCDERMID LTD.

WOLVERTON & CO. LTD.

BRINK, HUDSON & LEFEVER LTD.

August 25, 1977

93H 010

93H/4E MOSQUITO (093H 010)

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### THE COMPANY

The Mosquito Creek Gold Mining Company Limited (N.P.L.) (hereinafter called the "Company") was incorporated by Memorandum under the British Columbia Companies Act on June 8, 1971. The head office of the Company is situated at 586, 355-4th Avenue, S.W., Calgary, Alberta, and its registered and records offices are situated at 17th Floor, 750 West Pender Street, Vancouver, British Columbia. The authorized capital of the Company was increased on July 5, 1973 to consist of 6,000,000 shares with a par value of 50¢ each.

### PLAN OF DISTRIBUTION

Under an agreement dated June 30, 1977 and amended July 20, 1977 between the Company and Continental Carlisle Douglas Ltd., Canarim Investment Corporation Ltd., C.M. Oliver & Co. Ltd., McDermid Miller McDermid Ltd., Wolverton & Co. Ltd. and Brink, Hudson & Lefever Ltd. (the "Underwriters") as Underwriters, the Company has agreed to sell and the Underwriters have agreed to purchase on the fifth business day following the date of acceptance for filing of this prospectus by the Superintendent of Brokers for the Province of British Columbia 600,000 Units at a price of 47½¢ per Unit payable in cash to the Company against delivery of the Units. The obligations of the Underwriters under the agreement may be terminated at their discretion on the basis of their assessment of the state of the financial markets and may also be terminated upon the occurrence of certain stated events. The Underwriters are, however, obligated to take up and pay for all of the Units if any of the Units are purchased under the Agreement.

The Units, consisting of one share and one Series A warrant of the Company being offered by this Prospectus including any shares acquired by the Underwriters through the exercise of the Underwriters' option hereinafter described are to be offered to the public in the Province of British Columbia by the Underwriters as to 16 2/3% each, as Principals. The Underwriters will purchase the units at a discount of 7½¢ per unit and have been granted the option to purchase 250,000 shares of the capital of the company at 60¢ per share exercisable within 6 months of the date of receipt by the Company of the underwriting proceeds.

BUSINESS AND PROPERTY OF THE COMPANY

The Company was incorporated as a mineral exploration company and intends to carry on business as such with a view to developing mineral properties of merit, in particular the Gold properties described below.

The Company is the registered holder and beneficial owner of 29 Crown granted mineral claims and 2 placer mining leases situated near the town of Wells, British Columbia in the Quesnel Forks Assessment District, Cariboo Land District, described as:

<u>Name of Claim</u>	<u>District Lot No.</u>
Mohawk No. 3	11072
Seattle	10358
Brookford Number 4	5901
Brookford Number 6	10352
Mosquito	10355
Red Gulch Numbers 1 - 7	10360 - 10366
Red Gulch Extension Number 2	10369
Dawne Number 4 Fraction	10722
Farmer	38F
Port Hope	10357
Mosquito Fraction	10359
Brookford Number 5	5902
Brookford Number 7	10353
Vancouver	10356
Red Gulch Extension Number 1	10368
Red Fraction	5924
Willow Numbers 7 - 10	10717 - 10720
Oliver	20F
Alabama	30F
Never Sweat	39F
Placer Mining Lease No. 2651 - Quesnel Mining Division	
Placer Mining Lease No. 5263 - Quesnel Mining Division	

Taxes and rentals on the claims have been paid to July 31, 1978 in the case of the Crown granted claims and February 1980 in the case of the Placer mining leases.

The claims cover an area of approximately 998 acres and are reached from the town of Quesnel, British Columbia, which

has good rail, highway and air connections. Access is provided from Quesnel by paved highway, a distance of 52 miles to the town of Wells where a two mile gravel road leads to the confluence of Willow River and Mosquito Creek and a three-quarter mile gravel road to the property.

The claims are situated in an area with a long history of gold production and certain of the claims formed part of a producing property of the Cariboo Gold Quartz Mining Company Limited (N.P.L.) which ceased production in 1967. Moreover, John J. Gunn, one of the vendors of the mineral claims, placer mined on Mosquito Creek for more than 25 years. The Company's claims adjoin the former productive area of the Island Mountain Mine operated by Cariboo Gold Quartz Mining Company Limited (N.P.L.).

The Island Mountain operation was suspended in April 1967 due to rising costs and the fixed price of gold. Inferred reserves of replacement ore attributed to that portion of the Island Mountain mine now included in the Company's claims were estimated by the former managers of that mine at 40,000 tons grading 0.70 oz. per ton of gold. These reserves lie approximately 1200 feet, and almost directly below the Company's current workings at the 4100 foot level and are not presently accessible. The exploration programs conducted on the claims to date resulted in the discovery of replacement ore typical of the orebodies previously mined at depth which served to indicate the continuation of favourable ore making conditions.

Since 1971 the Company and a major oil company pursuant to an agreement made July 23, 1973 have expended approximately \$1,800,000 toward development of the claims including the sinking of a vertical 8' x 20' 3 compartment shaft to a depth of 516 feet. A 5' x 3', 2 drum Ingersol-Rand hoist was installed on the Claims. The headframe and shaft timbers are 8" x 8" coastfir. A total of 2136 feet of lateral development has been carried out underground with 6606 feet of underground diamond drilling. The oil company partner expended the major portion of the funds pursuant to an option agreement under which it acquired a 50% working interest in the claims. This working interest was repurchased by the Company in June 1975 and the oil company partner now has no interest in the claims.

Plant and equipment owned by the Company and situated on the claims includes, the head frame, double drum hoist, and a machine shop and miscellaneous related machinery and equipment.

As more particularly set out in the report submitted by H. Brodie Hicks dated July 20, 1977 (the "Hicks" Report") a copy of which is attached hereto and forms part of this Prospectus, the geology of the area and the particular circumstances under which gold mineralization occurs are well known from studies carried out in the former producing mines and through surface mapping carried out by Government and Company geologists.

Pursuant to an agreement made June 14, 1977 the Company has granted to Peregrine Petroleum Ltd. of 355 4th Avenue S.W., Calgary, Alberta, the right to acquire a 10% working interest in the company's claims by the expenditure before November 15, 1977 of \$100,000 on prospecting, exploration and development of the claims. The funds have been placed in trust and expenditures therefrom can be made by Peregrine Petroleum Ltd. only with the approval of Andrew H. Jukes, President of the Company. Peregrine Petroleum Ltd. has the option, exercisable before February 15, 1978, to earn a further 15% working interest in the claims by the expenditure before September 1, 1978 of an additional \$200,000 on exploration and development of the claims. Upon earning an interest in the claims, Peregrine Petroleum Ltd. will be obliged to contribute its pro rata share of all exploration and development costs.

The funds provided by Peregrine Petroleum Ltd. will be used to supplement the funds to be raised under this prospectus in carrying out the exploration and development program recommended in the Hicks report, see "Use of Proceeds".

Cameron J. McFeely, a director of the Company is a director, officer and shareholder of Peregrine Petroleum Ltd.

The claims were acquired by the Company pursuant to an agreement made April 16, 1971 for 500,000 fully paid and non-assessable shares of the capital stock of the Company issued to the respective vendors set out below in the amounts and for the mineral claims shown opposite their respective names.

THE MOSQUITO CREEK GOLD MINING COMPANY LIMITED (N.P.L.)

SCHEDULE OF EXPLORATION, DEVELOPMENT AND OTHER EXPENDITURES

FROM DATE OF INCORPORATION JUNE 8, 1971 TO JUNE 30, 1977

	Six Months Ended June 30, 1977	December 31, 1976	December 31, 1975	December 31, 1974	December 31, 1973	December 31, 1972	December 31, 1971	Total to June 30, 1977
<b>EXPLORATION AND DEVELOPMENT:</b>								
Assay fees.....	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 38	\$ 38
Automobile expense.....	-	426	1,108	97	165	564	947	3,307
Camp supplies.....	-	-	-	81	432	1,249	654	2,416
Caretaker's fees.....	-	2,200	1,400	-	-	-	-	3,600
Consulting and geological fees.....	750	-	-	-	1,000	9,574	3,251	14,575
Drilling.....	-	-	-	-	-	28,443	-	28,443
Geophysical survey fees.....	-	-	-	-	25	100	8,622	8,747
Insurance.....	2,167	4,720	1,259	100	100	89	89	8,524
Lease rentals.....	-	660	-	-	477	-	-	1,137
Legal.....	-	-	-	-	-	255	1,000	1,255
Licenses and taxes.....	512	911	714	719	262	689	994	4,801
Maps and reproduction.....	328	632	1,539	806	486	260	200	4,251
Miscellaneous.....	100	151	728	-	-	-	-	979
Option costs.....	-	-	54	7,027	-	-	-	7,081
Rent.....	960	1,290	2,120	2,000	865	-	-	7,235
Supervision fees.....	700	1,050	15,000	29,000	15,400	10,550	10,500	82,200
Telephone and power.....	73	160	196	176	95	529	625	1,854
Travel.....	-	-	-	853	1,806	2,103	3,137	7,899
Trenching and road building.....	-	1,400	-	-	-	15,722	760	17,882
Total exploration and development.....	<u>5,590</u>	<u>13,600</u>	<u>24,118</u>	<u>40,859</u>	<u>21,113</u>	<u>70,127</u>	<u>30,817</u>	<u>206,224</u>
<b>GENERAL AND ADMINISTRATIVE:</b>								
Audit.....	2,500	1,500	1,600	1,800	2,366	-	-	9,766
Bank charges.....	1,333	1,214	-	-	1	7	8	2,563
Commissions.....	-	-	29,228	25,544	14,720	-	-	69,492
Legal and accounting.....	1,880	1,426	2,074	4,686	5,165	323	775	16,329
Management fees.....	30,500	10,000	16,500	17,000	9,600	9,600	1,600	94,800
Stationery and office.....	196	192	1,022	1,152	507	527	55	3,651
Telephone.....	616	1,078	1,032	1,876	1,456	671	-	6,729
Travel.....	1,706	3,231	8,941	10,608	8,224	3,377	-	36,087
Less: Interest income.....	-	(165)	(3,620)	(11,301)	(1,108)	-	-	(16,194)
Total general and administrative.....	<u>38,731</u>	<u>18,476</u>	<u>56,777</u>	<u>51,365</u>	<u>40,931</u>	<u>14,505</u>	<u>2,438</u>	<u>223,223</u>
Total exploration, development, general and administrative expenditures.....	<u>\$44,321</u>	<u>\$32,076</u>	<u>\$80,895</u>	<u>\$92,224</u>	<u>\$62,044</u>	<u>\$84,632</u>	<u>\$33,255</u>	<u>\$429,447</u>

Report On  
Proposed Exploration Programme  
of  
THE MOSQUITO CREEK GOLD MINING COMPANY LIMITED (N.P.L.)  
Wells, B. C.  
H. Brodie Hicks, P. Eng., M. Eng.

Vancouver, B. C.

July 20, 1977





MOSQUITO  
CREEK GOLD  
MINING CO.



PLACER  
07, 13 FEB. 11  
NO STAKES

75 2

No accompany report  
of H. B. Hicks  
July 20, 1977

BRODIE HICKS ENGINEERING LTD.  
SUITE 103  
1199 WEST PENDER STREET  
VANCOUVER, B.C., CANADA V6E 2R1  
TELEPHONE 688-4725

INTRODUCTION

The presently planned programme of exploration at the property of The Mosquito Creek Gold Mining Company Limited is essentially a continuation of that carried out during the period from 1972 to 1975. At that time the project was under the direction of the consulting engineering firm of Cannon-Hicks Associates Ltd. and the writer, as a senior partner in that firm, participated in general supervision and made a number of site visits. The programme was not completed because of the difficulty of raising funds at a period of unfavourable political and economic factors. Today, under more favourable circumstances, resumption is warranted.

SUMMARY

1. The Company, incorporated in 1971, holds 29 Mineral and 2 Placer Claims located near the town of Wells, B.C. Infrastructure and general mining facilities are well developed in the area.
2. The property lies within a well-known placer mining camp in which production commenced about 1860. The last placer mining on the Company's property took place in 1960.

3. Lode mining in the area was continuous from 1933 to 1967 and resulted in the production of nearly 3,000,000 tons of ore grading an average of 0.43 ounces per ton gold. Operations closed because of rising costs and not through exhaustion of reserves. The Mosquito Creek property is on strike with and partially overlaps the former producers.
4. Ore occurs in two adjacent metasedimentary formations, the Rainbow in which the ore is located in quartz veins and the Baker in which it is localised in sulphide replacements. The former have an average grade of 0.30 to 0.40 ounces per ton and the latter of from 0.50 to several ounces per ton. At the present time the replacements form the primary exploration target.
5. The first phase of exploration work on the property comprised trenching, geological, geophysical, and geochemical mapping and surface diamond drilling. This work served to confirm the extension of the favourable Rainbow-Baker contact into and through the claims.
6. The second phase of the exploration programme included sinking of a 500-foot shaft with lateral development and diamond drilling on two levels. In the course of this work a number of intersections of both vein and

replacement mineralisation were made. While none of these are sufficiently well developed to be classified as ore their presence provides encouragement for continuing the programme.

7. There is ample room on the property for the occurrence of substantial quantities of material of a tenor similar to that mined in the past and while there can be no assurance that such additional material will be found, the geological setting is not unfavourable. Under today's economic conditions, such material might well prove profitable.

#### RECOMMENDATIONS

1. Continue the suspended programme of exploration consisting of line driving along the Rainbow-Baker contact, crosscutting and vertical diamond drilling.
2. Concentrate, in the first instance, at the northeast end of the 4,100 level where favourable geological factors exist and where intersections of good grade material were cut at the close of the previous programme.
3. Extend the work to the 4,400 and possibly other levels as circumstances permit.

4. Plan the work in two stages, progression to the second stage being dependent on favourable results being returned in the first.

COST SUMMARY

Stage I	-	\$261,520
Stage II	-	\$537,250

• PROPERTY, LOCATION & FACILITIES

Based on Company records the property comprises 29 Crown Granted Claims and Fractions with a total area of 998 acres and in addition, two Placer Mineral Leases. The attached claim map illustrates the principal holdings, and a property list is appended below. The writer has not investigated title nor status.

The property is adjacent to the town of Wells, B.C. (see location map) from which the shaft-site is reached by a gravel road some two miles in length. Wells is connected by paved highway to the town of Quesnel and the city of Prince George, road distances respectively of 55 and 125 miles.

Most of the infrastructure required for the operation of a mine is already in place. Housing is available in Wells. Supplies and services of all types can be secured at Prince George and to a lesser extent at Quesnel. There is ample

water for a concentrator and timber can be obtained locally. Initially it would probably be necessary to generate electric power for a production plant.

#### HISTORY

in the 1860's, the Williams Creek gold rush established the area as one of the oldest and ultimately one of the most productive of the placer gold camps of British Columbia. Production from the present Mosquito Creek claims commenced at about that time and continued sporadically until 1960.

Lode mining was started in 1933 by The Cariboo Gold Quartz Mining Company Limited while the adjacent Island Mountain Mines commenced production in the following year. The companies were amalgamated in 1954 and continued in operation until 1967 when closure became necessary because of the cost-price squeeze common to all gold mines at that time and not because of exhaustion of the reserves. The overall production by the two companies was 2,927,246 tons of ore grading 0.43 ounces per ton of gold. The present Mosquito Creek property overlaps in part the former productive area.

The Mosquito Creek Gold Mining Company Limited was incorporated in 1971 and in that year a programme of bulldozer trenching and geological surveying was carried out. In 1972 and 1973, 16,180 feet of diamond drilling and 10,910 feet of percussion

drilling were completed together with a geochemical survey and some minor additional bulldozing. The work confirmed the extension of the favourable geological structure through the property.

Late in 1973 an adit was started to explore the structure but because of bad ground conditions was abandoned in favour of development through a shaft, which was collared in April 1974 and sunk to a depth of 516 feet. Four level stations were established and lateral development and diamond drilling carried out on the top and bottom levels with results discussed below. Work ceased in April 1975 because of the difficulty in raising funds under conditions prevailing at that time.

#### GEOLOGY

The underlying rocks are comprised within the Snowshoe Formation of the Cariboo Group and consist of metasediments of lower Cambrian age. These include phyllites, quartzites and limestones. There are no local intrusives. The area has been intensely folded and the mines occur within a fold, overturned to the southwest, on the northeast flank of an anticlinorium which strikes northwest and plunges at  $22^{\circ}$  in that direction. The anticlinorium has been flexed normal to the plunge with resulting major faults developing at intervals of from 700 to 1,800 feet. These strike northerly with varying dips to the east.



Past gold production has been derived from two adjacent formations, the Rainbow composed of dark quartzites, argillites and some phyllites, and the Baker composed of lighter calcareous quartzites, talcose rocks, and interbedded limestones. The contact between these two formations, which constitutes the chief exploration target of the present project, has been traced over a distance of six miles on the former operating mines and continues onto the Mosquito Creek property. Tight overturned folding and drag folding complicate the structure but also provide the loci for gold deposition.

Two distinct types of ore have been mined in the past. Within the Rainbow formation, quartz veins mineralised with gold and pyrite occur and, in the Baker limestones, lenses of sulphide replacement. The average grade of the quartz veins has been of the order of 0.30 to 0.40 ounces gold per ton with minor silver content, and of the replacement 0.50 to several ounces per ton with silver content ranging from 10% to 15% of that of the gold. The present programme will be directed primarily at the replacements.

#### ORE RESERVES

There are no developed, presently accessible reserves.

In old workings of the Island Mountain mine which are now within the Mosquito Creek property the former management

estimated reserves of 40,000 tons grading 0.70 ounces gold per ton. These reserves lie from 1,000 to 1,500 feet below the present workings and will not be available for mining in the foreseeable future. They are important, however, in demonstrating the continuation of the ore-making structure on to Mosquito Creek ground.

During the 1974-1975 programme a number of small occurrences of replacement mineralisation were encountered in the course of drifting and drilling. The project manager, Mr. M. Guignet, formerly manager of the Cariboo Gold Quartz mine, has estimated from these occurrences indicated ore reserves of 4,000 tons at a grade of 0.96 ounces gold and 0.55 ounces silver per ton. Again the importance of these occurrences lies in their confirmation of favourable ore-making conditions.

#### REVIEW OF 1974-75 PROGRAMME

As noted above, exploration work in the 1974-75 period was directed toward lateral development of the top and bottom levels of the mine made available by the new shaft. These levels were at elevations of 4,400 and 4,100 feet respectively. Crosscutting and drifting on the upper level totalled 1,147 feet and on the lower level 990 feet. In addition, 6,606 feet of diamond drilling was completed for a total of 74 holes.

The basic purpose of the work was to trace the favourable Rainbow-Baker contact adjacent to which all previous ore has been found. Because of intense folding the contact is not easy to follow. The practice is to drift along the general strike and to put out crosscuts at 100-foot intervals followed by vertical diamond drilling, both upward and downward. The procedure was developed after many years of experience at the former producing mines. Because of the better grade of the sulphide replacements as opposed to the quartz veins, emphasis was placed on exploration of the Baker Formation in which the former occur.

Intersections of replacements and veins were made on both of the levels and, while these were too small to constitute mining targets in themselves, they provided evidence of favourable structure. Probable the most important intersection was made just at the end of the programme when a vertical down-hole from a crosscut at the northeast end of the 4,100 level made an intersection of 2.04 ounces per ton gold and 0.58 ounces per ton silver across 12.3 feet in a sulphide replacement. A check hole, 10 feet to the northwest, returned 1.04 ounces gold and 0.23 ounces silver across three feet while another check hole to the southeast was drilled outside the zone.

PROPOSED PROGRAMME

The proposed programme is essentially a continuation of that interrupted in 1975, that is, exploration along the Rainbow-Baker contact for replacement mineralisation using the same general approach of line drifting, crosscutting and vertical drilling.

The primary target will be further exploration of the drill intersection mentioned immediately above. The replacement lenses demonstrate an habitual rake upward to the northeast and hence the lens encountered in this hole may be expected to extend to the 4,100 level at a point some 50 feet ahead of the present drift face. It is of importance to note that this area lies close to one of the major cross-faults mentioned in the geological section above. A study of old longitudinal sections reveals that these faults are favourable centres of mineralisation.

A substantial portion of the proposed work could be carried out in this area. If successful, consideration could be given to carrying out similar work on the upper horizon.

The proposed programme, as set out below, is divided into two stages. Extension into Stage II will be dependent on favourable results being obtained in Stage I.

STAGE I

Minesite Rehabilitation	-	\$ 64,770
Lateral Development, 500 feet \$241.50/ft.	-	120,750
Diamond Drilling Underground, 2,400 ft. @ \$15.00/ft.	-	36,000
Equipment Rentals	-	10,000
Engineering, supervision and travel	-	<u>10,000</u>
		\$241,520
Contingencies	-	<u>20,000</u>
<u>TOTAL STAGE I</u>	-	<u>\$261,520</u>

STAGE II

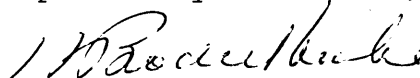
Lateral Development, 1,500 ft. \$241.50/ft.	-	\$362,250
Diamond Drilling Underground, 5,000 ft. @ \$15.00/ft.	-	75,000
Equipment Rental	-	50,000
Engineering, supervision and travel	-	<u>25,000</u>
		\$512,250
Contingencies	-	<u>25,000</u>
<u>TOTAL STAGE II</u>	-	<u>\$537,250</u>

REMARKS

It has been noted above that past production from the structure which the Mosquito Creek Gold Mining Company Limited is exploring has totalled nearly three million tons of ore grading an average of 0.43 ounces per ton gold. Much of the structure remains unexplored and there is no reason to suppose, on geological grounds, that additional material of the same tenor will not be found. The past production was made up of both quartz veins and sulphide replacement. The latter are of better grade, averaging in excess of 0.50 ounces per ton and the present programme is primarily directed at locating additional replacement lenses.

Closure of the adjacent mines in 1967 was brought about by rising costs in the face of a fixed gold price of \$35.00 per ounce. While costs have risen substantially in recent years, the price of gold has also increased and at the present range of \$145 - \$150 per ounce, mineralization of the same grade as previously mined could again prove profitable.

Respectfully submitted,



H. Brodie Hicks, P. Eng., M. Eng.

Vancouver, B. C.  
July 20, 1977

CLAIM LIST

<u>Crown Granted Mineral Lease</u>	<u>Lot No.</u>	<u>No. of Acres</u>	<u>Date Crown Granted</u>
Brookford No. 4	5901	42.37	Feb. 1, 1936
Brookford No. 5	5902	41.32	Feb. 1, 1936
Brookford No. 6	10352	35.94	Feb. 1, 1936
Brookford No. 7	10353	43.95	Feb. 1, 1936
Mosquito	10355	31.67	Feb. 1, 1936
Vancouver	10356	51.65	Feb. 1, 1936
Port Hope	10357	51.65	Feb. 1, 1936
Seattle	10358	51.63	Feb. 1, 1936
Mosquito Fraction	10359	38.89	July 13, 1936
Mohawk No. 3.	11072	35.14	April 30, 1935
Red Gulch No. 1	10360	40.89	Oct. 30, 1939
Red Gulch No. 2	10361	51.65	Oct. 30, 1939
Red Gulch No. 3	10362	51.65	Oct. 30, 1939
Red Gulch No. 4	10363	26.04	Nov. 11, 1939
Red Gulch No. 5	10364	51.64	Oct. 30, 1939
Red Gulch No. 6	10365	42.15	Oct. 30, 1939
Red Gulch No. 7	10366	31.99	Oct. 27, 1939
Red Gulch Ext. No. 1	10368	43.41	Oct. 27, 1939
Red Gulch Ext. No. 2	10369	25.33	Oct. 27, 1939
Red Fraction	5924	9.52	Oct. 30, 1939
Willow No. 7	10717	38.07	Feb. 19, 1951
Willow No. 8	10718	47.13	Feb. 19, 1951
Willow No. 9	10719	19.38	Feb. 19, 1951
Willow No. 10	10720	33.63	Feb. 19, 1951
Dawne No. 4 Fraction	10722	27.08	Feb. 19, 1951

The following also have placer rights:

Oliver	20F	23.52	Sept. 2, 1875
Alabama Co.	30F	5.00	May 16, 1875
Farmer Co.	38F	3.00	May 17, 1876
Never Sweat Co.	39F	3.00	May 17, 1876

TOTAL	29	998.29
	<u>Claims</u>	

<u>Placer Mineral Lease</u>	<u>Work Recorded To</u>	<u>Date Recorded</u>
P.M.L. 5263	Feb. 10, 1980	Feb. 10, 1951
P.M.L. 2651	June 27, 1980	June 27, 1933

CERTIFICATE

I, H. Brodie Hicks, of 103 - 1199 West Pender Street, Vancouver, British Columbia declare as follows:

1. That I am a graduate of McGill University, Montreal, Quebec, with the degrees of B. Eng. (1934), and M. Eng. (1935) in Mining Engineering.
2. That I am a member of the Association of Professional Engineers of British Columbia and of Ontario.
3. That I have practiced my profession continuously since 1935.
4. That the preceding report on the property of The Mosquito Creek Gold Mining Company Limited is based on personal knowledge gained through supervision of exploratory work carried out in the period 1973-75 including a number of on-site inspections.
5. That I have no interest in the properties or the securities of The Mosquito Creek Gold Mining Company Limited nor do I expect to receive any such interest.

DATED at Vancouver, British Columbia, this twentieth day of July, 1977.



H. Brodie Hicks, P. Eng., M. Eng.



CERTIFICATE OF THE COMPANY

The foregoing constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by part VII of the Securities Act, (British Columbia) and the regulations thereunder

DATED: August 25, 1977

*Andrew Hamilton Jukes*  
ANDREW HAMILTON JUKES  
Director and Promoter

*Kenneth Bertram Blakey*  
KENNETH BERTRAM BLAKEY  
Director

*Cameron John McFeely*  
CAMERON JOHN MCFEELY  
Director

*Robert Edward Humphreys*  
ROBERT EDWARD HUMPHREYS  
Director

*Ronald Johnson*  
RONALD JOHNSON  
Promoter

KESTREL EXPLORATION LIMITED  
Per: *Andrew Hamilton Jukes* (President)  
Promoter

CERTIFICATE OF THE UNDERWRITERS

To the best of our knowledge, information and belief, the foregoing constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by part VII of the Securities Act, (British Columbia) and the regulations thereunder

DATED: August 25, 1977

CONTINENTAL CARISLE DOUGLAS LTD.

Per: *SA Fay*

CANARIM INVESTMENT CORPORATION LTD.  
Per: *W. H. B.*

C.M. OLIVER & CO. LTD.  
Per: *W. H. B.*

MCDERMID MILLER MCDERMID LTD.  
Per: *W. H. B.*

WOLVERTON & CO. LTD.  
Per: *W. H. B.*

BRINK, HUDSON & LEFEVER LTD.

Per: *W. H. B.*