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

September 15, 1988

HEDLEY 833993

Dr. R. Seraphim Sumac Ventures Inc. 315 - 470 Granville Street Vancouver, British Columbia V6C 1V5

Dear Dr. Seraphim

Re: Mascot Gold Tailings Project (April, 1988)

Participants in the Mine Development Review Process (MDRP) have completed their review of your company's April, 1988 prospectus. I attach review comments for your information and necessary action. A 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.

The attached review comments should be viewed as terms of reference for the forthcoming 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 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 Stage I submission to focus on what agencies have identified as the key issues. In this regard, I wish to mention that, due to the location of your project relative to Hedley and important water supplies, you should be cognizant of the need to communicate with affected local publics. As such, you should attempt to meet with interested groups and/or individuals to discuss project planning and address concerns as they arise.

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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 Agriculture and Fisheries;
- the Traffic and Design Branch, Ministry of Transportation and Highways;
- the Ministry of Parks;
- the Resource Management Branch, Ministry of Municipal Affairs, Recreation and Culture;
- the Ministry of Advanced Education and Job Training;
- the Ministry of Education; and
- the Ministry of Attorney General.

With respect to the filing of your company's Stage I submission, I advise you of the following. The Steering Committee will require ten (10) copies of a draft submission for a two-week screening. If major deficiencies are identified, upgrading will be required prior to detailed review of the formal submission. About thirty-five (35) copies of the formal submission should be sent directly to MDRP participants, once accepted for formal detailed review. A list of names and addresses will be provided. In addition, you will be requested to send copies to local governments, Native groups, public libraries and other interested parties, as was the case for the prospectus.

In closing, thank you for your company's cooperation with the review process to date. Please contact me if you have any questions (phone: 356-2229).

Yours truly,

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

NR:sf

Attachment: Review comments on prospectus

ccs: See attached distribution list

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