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93H-07 Mosquito Creek

PROPERTY FILE

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SUMMARY OF CURRENT PERTINENT  
DATA - BARKERVILLE-WELLS  
PROSPECT, BRITISH COLUMBIA  
CANADA.

The Mosquito Creek Gold Mining  
Company Limited - November 1/71

SUMMARY OF CURRENT PERTINENT DATA

BARKERVILLE-WELLS PROSPECT, CARIBOO DISTRICT

BRITISH COLUMBIA, CANADA

The Mosquito Creek Gold Mining Company Limited (N.P.L.)

November 1, 1971

## INTRODUCTION

An exploration program was commenced by The Mosquito Creek Gold Mining Company Limited on their acreage holdings in the Barkerville-Wells area of British Columbia. Phase I of this exploration program was commenced on August 1, 1971 and terminated September 26, 1971. The program was to include:-

1. Placer Mining
2. Surface Reconnaissance
3. Road Construction
4. Trenching and Stripping
5. Induced Polarization Survey

## SUMMARY OF THE EXPLORATION PROGRAM

### 1. Placer Mining

The placer mining portion of the program was precluded due to lack of water and the condition of the existing penstock and equipment.

There is considerable placer work still to be carried out on Red Gulch Creek, but this will involve building another penstock at a new location on Red Gulch.

### 2. Surface Reconnaissance

The surface reconnaissance indicates that no problems exist with regard to accessibility, although certain areas require construction of access roads.

The surface reconnaissance also provided an opportunity of inspecting trenches on the southern periphery of the acreage. This trenching was done by The Cariboo Gold Quartz Mining Company Limited as part of their surface exploration program carried out during the summer of 1968. The existence of this trenching was of considerable assistance in determining the general depth of overburden and drift in the area under examination.

3. Road Construction

An access road approximately one mile in length was bulldozed to provide access for men and equipment to Mosquito Creek. This was accomplished at a minimal cost and saved many man hours during the course of the operations. This expenditure can be charged against assessment work with respect to the placer claims.

4. Trenching and Stripping

The D-8 cat used in road building was employed in trenching and stripping operations in Mosquito Creek. These operations were successful in uncovering a replacement ore showing which Mr. J. J. Gunn had observed approximately 11 years ago while conducting a placer operation in the area. Due to Mr. Gunn's excellent recall, the replacement ore was uncovered with a minimum of effort and expense. The initial discovery zone (Gunn zone) was approximately 30 feet long and one to three feet wide.

Further trenching to the north of the Gunn zone uncovered an additional zone of replacement ore (Rip zone) approximately 16 feet long and one to three feet wide.

Samples of the ore were assayed and the results were very impressive with some of the samples running as high as 2.74 troy ounces of gold per ton, and averaging approximately two ounces of gold per ton. It might be noted that the replacement ore mined by The Cariboo Gold Quartz Mining Company Limited averaged 0.60 to 0.80 ounces of gold per ton.

5. Induced Polarization Survey

An Induced Polarization Survey was conducted on a portion of the Mosquito Creek acreage comprising approximately four claims centered on the replacement ore discovery.

There are two Class "A" anomalies which necessitate further detailed examination in the form of diamond drilling. The first of these anomalies is centered on the Gunn and Rip zones and the second lies approximately 1,200 feet to the west of these zones.

Another area of interest lies in the northwest quadrant of the survey area and will require further interpretation and diamond drilling.

Very high chargeability readings are encountered in the southern portion of the survey area. This may be caused by the contact between the Rainbow and Baker rocks and/or the presence of graphite in the area. However, existence of replacement ore bodies in this area cannot be discounted and are a distinct possibility. Reconnaissance diamond drilling should be carried out in this area to establish the actual potential of this ground.

Another feature of interest lying approximately 600 feet to the south of the replacement ore discovery is a tunnel 500 feet in length driven into the bed rock. This tunnel intersects two or three quartz ledges of moderate size. One ledge reportedly contains a great deal of galena and is probably the source of the numerous specimens of that mineral that were found in earlier placer operations in Mosquito Creek. Another of the ledges contains iron sulphide. Inasmuch as the tunnel was driven over 100 years ago, it is now covered with second growth, vegetation and overburden and at present is inaccessible. A program of trenching and stripping should be undertaken in this area in order to check this tunnel and check the geology therein.

The necessity of uncovering this tunnel is paramount due to the fact that J. J. Gunn during his placer operations encountered samples of galena from four to five inches in diameter in his sluice boxes. In all, Mr. Gunn recovered 400 to 600 pounds of galena. A sample of this galena was assayed in The Cariboo Gold Quartz Mining Company Limited's assay office and reportedly ran over 200 ounces of silver per ton.

PHASE I EXPLORATION EXPENDITURES

Total overall cost of surface reconnaissance, road building, trenching and stripping, Induced Polarization Survey, transportation, consulting fees and supervision which comprised Phase I of the exploration program amounted to \$20,600.00.

FORECAST OF TIMING, METHOD OF EXPLORATION, AND ESTIMATED EXPENDITURES OF PHASES II AND IIIPhase II - June 15, 1972 to October 15, 1972

1.	Diamond Drilling	\$140,000.00
2.	Trenching and Stripping	\$ 6,000.00
3.	Geochemical Survey (Silt Survey)	\$ 4,000.00
		<u>\$150,000.00</u>

Phase III - June 15, 1972 to October 15, 1973

1.	Induced Polarization Survey on the balance of the property	\$ 60,000.00
2.	Diamond Drilling	\$180,000.00
3.	Trenching and Stripping	\$ 15,000.00
4.	Geochemical and Geological Studies, General Administration, Supervision, Contigencies and Corporate Expenditures	\$ 45,000.00
		<u>\$300,000.00</u>
	Total estimated cost of Phases II and III	<u>\$450,000.00</u>

METHOD OF FINANCING PHASES II AND III OF PROPOSED  
EXPLORATION PROGRAM

1. Farmout

The Company to farmout an undivided 30% working interest in and to their block of acreage comprising 29 Crown Granted Mineral Claims and two Placer Mining Leases in return for a commitment by a party or parties to expend \$150,000.00 on exploration on or before November 1, 1972.

2. Underwriting

The Company to enter into an underwriting agreement with a party or parties whereby the underwriter shall purchase 600,000 shares of the Company at 50 cents per share to net the Company \$300,000.00.

The foregoing transactions will provide the Company with the working capital necessary to complete Phases II and III of the exploration program envisaged. The results of this program will determine whether or not the property is to be brought into commercial production.

CONCLUSIONS

Negotiations with qualified and reliable contractors should be entered into early in 1972 in order to ensure that the work program can be initiated as soon as weather and ground conditions permit.

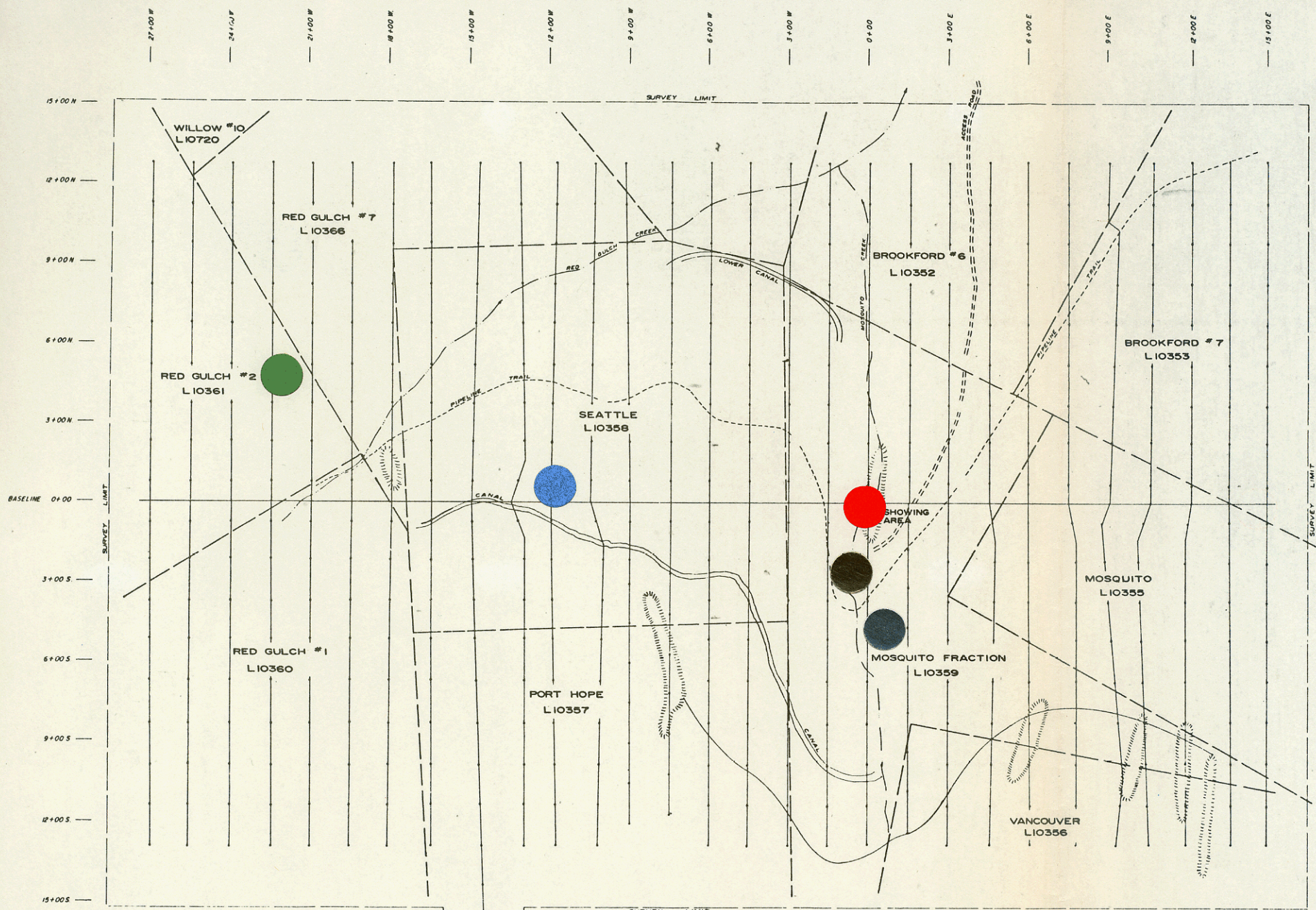
The encouraging results of the initial exploration program conducted during Phase I in conjunction with the current market price of gold on the free market would indicate that this particular transaction is at the point of maximum leverage.






In summary, time is of the essence.

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


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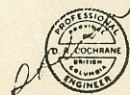
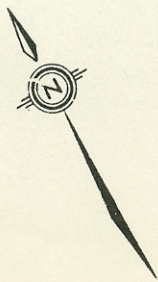
November 1, 1971



-  Tunnel containing galena and sulphide ledges, and area of high chargeability.
-  Area where gold nuggets recovered.
-  Replacement ore discovery - Gunn and Rip zones.
-  I.P. anomaly - same magnitude as above.
-  I.P. survey indicates area of high chargeability.

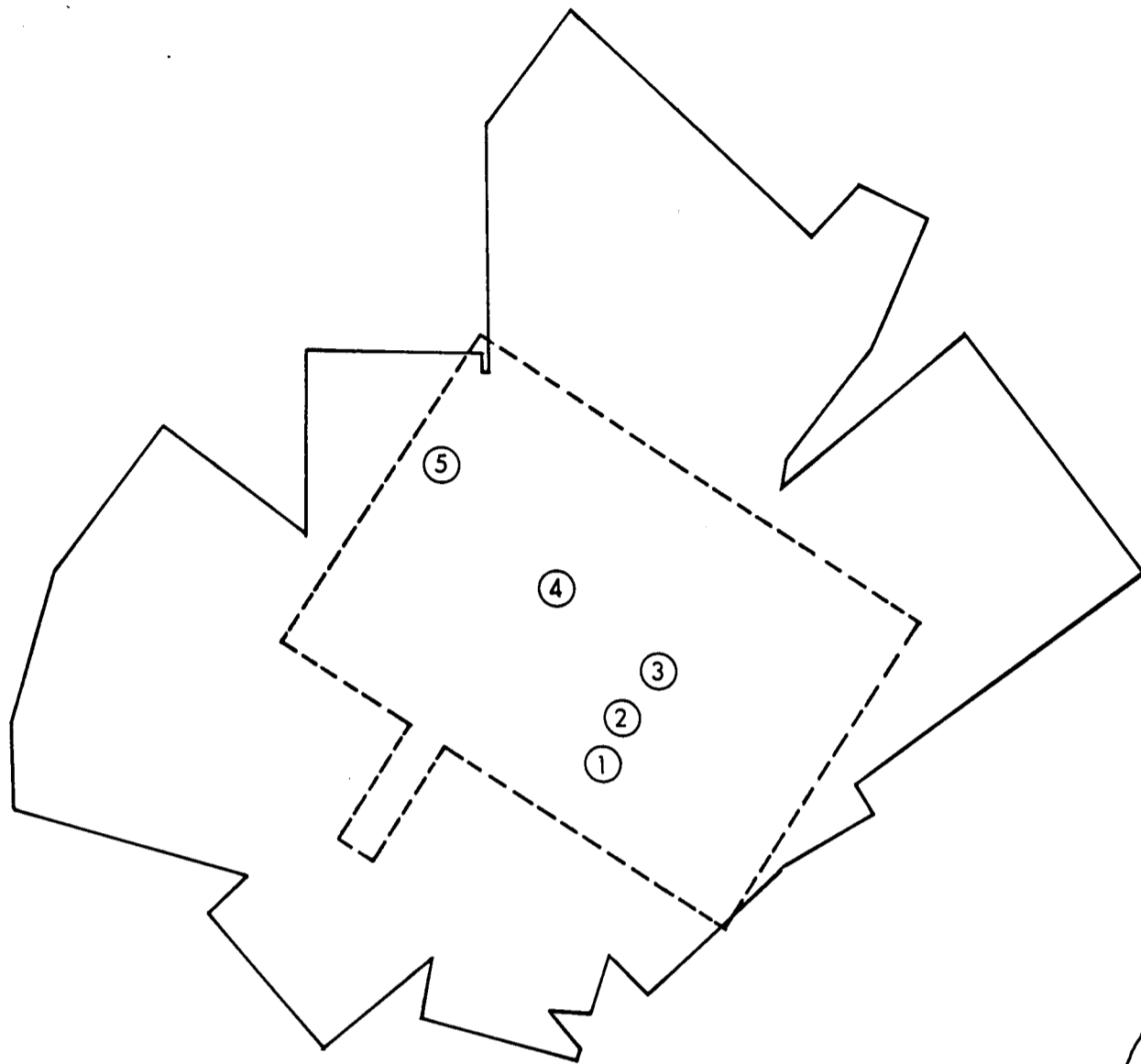
**LEGEND**

-  GRID LINE
-  TRENCH
-  APPROXIMATE LOCATION OF CLAIM BOUNDARY



MOSQUITO CREEK GOLD MINING COMPANY LTD (INCL)	
MOSQUITO CREEK PROJECT	
GRID and CLAIMS PLAN	
SURVEY BY D.R. COCHRANE, P. ENG.	
200	400 FT
SCALE	
To accompany geophysical report on the Mosquito Creek Project, West area, Cariboo M.D. by D.R. Cochran, P. Eng., dated Oct 15, 1971.	





**Jack of Clubs**

--- Survey Limit  
 — Boundaries of MCG.M.C. Ltd's claim block.

- ① Tunnel containing galena and sulphide ledges, and area of high chargeability.
- ② Area where gold nuggets recovered.
- ③ Replacement ore discovery - Gunn and Rip zones.

- ④ I.P. anomaly - same magnitude as ③
- ⑤ I.P. survey indicates area of high chargeability.

