



13 May 2009

Project Manager  
200-16, 11th Ave. S  
Cranbrook, BC V1C-2P1

Dear Mr. Downie;

**RE: Yellowjacket Gold Project Mines Act Permit Application**

Issues and Concerns

This is a near surface bedrock mine covering 18 to 25 ha of previously disturbed placer ground. The ML/ARD work was carried out by Lorax and 23 samples were tested and found to be not acid producing. The total sulphur contents were also low, on the order of 0.02 to 0.07%. All NPR was greater than 4 indicating not likely to be acid generating. Testwork is also ongoing with static and kinetic testing and there are eleven rock types to characterize so far. We need to look at the additional characterization that Prize Mining is doing.

However, the following metals/metalloids are enriched; As, Co, Cr, Ni, Sb, Se, and Th. Neutral drainage metal leaching may be a concern. Lorax should look at this carefully. Mariposite is prevalent and is the chrome mica.

Mineralogy, especially carbonate, gangue and ore minerals should be studied and quantified percentages obtained. The general descriptions and photographs provide some idea. Please include a list of which rock types are actually present in the workings and on the property.

The proposed plan is to backfill all mine waste and flood within two years of extraction. If there is an early mine closure or suspension of activities, this must still be adhered to.

Water quality and environmental monitoring is done by Atlin Tlingit Development Corporation. Results shall be made available to MEMPR.

Drainage ditches and collection of seepage water is important. Also divert good water away from waste.

Does Pine Creek have bedload transport issues and avulsions which may impact drainage and erosion?

Section 9.1 Metal Leaching and ARD prediction and prevention plan

Is there a simulated tailings supernatant geochemistry prediction available? Please do the collection and analysis of the existing mineralized rock, waste and tailings from the bulk sample.

Appendix 3 shows a graph of sulphide sulphur being up to about 0.25% yet total sulphur is only 0.15% (maybe graphing is reversed).

Ted Fuller M.Sc. P.Geo.  
Environmental Geoscientist  
MEMPR  
Victoria