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THE MOSQUITO CREEK GOLD MINING COMPANY LIMITED  
AND  
PEREGRINE PETROLEUM LTD.  
PROPOSED EXPLORATION AND DEVELOPMENT PROGRAM  
FOR THE  
MOSQUITO CREEK GOLD MINE  
CARIBOO MINING DIVISION  
WELLS, B.C.

L.P. Starck, P. Eng.  
L. P. Starck & Associates Ltd.  
Vancouver, B.C.  
February 21, 1983



THE GOVERNMENT OF  
THE PROVINCE OF BRITISH COLUMBIA

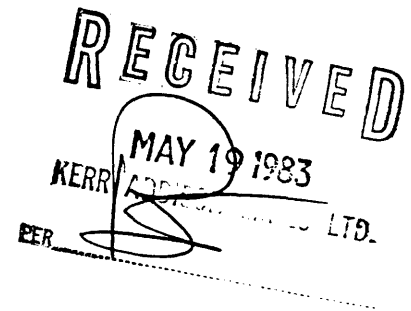
Form 12

*Securities Act*

SUPERINTENDENT OF BROKERS  
AND  
VANCOUVER STOCK EXCHANGE

120/83

**STATEMENT OF MATERIAL FACTS**



Date Accepted  
For Filing May 17, 1983

RESOURCE

Name of Section

THE MOSQUITO CREEK GOLD MINING COMPANY LIMITED

Name of Issuer

550 - 255 - 5th Avenue S.W., Calgary, Alberta

Address of Head Office of Issuer

1004 - 595 Howe Street, Vancouver, British Columbia

Address of Registered Office of Issuer

1004 - 595 Howe Street, Vancouver, British Columbia

Address of Records Office (Section 39 - Company Act)

The Canada Trust Company  
1055 Dunsmuir Street, Vancouver, British Columbia

Name & address of Registrar & Transfer Agent  
for Issuer's shares in British Columbia.

Neither the Superintendent of Brokers nor the Vancouver Stock Exchange has in any way passed upon the merits of the securities offered hereunder and any representation to the contrary is an offence.

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## SUMMARY

The Mosquito Creek property comprising 29 Crown-granted mineral claims is located near Wells, in central British Columbia. The property is owned equally by the Mosquito Creek Gold Mining Company Limited ('Mosquito') and Peregrine Resources Ltd. ('Peregrine') and is operated by Mosquito.

The Wells area which is famous for the rich placer deposits that have been mined since the 1860's when placer gold was discovered on William's Creek, is also known for its lode gold production from the mines formerly operated by Island Mountain Mines Company Ltd. ('Island') and Cariboo Gold Quartz Mining Company Ltd. ('Cariboo'). These two mines along with the Mosquito Creek mine are all situated along the Baker-Rainbow contact that has been traced for some six miles. They have a recorded production of some 2,984,000 tons grading 0.40 ounces of gold per ton.

To December 31, 1982, 55,000 tons of this production grading 0.38 ounces of gold per ton was produced from the Mosquito Creek mine which commenced production in October 1980. However, this does not include an unknown amount of tonnage mined at depth by Cariboo from certain of the Mosquito Creek claims then owned by it. Most of this tonnage was from the down plunge extensions of the Island orebodies at some 800 to 1,300 feet below the bottom workings of the present Mosquito Creek mine. This area of the Mosquito Creek property is now flooded and inaccessible but reportedly some 40,000 tons of reserves grading in the order of 0.70 ounces of gold per ton remain to be extracted.

In the Wells area economically significant lode gold is associated with two distinct members of the Snowshoe formation, the uppermost formation of the Cariboo Group of early metasediments.

The gold deposits of the Mosquito Creek mine and the adjacent former producing mines occur in two separate forms, as sulphide replacements in the Baker member and as quartz veins in the Rainbow member. In both types of deposits the production has been from orebodies adjacent to the contact of these two members of the Snowshoe. The replacement type deposits have been the most productive, however, the quartz type deposits were a principle source of ore at the Cariboo No. 1 Mine for over 20 years. Therefore, at the Mosquito Creek property this type of orebody cannot be overlooked as not only is it considered to have an important relationship to the replacement orebodies but it could have economic significance in the future.

Surface exploration of the Mosquito Creek property which commenced in 1971 was followed in 1974 by shaft sinking and lateral and vertical development and underground diamond drilling. In 1980 a 100 ton per day beneficiation plant was commissioned and has been in near continuous production since that date. However, due to operational factors primarily related to the shortage of funds, the exploration and development necessary to replace the ore reserves extracted has not been carried out. In the result, the proved and available reserves have been depleted and the beneficiation plant is scheduled to be shut down shortly.

As much of the favourable Baker-Rainbow contact zone that traverses the property has not been systematically explored in detail along strike and only limited exploration has been done for plunge extensions of former producing stopes, a two-stage exploration and development program is recommended. The objective of the program is primarily to delineate and prepare for extraction, as soon as practicable, sufficient tonnages of ore so that production can be resumed and sustained. Secondly to delineate additional reserves and ultimately to extend the vertical shaft so that an exploration and development program can be undertaken below the bottom of the present workings. The success of this program in proving and indicating at least 18 to 24 months of ore reserves should give the mine a firm operating base so that at present and projected gold prices, there would be adequate funds generated from production to carry on a continuing program of exploration and development to replace the ore reserves as they are extracted and, where possible, to expand them.

Stage I of the program, which is estimated to be completed in 9 to 12 months and to cost \$2,527,000, includes surface geological, geophysical and geochemical surveys, diamond drilling and trenching and underground diamond drilling and development. Stage II of the program, which is estimated to cost at least an additional \$2 million, would include shaft sinking, modifying the shaft installation, lateral and vertical development and diamond drilling. The implementation of Stage II will depend on the geological success of Stage I and economic factors.

In view of the favourable geologic setting and the previous success in finding new orebodies along the strike of the Baker-Rainbow contact, it is reasonable to postulate that the proposed program will result in the discovery of additional reserves of a tenor comparable to that found in the past, although there is no assurance that this will occur.

## GENERAL

The Mosquito Creek Gold Mining Company Limited ('Mosquito') and Peregrine Petroleums Ltd. ('Peregrine') of Calgary, Alberta, are equal working interest partners in the Mosquito Creek property situate near Wells, British Columbia. Mosquito, which is managed by Peregrine, is the Operator. The property consists of 29 Crown-granted mineral claims totaling 998 acres and two placer mining leases. It is equipped with a nominal 100 ton per day underground mining and ore beneficiation plant complete with the necessary ancillary surface establishment.

## HISTORY

The Mosquito Creek property is in an area of British Columbia frequently referred to as the Wells-Barkerville area of the Cariboo and which is well known for its rich gold placers that were exploited in the early 1860's. In all probability the quartz veins and replacement type deposits subsequently mined in the area, including those on the Mosquito Creek property, were the sources of much of the placer gold.

Lode mining in the area commenced in the 1870's, however, the first operation of substance was that of Cariboo Gold Quartz Mining Company Ltd. ('Cariboo') which commenced production in 1933 from its No. 1 Mine on Cow Mountain. This was followed in 1934 by production from Island Mountain Mines Company Ltd.'s ('Island') Aurum property on the east slope of Island Mountain. Both mines were operated independently until August 1954 when Island ceased operations and sold its mineral holdings to Cariboo. Cariboo then operated the two properties until 1957 when it closed down the No. 1 Mine and concentrated its activities on the Island property. In 1967, in part because of the continuing increase in the cost of labour and supplies relative to the fixed price for gold, Cariboo closed down the Island property. Subsequently it disposed of both properties to Wharf Resources Ltd.

In 1971 Mosquito was formed to acquire all, or substantially all, the Crown-granted mineral claims and placer mining leases now comprising the Mosquito Creek property. Between 1971 and 1975 Mosquito and the Home Oil Company Ltd. ('Home'), pursuant to an agreement made in July 1973, conducted an extensive surface and underground exploration and development program on the property. The surface phase of the program which was all done prior to sinking the 516 foot vertical exploration shaft included geological, geochemical and geophysical surveys, trenching, 16,000 feet of diamond drilling and 11,000 feet of percussion drilling. On the completion of the shaft 2,100 feet of

lateral development and 6,660 feet of diamond drilling were done underground. In 1975 Mosquito purchased all of Home's interest in the property. Subsequently Peregrine entered into a joint venture agreement with Mosquito whereby it ultimately earned a 50% working interest in the property. In October, 1980, a 100 ton per day beneficiation plant was completed and production was commenced.

PROPERTY

The Mosquito Creek property comprises 29 Crown-granted mineral claims and two placer mining leases situate on the east slope of Island Mountain between elevations 3900 and 5500 feet. All of the claims are in the Cariboo Mining Division and at latitude 53° 07' North and longitude 121° 36' West, near Wells, British Columbia.

Details of the property holdings are as follows:

<u>Crown-granted Mineral Claims</u>	<u>Lot No.</u>	<u>No. of Acres</u>
Brookford No. 4	5901	42.37
Brookford No. 5	5902	41.32
Brookford No. 6	10352	35.94
Brookford No. 7	10353	43.95
Mosquito	10355	31.67
Vancouver	10356	51.65
Port Hope	10357	51.65
Seattle	10358	51.36
Mosquito Fraction	10359	38.89
Mohawk No. 3	11072	35.14
Red Gulch No. 1	10360	40.89
Red Gulch No. 2	10361	51.65
Red Gulch No. 3	10362	51.65
Red Gulch No. 4	10363	26.04
Red Gulch No. 5	10364	51.64
Red Gulch No. 6	10365	42.15
Red Gulch No. 7	10368	31.99
Red Gulch Extension No. 1	10368	43.41
Red Gulch Extension No. 2	5924	9.52
Willow No. 7	10717	38.07
Willow No. 8	10718	47.13
Willow No. 9	10719	19.38
Willow No. 10	10720	33.63
Dawne No. 4 Fraction	10722	27.08
Oliver	20F	23.52
Alabama Co.	30F	5.00
Farmer	38F	3.00
Never Sweat	39F	3.00
TOTAL	29	998.29

The above mineral claims were grouped by Order in Council No. 549 on March 18, 1982, to form the Mosquito Creek Production Area. As at February 3, 1983 they were all in good standing as to taxes.

<u>Placer Mining Lease</u>	<u>Status</u>
P.M.L. 5263	Work recorded and rental paid to February 10, 1984.
P.M.L. 2651	Work recorded and rental paid to June 27, 1984.

#### LOCATION, ACCESS, SERVICES

The Mosquito Creek property is situate on the east slope of Island Mountain, some two miles by gravel road northwest of the post office of Wells, British Columbia. Wells is 52 road miles east of Quesnel and 73 road miles from Prince George, both major industrial centres in the Cariboo area. Quesnel and Prince George are served daily by scheduled transportation services including air, rail, bus and truck from Vancouver, 463 road miles to the southwest of Wells.

Wells, a mining-oriented community of some 550 people, is the accomodation, recreational and social centre for the Mosquito Creek mine work force. The Mosquito Creek mine office is in Wells.

Most day to day operational services and supplies required by the Mosquito Creek mine are available at Quesnel or Prince George while more specialized items are generally obtainable at Vancouver, the largest industrial and population centre in British Columbia. The Mosquito Creek mine has its own diesel electric system as the utility company serving Wells does not have the facilities to handle the load requirements. Plant and domestic water is available on site.



## GEOLOGY

The Mosquito Creek, Cariboo (No. 1 Mine) and Island (Aurum) mines ('the Gold Mines') are all within the Snowshoe formation, which is the uppermost member of the Cariboo Group. It is comprised of micaceous quartzite, phyllite and minor limestone beds some 1,000 feet thick. In the general Cariboo area, the Cariboo Group has been folded into the regional Cunningham and Island Mountain anticlinoriums which trend north northwest and plunge some 20° northwest. There are no intrusive rocks of consequence in the area.

In the area of the Gold Mines the Cariboo Group of metasediments forms a northwest trending fold belt overturned to the southwest. The metasediments have been transected and displaced by a series of northeast striking faults generally dipping 60° southeast. These faults, which are 700 to 2,000 feet apart with horizontal offsets of some 400 to 1,200 feet, appear to have stepped the folds up to the northeast.

## ECONOMIC GEOLOGY

Gold production from the Gold Mines has been from both quartz-pyrite veins and pyrite replacement orebodies in the Baker and Rainbow members of the Snowshoe formation. Both members as well as their contact zone are, despite structural complexities, readily identifiable and have been traced for some six miles through the three mines. It is along this contact that exploration has been primarily directed and it is where all the ore produced by the Gold Mines has been found.

The Rainbow member consists of dark grey schistose quartzites and black argillite beds that have been cut by tension fractures that are generally normal to the strike of the bedding. Many of these fractures have been filled with quartz carrying auriferous pyrite. These gold quartz veins were a major source of ore in Cariboo's No. 1 mine but this was not the case in Island's Aurum mine. In the Mosquito Creek mine several test stopes have been opened up in quartz veins but for the most part they were too low grade to be economic. However, quartz veins could well be of importance to future operations of the Mosquito Creek property.

The Baker member is composed of light grey calcareous sericitic phyllites and quartzites interbedded with limestone. In certain areas the limestone bed laying closest to the Baker-Rainbow contact has been replaced in part by sulfides thus creating replacement type, pyrite-gold orebodies. These orebodies have been the main source of ore for the Mosquito Creek and Island mines.

The replacement orebodies are confined to the limestone in the drag folds where in the crests they frequently have a pencil like form whereas on the limbs they have a tabular form like a flattened pencil. The dimensions of these orebodies, which generally plunge at minus 20° in a N 50° W direction, vary up to 15 feet in diameter for the pencil type and up to 10 by 30 feet in cross section for the flattened pencil type. Tonnages of up to 6,000 tons have been produced from the individual orebodies which have been mined along plunge lengths of up to 700 feet. Generally these replacement orebodies are situate within 50 feet of the Baker-Rainbow contact.

In the 1960's and prior to the cessation of operations in 1967, Cariboo concentrated much of its exploration and development along the Baker-Rainbow contact into a section of the Mosquito Creek property to the northwest of the Aurum mine. This program was very successful in discovering not only additional replacement type orebodies but also the downward extensions of others mined at higher elevations. On the Mosquito Creek property, at depths from 800 to 1,300 feet below the bottom of the Mosquito Creek shaft, this work disclosed orebodies on both sides of the Mosquito Creek fault which is projected to underly the present workings. Also in this area it is reported that Cariboo left some 40,000 tons of mineral reserves grading in the order of 0.7 ounces of gold per ton. These reserves have not been verified nor can they be extracted until the Mosquito shaft is deepened by at least 1,000 feet, however, it is an indication of the potential of the Mosquito Creek mine at depth.

The mineralization in the quartz vein and replacement orebodies consists primarily of pyrite with minor amounts of scheelite, galena, sphalerite and arsenopyrite. The gold is associated with the pyrite or as native gold whereas the silver is present in the tetrahedrite. In the replacement orebodies the mineralization appears to have sharp hanging and foot wall controls but grades-out across the beds with the coarser pyrite occurring in the leaner portions of the mineralization at the edges and the finer pyrite in the core. The gold to silver ratio is in the order of 5 units to 1 unit.

PRODUCTION RECORD

<u>Period</u>	<u>Mine</u>	<u>Operator</u>	<u>Tons Milled</u>	<u>Oz. of Gold Per Ton</u>	<u>Total Oz. Gold</u>
1934 - 1954	Aurum	Island	771,109	0.43	331,577
1933 - 1967	Aurum and No. 1 Mine	Cariboo	2,157,894	0.40	864,088
1980 - 1982	Mosquito	Mosquito	<u>55,048</u>	<u>0.38</u>	<u>20,755</u>
			<u>2,984,051</u>	<u>0.40</u>	<u>1,216,420</u>

PRODUCTION, RESERVES

From the commencement of production in October, 1980, up to December 31, 1982 the Mosquito Creek mine has produced 55,048 tons of ore yielding 20,755 ounces of gold and 5,675 ounces of silver. However, as the exploration for and development of ore reserves has not been carried on at a pace compatible with the rate of extraction the developed ore reserves have been depleted to less than 2,500 tons. In the result, unless ore is obtained from other areas, the beneficiation plant will be shut down within the next few weeks. The availability of additional tonnage within this time frame is doubtful. There are, however, indicated reserves in several areas such as the 2A, 2G and 2H blocks below No. 2 Level and the 4A block below No. 4 Level that might be developed.

The potential for proving high grade tonnage in the 4A block along a plunge of some 200 feet is considered excellent as drilling intercepts of 6.5, 12.3 and 3.0 feet grading 1.88, 2.04 and 1.82 ounces of gold per ton respectively are known. However, until the shaft is extended to No. 5 Level any reserves proved in this area can only be mined by underhand stoping methods and then only for a limited depth below the level.

The irregular cross section and plunge length of the orebodies and their distribution along the Baker-Rainbow contact makes exploration difficult. Therefore, as has been demonstrated in all three mines, the delineation of substantial tonnages of reserves well in advance of extraction should not be anticipated.

EXPLORATION

Exploration at the Mosquito Creek mine has been essentially a continuation of the programs conducted by Island and Cariboo on the Aurum and No. 1 Mine properties to the southeast. Initially the emphasis was on surface geological, geochemical and geophysical (induced polarization) surveys, bulldozer trenching, diamond drilling (25 holes in 1972 and 23 holes in 1973) and percussion drilling (37 holes in 1973). However, with the completion of the shaft and the commencement of level development, exploration shifted to the underground and consisted primarily of drifting, raising and diamond drilling.

Last summer a limited geophysical (VLF Ronka 16) and geochemical program was undertaken on the surface which disclosed several geochemical and geophysical anomalies of varying significance. Of those that were tested by bulldozer trenching three showed mineralization and some 500 tons of ore was trucked to the beneficiation plant from one of them. Further work on these anomalies is planned next summer including the possible surface mining of at least one of them.

DESCRIPTION OF THE MINE,  
MINING

The Mosquito Creek mine is developed by a 6 by 17 foot, three compartment, 516 foot vertical shaft and four levels at level intervals of 100 feet. These levels have been advanced along the strike of the Baker-Rainbow contact zone for the following distances:

<u>Level</u>	<u>Level Elevation in feet</u>	<u>Feet of Advance along the Baker-Rainbow Contact</u>		
		<u>Total</u>	<u>From the Shaft</u>	
			<u>To the NW</u>	<u>To the SW</u>
No. 1	4,400	590	370	220
No. 2	4,300	1,700	500	1,200
No. 3	4,200	1,920	670	1,250
No. 4	4,100	900	200	700

(No. 1 Level is 176 feet below the shaft collar which is at elevation 4,576 feet)

All four levels are interconnected by manways and stopes and to the southeast of the shaft the Nos. 2, 3 and 4 Levels are connected to the surface by a ventilation raise that also serves as an escapeway. The mine is mechanically ventilated.

The open stoping method is used to mine the 20° plunging replacement orebodies and also the quartz veins. The broken ore is scraped in the stopes to drawpoints from which it is loaded into mine cars through chutes or by mucking machines. The cars are then trammed to the shaft stations by battery locomotives and hoisted to the surface for dumping. The shaft was designed for an exploration rather than an operating mine and does not have the capacity for the nominal tonnage of 100 tons of ore per day plus the stope and exploration development waste that must be handled if the replacement of reserves is to keep pace with extraction.

Where required, ground support in the stopes and the headings is generally effected by means of rock-bolts with strapping on five foot centres. However, in certain situations timber stulls with headboards or full timber sets are employed.

In exploring for new reserves the practice is to drift as closely as is practicable along the strike of the Baker-Rainbow contact zone then to drive diamond drill crosscuts at 100 foot intervals to the right and left. From these crosscuts fences or fans of diamond drill holes are drilled above and below the level to test the favourable limestone bed of the Baker formation for potential orebodies. This host bed for replacement ore is generally upwards of 50 feet thick. This practice, of course, is subject to modification. Generally the exploration drifts are later used as haulageways and the crosscuts for mucking machine draw points.

#### BENEFICIATION PLANT

The Mosquito Creek mine is equipped with a conventional cyanide plant of 100 tons per day nominal capacity, however, it has treated up to 125 tons. With minor equipment additions it is considered possible that the plant capacity could be increased to 150 tons per day of average head grade. Recoveries have varied from 83% to 92% and average in the order of 88%, however, with closer operating controls and a steady feed rate recoveries in the order of 95% are considered attainable on a sustained basis.

The mine run ore is trucked some 5,000 feet from the shaft headframe to the plant where it is crushed in two stages to minus three quarters of an inch. The crushed product is ground to 85% minus 140 mesh in a ball mill. The mill discharge is then thickened and the thickener underflow leached. The solids from the leach circuit are separated from the pulp by two-stage wash filtration using vacuum drum filters and discharged to the tailing pond. The pregnant solution from the filters along with the thickener overflow is clarified in vacuum leaf filters and zinc is added. The resultant gold precipitate is recovered in frame filters and on a scheduled basis is refined on site and the dore brick shipped to the mint.

To meet environmental requirements the tailings are treated by chlorination to destroy the cyanide compounds.

The routine plant and mine samples are assayed daily in the fire assay laboratory which is adjacent to the plant.

#### RECOMMENDATIONS AND PROPOSED EXPLORATION AND DEVELOPMENT PROGRAM

Much of the strike length of the Baker-Rainbow contact zone, on the property which has been the host for all the Mosquito Creek production and, to the southeast, of that of the two former producers remains to be tested in detail. Furthermore, in many areas of the mine only limited exploration has been done for extensions of previously mined orebodies both up and down the plunge.

Therefore, it is recommended that the following two-stage exploration and development program be undertaken at the Mosquito Creek mine with the objective of testing the favourable Baker-Rainbow contact both on the surface and underground and preparing any ore discoveries resulting from this work for extraction so that production can be resumed as soon as practicable. The first stage of the program will be directed primarily above the No. 4 Level, whereas the second stage, which will only be undertaken if the first stage is geologically successful and economic factors are favourable, is directed to exploration and development below No. 4 Level. This stage also includes modifications to the shaft and hoisting equipment.

### Stage I

- the review and compilation of all available geological, geophysical and geochemical data and, where necessary, the remapping of the surface and underground geology, the relogging of the diamond drill core and the resampling of the workings and core.
- surface exploration of the Baker-Rainbow contact zone to the northwest along its strike length of some 6,000 feet. This will include line cutting, geophysical and geochemical surveys, geological mapping, trenching and diamond drilling.
- driving a 220 foot adit tunnel to connect with No. 1 Level and a 550 foot adit level to connect with the No. 2 Level. This will permit the haulage of waste and, on the resumption of production, of the ore as well from No. 2 Level and above. Furthermore, it will reduce the tonnage hoisted so that there will be a minimum of interference in the shaft when any work such as shaft sinking and exploration and development is done below the No. 2 Level.
- extending the Nos. 1 and 2 Levels to the northwest along the contact zone and driving diamond drilling crosscuts to the right and left of these drifts at 100 foot intervals.
- driving a combination ventilation raise and escapeway up to the surface from the northwest end of No. 2 Level and driving exploration and stope raises.
- diamond drilling from the drill crosscuts to explore the Baker-Rainbow contact zone.

### Stage II

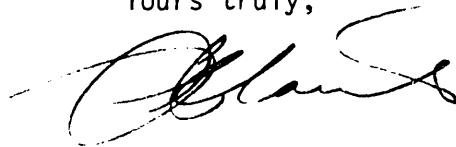
- extending the shaft for at least two levels (200 feet) below No. 4 Level, establishing the Nos. 5 and 6 Level stations and installing ore and waste pockets (some 200 feet of sinking and 200 feet of raising and drifting).
- driving the No. 5 and 6 Levels for 1,000 feet along the Baker-Rainbow contact and driving diamond drill crosscuts at 100 foot intervals along these drifts (some 4,000 feet of development).

Stage II (cont'd.)

- driving ore and waste passes between Nos. 6 and 2 Levels and two combination ventilation and access raises and one exploration or stope raise from No. 6 Level to No. 4 Level (some 2,550 feet of development).
- modifying the shaft with the addition of self dumping skips and installing ore and waste pockets on No. 6 Level and, possibly on No. 4 Level (some 200 feet of development).
- raising the headframe and installing skip dumps and ore and waste bins on the surface or alternately installing skip dumps and ore and waste pockets above No. 2 Level.
- exploration diamond drilling on Nos. 5 and 6 Levels (some 14,000 feet).

Based on the favourable geological setting of the Mosquito Creek mine and the successful discoveries that have been made on the property and the adjoining Island and Cariboo properties, it is reasonable to assume that this proposed exploration program will result in blocking out new reserves and identifying additional potential orebodies of both the sulfide replacement and quartz vein types although, of course, there is no assurance that this will necessarily be the case.

Yours truly,



L.P. Starck, P. Eng.  
L. P. Starck & Associates Ltd.



ESTIMATED COST OF PROGRAM

STAGE I

Main Level Adits (No. 1 and No. 2 Levels)

770 feet at \$360 per foot all inclusive \$ 277,000

Exploration Drifts (No. 1 and No. 2 Levels)

1,800 feet at \$270 per foot all inclusive 485,000

Diamond Drill Crosscuts (No. 1 and No. 2 Levels)

1,800 feet at \$200 per foot all inclusive 360,000

Ventilation and Access Raises (No. 2 Level upwards)

1,000 feet at \$170 per foot all inclusive 170,000

Diamond Drilling (from Drill Crosscuts)

12,600 feet at \$40 per foot all inclusive 504,000

Geological, Geochemical, Geophysical (Surface and Underground)

including compilation, surveys, mapping, diamond drilling, trenching, assaying, etc. 500,000

Contingencies and Support

including office, travel, consultants, etc. 230,000

\$2,527,000

STAGE II

Until Stage I is well underway or completed and detailed planning is undertaken the cost of Stage II cannot be estimated, however, with the 7,000 feet of development and 14,000 feet of diamond drilling presently contemplated it is believed that it could be in the order of \$2 million.

CERTIFICATE

I, L.P. Starck, of Suite 900 - 837 West Hastings Street, Vancouver, British Columbia, declare as follows:

- 1) That I am a graduate of the University of British Columbia, Vancouver, British Columbia, with a Bachelor of Applied Science Degree,
- 2) That I have practised my profession continuously since 1947,
- 3) That I am a member of the Association of Professional Engineers of British Columbia and a member of the Association of Professional Engineers, Geologists and Geophysicists of Alberta,
- 4) That I am president of L. P. Starck & Associates Ltd., Vancouver, British Columbia,
- 5) That I have no financial interest, directly or indirectly, in the properties or securities of The Mosquito Creek Gold Mining Company Limited or Peregrine Resources Ltd., nor do I expect to obtain any such interest,
- 6) That the preceding report is based on a personal visit to the property on August 26th and 27th, 1982 and on that of a member of my staff who visited the property on October 4th, 5th and 6th, 1982 and on the examination of all reports, maps, sections and other data made available.

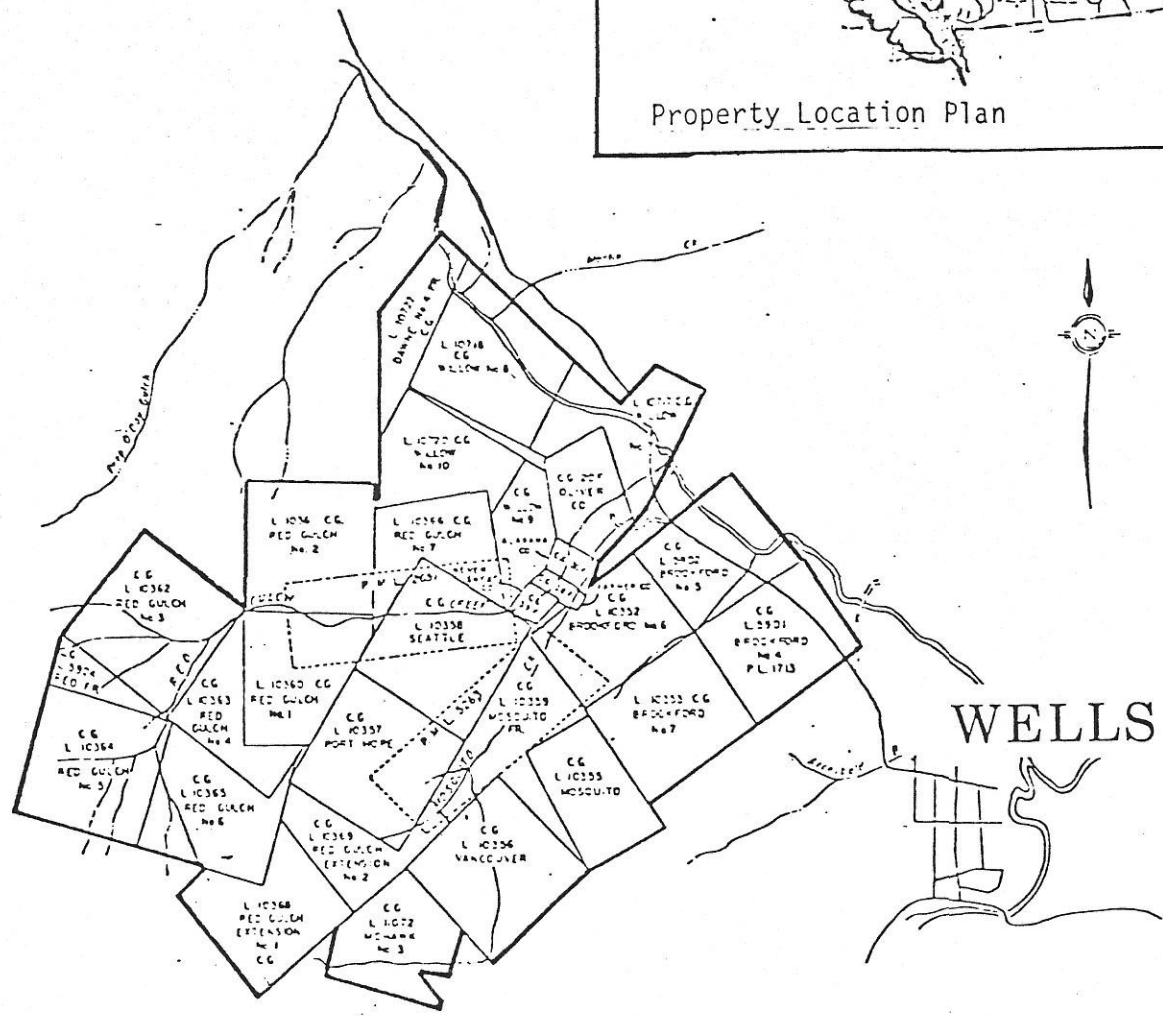
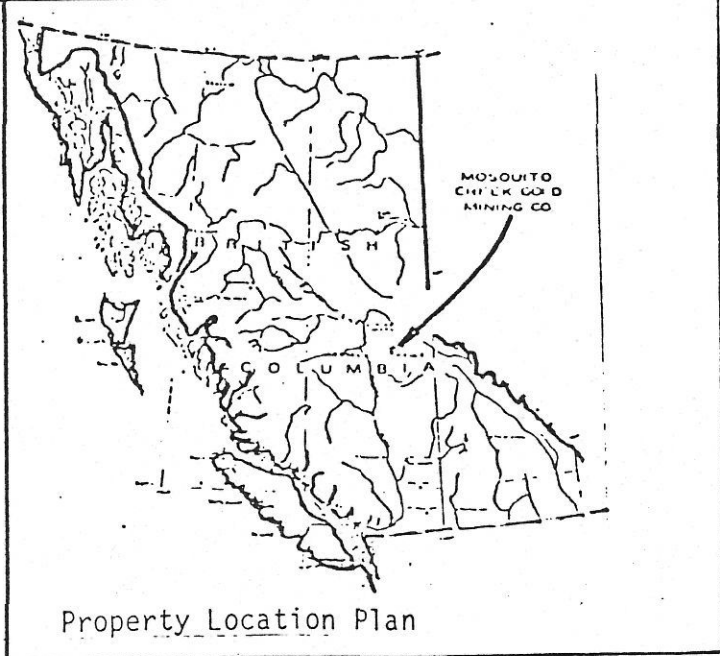
Dated at Vancouver, British Columbia, this 21st day of February, 1983.



L. P. Starck, P. Eng.

To accompany a report on  
the Mosquito Creek Gold Mines,  
Cariboo Mining Division, Wells,  
British Columbia

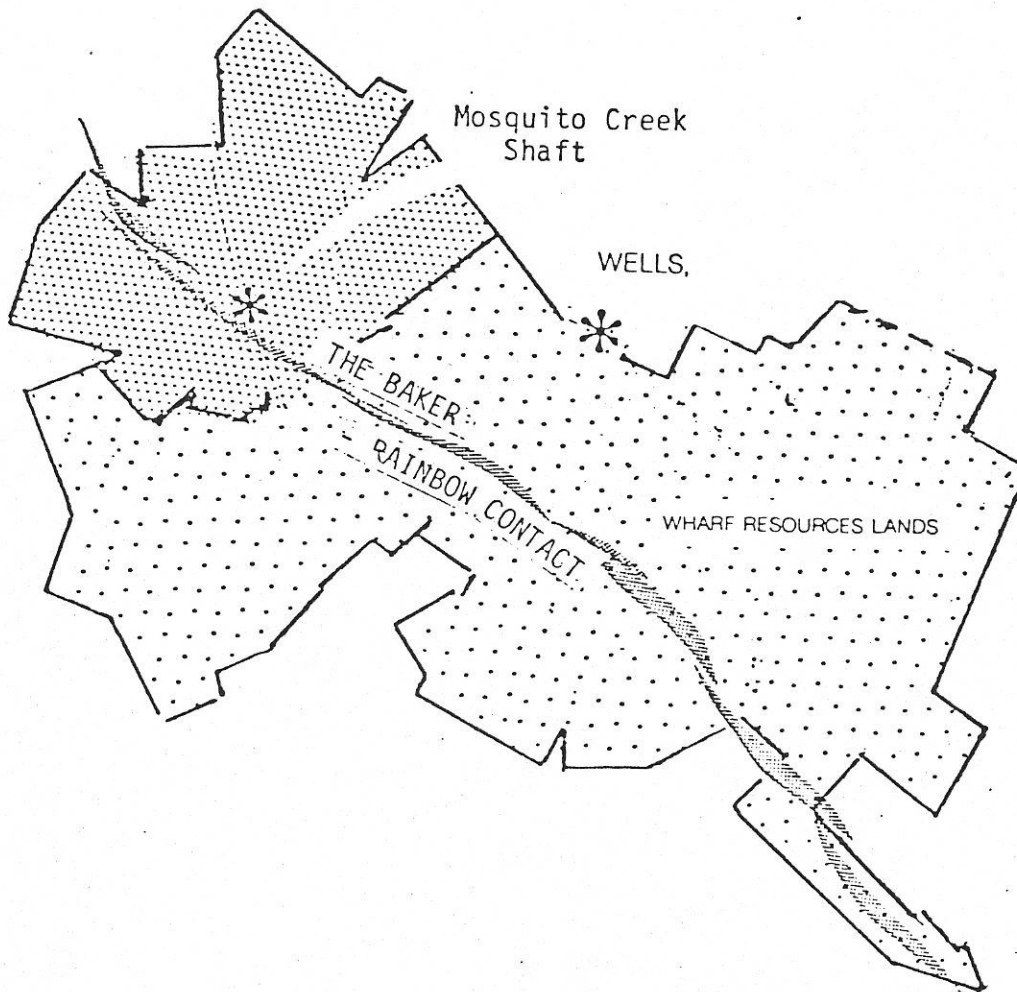
February 21, 1983.



MOSQUITO CREEK GOLD PROPERTY  
MINERAL CLAIM PLAN  
L. P. STARCK & ASSOCIATES LTD.  
February 21, 1983

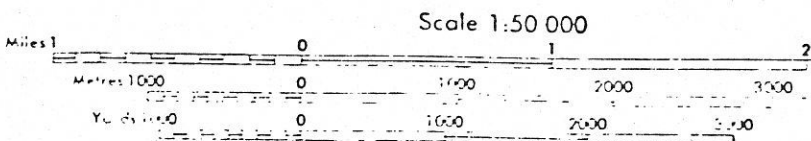


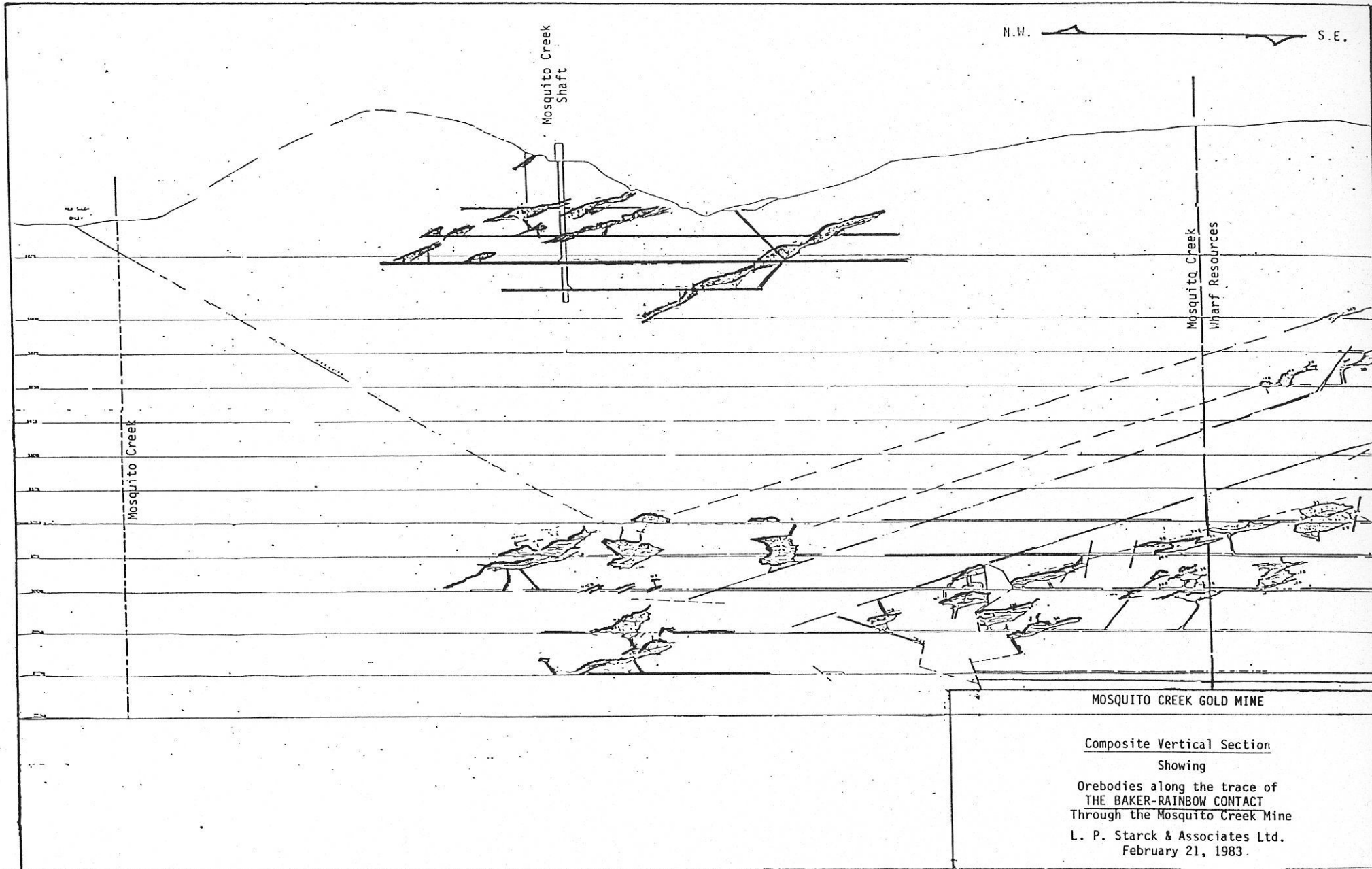
MOSQUITO CREEK  
LANDS



MOSQUITO CREEK GOLD MINE  
Trace of  
BAKER-RAINBOW CONTACT

L. P. Starck & Associates Ltd.  
February 21, 1983





MOSQUITO CREEK GOLD MINE

Composite Vertical Section  
Showing  
Orebodies along the trace of  
THE BAKER-RAINBOW CONTACT  
Through the Mosquito Creek Mine  
L. P. Starck & Associates Ltd.  
February 21, 1983.