



Province of
British Columbia

Ministry of
Energy, Mines and
Petroleum Resources

Parliament Buildings
Victoria
British Columbia
V8V 1X4

883564

Rm. 105, 525 Superior St., Victoria, B.C., V8V 1X4. PH: 356-2229, FAX: 387-5985

March 17, 1989

Mr. E.R. Kruchkowski
President
Catear Resources Ltd.
Suite 400 - 255 17th Avenue, S.W.
Calgary, Alberta
T25 2T8

LOG NO: APR 14 1989 VAN
ACTION:
<i>YCB</i>
FILE NO: 602 DWEDG-F

Dear Mr. Kruchkowski:

**Re: Catear (Goldwedge) Gold/Silver Project
- Prospectus (November, 1988)**

Participants in the Mine Development Review Process (MDRP) have completed their review of your company's November, 1988 prospectus. I attach review comments for your information and necessary action. A focussed Stage I submission will be required for this project. I apologize for the delay in forwarding official comments to you. However, I trust that you have already received the key agency inputs through informal direct contact with review agencies. With respect to the focussed Stage I submission, it is our intention to regionalize review of that report so that, when filed, it will be handled by a locally-based committee, rather than by the Victoria Mine Development Steering Committee. Details are provided later in my letter.

The attached review comments should be viewed as terms of reference for the forthcoming focussed Stage I submission. Prior to embarking on the Stage I study program, if it has not already done so, 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 clarification.

A decision on project approval-in-principle will be made after the focussed Stage I 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 focussed Stage I submission to focus on what agencies have identified as the key issues. In this regard, the report should address a number of waste and water management concerns with respect to the potential for acid mine drainage and the use of Goldpan and Iceburg Lakes for tailings disposal.

I should note that the following agencies raised no concerns with respect to your company's project, and decline further involvement in project review:

- the Ministry of Parks;
- the Ministry of Agriculture and Fisheries;
- the Ministry of Forests;
- the Ministry of Transportation and Highways;
- the Ministry of Municipal Affairs, Recreation and Culture, Archaeology and Outdoor Recreation Branch
- the Ministry of Advanced Education and Job Training;
- the Ministry of Education; and
- the Ministry of Attorney General.

With respect to the regional review of your company's Stage I submission, please note the following. The Ministry of Energy, Mines and Petroleum Resources, in cooperation with the Mine Development Steering Committee, is planning to establish a Smithers-based Mine Development Review Committee, to review and assess small, local, relatively noncontroversial 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 Catear (Goldwedge) Gold/Silver project has been identified as a candidate for review and assessment by the Smithers Mine Development Review Committee, on which will sit the same key regionally-based Provincial and Federal Government representatives who reviewed your company's November, 1988 Prospectus. If the Stage I submission is filed prior to formal establishment of the new committee, an existing Regional Reclamation Advisory Committee will handle the review in the interim.

Please contact me when your company is ready to submit the focussed Stage I 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 Review Committee, a few agencies, which either do not have regional representation or which maintain headquarters technical review expertise, will also require copies of the focussed Stage I submission. In any event, we trust that the new regional committee approach will facilitate review and final approval of your company's project.

One final point I wish to note is your company's failure to meet its obligations for permitting. The company has also been delinquent in submitting its monitoring data as required by Waste Management Permit PE - 9780. The Ministry of Environment is considering enforcement action against the Company on this matter.

In closing, your company is urged to comply with all current permitting and approval requirements for the mine and pilot mill. I sincerely hope that this delinquency will not continue, as approval of the full project development will require assurance that all statutory requirements will be met.

Yours truly,



Norman R. Ringstad, Secretary
Mine Development Steering Committee
c/o Engineering and Inspection Branch
Mineral Resources Division

NR:AC:djt

Attachment:

Review comments on prospectus
Distribution list

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To: Selected Members
Mine Development
Review Process

Date: December 6, 1988

LOG NO: DEC - 8 1988	VAN
ACTION:	
<i>YCS</i>	
FILE NO:	GOLDWEDGE

Re: **Catear (Goldwedge) Gold/Silver Project**
- Prospectus (November, 1988)

Catear Resources Ltd. has filed a prospectus on its Goldwedge Gold/Silver Project, located 2 km North Northwest of Brucejack Lake, and approximately 70 km North Northwest of Stewart. The total workforce is estimated to be 30. The proponent is proposing a 181 mtpd operation, with an underground minelife of 6 - 10 years, based on total reserves/resources estimated to be 337,768 tonnes. The potential for minelife extension is considered excellent

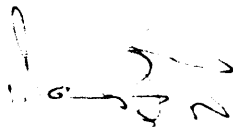
The company's development schedule appears somewhat optimistic in that there is no provision for a field season after receipt of the prospectus review comments and before the filing of a Stage I report. While official completion of the prospectus review is unlikely before mid-February, 1989, key agencies may be approached for direct discussions with the company in order to obtain a preview of prospectus review comments, thus allowing an early commencement of required Stage I fieldwork. If your agency is approached, please cooperate with this informal approach to exchanges. The company initiated in May, 1987, a study problem related to water quality, bathymetry, acid generation potential and tailings disposal. As well, permit approvals for a 10,000 tonne pilot test were obtained in July, 1988. This test is allowing the proponent to conduct metallurgy and recovery studies during late 1988 and early 1989. Information is currently being gathered related to water requirements and tailings disposal.

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 regionally-based Mine Development Advisory Committees to review and assess small, local, relatively non-controversial mine development proposals. These committees will be chaired by a District Mines Inspector, and will be comprised of regional representatives of key Mine Development Review Process agencies. The Catear Gold/Silver Project may be a candidate for review by the Smithers Mine

Development Advisory Committee (rather than by the MDSC) in the future, and your opinion is sought in this regard.

In the meantime, by no later than 1989-02-03, you are asked to review the prospectus and respond to the following questions from your agency's perspective:

1. Does your agency require the company to provide information in a Stage I submission? If so, please outline your concerns and the topics to be addressed.
2. If not:
 - (i) Does your agency wish to identify any matters which should be addressed at the permitting stage?
 - (ii) Alternatively, does your agency decline all further involvement in the review of this project? (In accordance with normal practice, failure to respond will be interpreted as indicating no further interest).
3. Does your agency feel that, even if a Stage I submission is required, further review of this project could nevertheless be handled by the Smithers Mine Development Advisory Committee?



Norman Ringstad, Secretary
Mine Development Steering Committee
c/o Engineering and Inspection Branch
Mineral Resources Division

Attachment: Prospectus

ccs: Bruce McRae
Karen Koncorhada
Ralph McGinn
Rick Whittaker (workforce less than 100)

Distribution: see attached list

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Parliament Buildings
Victoria
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August 3, 1988

Goldwedge

Mr. Ed Krutchkowski, President
Catear Resources
400, 255-17th Ave. S.W.
Calgary, Alberta
T2S 2T8

Dear Mr. Krutchkowski:

Thank you for approval to visit your Golden Wedge property. The hospitality of your crews on the property was excellent, and useful discussions were held.

The underground tour led by Erik Ostensoe was the highlight of the visit and is much appreciated.

We wish you every success in your venture.

Yours sincerely,

W.J. McMillan
A. Panteleyev
T. Schroeter
D. Lefebure
Geological Survey Branch
Mineral Resources Division

WJM/hjg



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Tom S.

June 14, 1988

Mr. Ed Krutchkowski, President
Catear Resources Ltd.
400, 255 - 17 Avenue SW
Calgary, ALBERTA
T2S 2T8

Dear Ed,

Would it be possible for a group from the B.C. Ministry of Mines to have an underground tour at your new mine this summer? Three of our senior geologists, Bill McMillan, Andre Panteleyev and Tom Schroeter, would like to visit your Goldwedge property as part of a tour of the major new properties in the Iskut Sulphurets-gold belt. On their present schedule they plan to visit your property for a half day on Tuesday, July 19.

Please let me know if a tour would be possible and if this date would be convenient for your mine crew.

Thank you for your consideration.

Yours sincerely,

D.J. Alldrick
Project Geologist

Tel. (604) 356-2848

Fax. (604) 356-8153

DJA/bm

cc - Eric Ostensoe, Minesite

LOG NO: JUN 16 1988	VAN
ACTION:	
<i>TOS</i>	
FILE NO:	<i>Goldwedge</i>