Ministry of Energy, Mines and Petroleum Resources

Rm. 105, 525 Superior St., Victoria, B.C., V8V 1X4, PH: 356-2230, FAX: 387-5985

October 11, 1988

881337



Dear Mr. Saxton:

## Re: Bralorne Gold Project (Mascot Gold Mines Ltd.) - Prospectus (June, 1988)

Participants in the Mine Development Review Process (MDRP) have completed their review of your company's June, 1988 prospectus, together with the subsequent (1988-08-09) correspondence. The key MDRP agencies have also incorporated into their review any relevant comments made on the E & B Explorations Inc. 1982/3 Stage I submission and subsequent Addenda.

This review has concluded that some key unresolved issues were carried over from the 1982/3 Stage I review and approval, and that there are several significant changes in the current mine and milling process, as outlined in the June, 1988 prospectus. As such, the Mine Development Steering Committee is requesting that a Stage I update submission be provided, based on the attached compendium of review comments.

The attached review comments should be viewed as terms of reference for the forthcoming Stage I update submission. Prior to embarking on the Stage I study program, your company is urged to meet with government agencies which have a major interest in your project to fine-tune the terms of reference. If any Stage I advice or information requirements are unclear, please contact the relevant Ministry, or else myself, and I will seek clarrification.

A decision on project approval-in-principle will be made after the Stage I update submission has been reviewed. Approval-in-principle will be granted if there are no major outstanding policy or technical concerns. It is especially important for the Stage I submission to focus on what agencies have identified as the key issues. In this regard, as mentioned above, not only were there outstanding concerns from the 1982/3 Stage I report and addendum submissions, but in any event, more detailed information is required on changes to mine and mill processes as outlined in the June, 1988 prospectus.

I should also note that the following agencies raised no concerns with respect to your company's project, and decline further involvement in project review (in some cases, agencies are signing off, providing that there are no significant further changes to the 1983 project proposal):

- the Ministry of Parks;
- the Ministry of Agriculture and Fisheries; and
- the Ministry of Transportation and Highways.

With respect to the review of your company's Stage I update, please note the following. The Ministry of Energy, Mines and Petroleum Resources, in cooperation with the Mine Development Steering Committee, is planning before the end of 1988, to establish a Kamloops-based Mine Development Advisory Committee to review and assess relatively non-controversial mine development proposals. This committee will be chaired by a District Mines Inspector, and will be comprised of regional representatives of key Mine Development Review Process agencies. The Bralorne Gold Project has been identified as an appropriate candidate for all future review and assessment by the Kamloops Mine Development Advisory Committee, on which will sit the same key regionally-based Provincial and Federal Government representatives who reviewed the 1982/3 Stage I report and addenda. If the Stage I update is filed prior to formal establishment of the new committee, the existing Kamloops Regional Reclamation Advisory Committee will handle the review in the interim. The latter committee is based in Kamloops.

Please contact me when your company is ready to submit the Stage I update report, and I will arrange to provide you with a list of names and addresses for direct distribution of the report for review. In addition to members of the Regional Mine Development Advisory Committee, a few agencies which either do not have regional representation or which maintain headquarters technical review expertise, will also require copies of the Stage I update. In any event, we trust that the new regional committee approach will materially facilitate review and final approval of your company's project. In closing, thank you for your company's cooperation with the review process to date. Please contact me if you have any questions (phone: 356-2230).

Yours truly,

Raymond L. Crook Chairman Mine Development Steering Committee c/o Engineering and Inspection Branch Mineral Resources Division

Attachment: Review comments on prospectus

ccs: See attached distribution list

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