

4851

82E/6E

Fur
ASSESSMENT REPORT

DIAMOND DRILLING
82E/6E

ARGENTIA MINES PROPERTY

NTS: 82 E 6

MAPS

- #1 Location map
- #2 Plan Showing Location
of DDH A-8 and A-9

Department of
Mines and Petroleum Resources
ASSESSMENT REPORT

NO. 4851

MAP

Dated August 14 to August 24 incl.

Tonto Drilling Limited - Contractor - NQ Size Drill hole.

<u>Hole No.</u>	<u>Footage</u>		
8	255		
9	<u>307</u>		
	562 feet for	\$7942.78 or	
		\$ 14.13/foot	\$7942.78

Supervision

E. Smith @ \$43.20/day x 11 days =	475.20	
R. Albino @ \$13.15/day x 11 days =	<u>144.65</u>	
	619.85	619.85

Rio Truck Rental	11 days @ \$7.50	<u>82.50</u>
		<u>\$8645.13</u>

Declared before me at the *City*
of *Vancouver*, in the
Province of British Columbia, this *8th*
day of *January, 1974*, A.D.

Sparlin Edwards

Jan Paul **SUB - MINING RECORDER**
A Commissioner of the Court of Justice within British C
A Notary Public in and for the Province of British C.

LOCATION: 0+44N 11+01 W

RIO TINTO CANADIAN EXPLORATION LIMITED
DIAMOND DRILL RECORDHOLE NO
A - 8

AZIMUTH: 130°

PROPERTY: Argentia Mines Ltd.,

DIP: -60° at collar

LENGTH: 255 feet

ELEVATION: 2795

CLAIM NO: Fur 3

STARTED: August 17 1973

CORE SIZE: NQ wireline

DATE LOGGED: August 18-19

SECTION:

COMPLETED: August 19 1973

DIP TESTS: none

LOGGED BY: U. Paltser

PURPOSE: To test for extension of mineralization found in D.D.H. A-3

FOOTAGE		DESCRIPTION	SAMPLE NR	FOOTAGE		LENGTH							
from	to			from	to								
0	8.0	Casing - overburden											
8.0	11.5	Granodiorite - weakly altered intrusive composed of feldspar, quartz with 10% dark minerals. The hornblende crystals have partially changed to chlorite and only minor epidotization is apparent. The core is moderately fractured with oxidation on fracture planes. A trace amount of pyrite occurs. Lower contact is distinct but broken.											
11.5	31.5	Quartz Monzonite Porphyry - composed of large 3 inch pink subhedral feldspar phenocrysts with more numerous euhedral feldspar 1/4-3/8th inch. Quartz phenocrysts are also characteristic and comprise 20% of the core. The porphyry is unaltered with epidote restricted to the occasional fracture. Trace pyrite.											
31.5	65.0	Granodiorite - generally as 8.0-11.5 but becoming progressively more altered after 40.0 with intense fracturing and alteration after 55.0. The alteration is once again chlorite and epidote although sericitization was found on fracture slickensides. Trace to 1% pyrite is present but no sphalerite was identified. Sharp lower contact 45° to core											

U. Paltser

RIO TINTO CANADIAN EXPLORATION LIMITED

DIAMOND DRILL RECORD

ARGENTIA

HOLE No: A - 8

PAGE No: 2 of 3

FOOTAGE		DESCRIPTION	SAMPLE No	FOOTAGE		LENGTH	%Zn	%Pb	%Cu	OZS/ TON Ag
from	to			from	to					
65.0	67.5	Quartz Monzonite Porphyry - as 11.5 -31.5 and having trace amounts of disseminated pyrite. Sharp lower contact 45° to core.	23976	31.5	41.5	10.0	0.04	0.01	0.004	0.02
			23977	41.5	51.5	10.0	0.04	0.01	0.003	0.03
			23978	51.5	61.5	10.0	0.05	0.01	0.002	0.02
67.5	71.0	Granodiorite - moderately altered by chlorite and epidote which tends to occupy old random fractures and has been introduced between the quartz and feldspar. The section contains considerably more pyrite 2-3% mainly in chlorite as elongated blebs A trace amount of sphalerite was visible Sharp lower contact 35° to core.	23979	61.5	66.0	7.0	0.16	0.01	0.005	0.05
				68.0	70.5					
			23980	98.0	108.0	10.0	0.01	Tr	0.001	0.01
			23988	123.0	125.0	2.0	0.53	0.20	0.009	0.07
			23981	196.0	203.0	7.0	0.25	0.04	0.004	0.04
			23982	203.0	213.0	10.0	0.24	0.06	0.003	0.05
			23983	213.0	223.0	10.0	0.27	0.03	0.004	0.06
			23984	223.0	230.0	7.0	0.28	0.02	0.004	0.03
71.0	123.0	Quartz Monzonite Porphyry - as 11.5-31.5 although some quartz eyes are blue in colour. No sulphides are present but minor magnetite occurs. The lower contact is broken last.	23985	230.0	240.0	10.0	0.26	0.10	0.005	0.05
			23986	240.0	250.0	10.0	0.25	0.05	0.004	0.03
			23987	250.0	255.0	5.0	0.35	0.08	0.010	0.06
123.0	125.0	Granodiorite - weak to moderate alteration by chlorite and epidote. At 124.0 1/10th inch fractures contain sphalerite and pyrite. Pyrite is also found disseminated throughout the section (2%). The lower contact is very chloritic, soft and broken.								
125.0	197.0	Hornblende - Feldspar Dyke (Trachyte) A massive, medium grained grey intrusive composed of feldspar and hornblende with minor magnetite and hematite. The dyke is unaltered and unfractured without visible sulphides. Chill zones occur at both contacts and the lower contact is sharp but very irregular.								
197.0	203.3	Granodiorite - distinctly different from previous sections since quartz is very abundant, epidote is absent and no sulphides occur. Instead, numerous hair-line fractures 90° to core, which cut								

RIO TINTO CANADIAN EXPLORATION LIMITED

DIAMOND DRILL RECORD

ARGENTIA

HOLE No: A-9

PAGE No: 2

FOOTAGE		DESCRIPTION	SAMPLE No	FOOTAGE		LENGTH	%Zn	%Pb	%Cu	Ozs/ Ton Ag.
from	to			from	to					
23.0	26.0	Quartz- Feldspar porphyry	23989	16.5	25.5	7.0	0.01	0.01	0.001	0.02
		as 8.0 - 16.0 with less epidote		24.0	25.0					
		producing a greyer colour.	23990	35.0	45.0	10.0	0.02	0.01	0.004	0.04
		Sharp lower contact 45° to core.	23991	45.0	55.0	10.0	0.07	Tr	0.016	0.05
			23992	55.0	62.0	7.0	0.23	0.01	0.045	0.11
26.0	27.0	Granodiorite. - Weakly altered as 16.0-	23996	109.0	116.0	7.0	0.11	0.05	0.012	0.03
		23.0 but more pyrite is present 5%	23993	122.0	132.0	10.0	0.06	0.03	0.019	0.06
			23994	132.0	142.0	10.0	0.13	0.02	0.023	0.07
27.0	30.0	Quartz Monzonite Porphyry - similar to	23995	142.0	146.5	4.5	0.20	0.01	0.029	0.06
		sections of quartz - feldspar	23997	205.0	215.0	10.0	0.30	0.22	0.007	0.02
		porphyry except that large (1 in)	23998	215.0	224.0	9.0	0.12	0.01	0.008	0.06
		pink phenocrysts occur occasionally	23999	224.0	234.0	10.0	0.25	0.09	0.010	0.03
		suggesting that the two rock types	24000	234.0	242.0	8.0	0.09	0.05	0.006	0.03
		are closely related. No sharp	25398	242.0	252.0	10.0	0.01	0.01	0.001	0.02
		contact.	25399	252.0	262.0	10.0	Tr	Tr	0.001	0.01
30.0	35.0	Feldspar porphyry as 80 - 16.0 without	25400	262.0	272.0	10.0	0.01	0.01	0.002	0.01
		quartz phenocrysts. A few	25485	272.0	282.0	10.0	0.01	0.01	0.001	0.01
		fractures contain epidote with a	25486	282.0	292.0	10.0	0.07	0.02	0.002	0.02
		trace amount of pyrite. Sharp	25487	292.0	294.5	2.5	0.31	0.07	0.013	0.06
		lower contact 60° to core.								
35.0	62.0	Granodiorite - weakly altered granodiorite								
		having locally abundant pyrite								
		in fractures, most of which are								
		less than 45°. At 44.0 a ½ in								
		wide seam of pyrite contains a								
		speck of chalcopyrite and minor								
		sphalerite. It is oriented 30° to								
		core axis. The lower contact is								
		distinct but very irregular.								
62.0	67.0	Felsite - Non porphyritic rock similar to								
		8.0 - 16.0 but without the								
		development of phenocrysts.								

RIO TINTO CANADIAN EXPLORATION LIMITED

DIAMOND DRILL RECORD

ARGENTIA

HOLE No: A-9

PAGE No: 5

FOOTAGE		DESCRIPTION	SAMPLE No	FOOTAGE		LENGTH						
from	to			from	to							
219.5	242.0	Granodiorite - moderately altered by chlorite and epidote although quartz and feldspar still compose 50% of the core. The section contains 5% pyrite as disseminations and fracture fillings with trace sphalerite at 227 in fractures 20' to core. Sharp lower contact 30'.										
242.0	292.0	Quartz Monzonite Porphyry - As 72-111.0 with blue quartz eyes and a greenish tint to feldspar phenocrysts. The core is weakly fractured and epidotized. No sulphides were noted. Sharp lower contact 40' to core axis.										
292.0	294.5	Granodiorite - Moderately altered as 219.5-242.0 with 2% pyrite and traces of sphalerite at contacts. Estimate .3 - .5% Zn. Lower contact broken.										
294.5	307	Hornblende - feldspar dyke. Fine grained, dark grey chill zone extending to 305.0 occasional white feldspar phenocrysts begin to appear as well as hematite grains.										
307.0		END OF HOLE CASING LEFT IN HOLE										
		Core presently stored at the residence of J. Lutna in Beaverdell, B.C.										

APPENDIX II

Statement of Qualifications

1. I am a graduate of Queen's University in Kingston, Ontario, where I obtained a B.Sc. in Applied Science (Geological Engineering).
2. Since graduating in 1970, I have been employed by Rio Tinto Canadian Exploration, as a field geologist in Quebec, Ontario, Saskatchewan and most recently in British Columbia.
3. During my employment with Rio Tinto, I have supervised and compiled reports on geological mapping and drilling projects.

U. Paltser
U. Paltser.



**CANADIAN DIAMOND DRILLING ASSOCIATION
STANDARD DRILLING CONTRACT**

THIS AGREEMENT made and entered into by and between RIO TINTO CANADIAN EXPLORATION LIMITED

Suite 615- 555 Burrard Street

Vancouver 1, British Columbia

hereinafter called Company, and

TONTO DRILLING LTD.

Suite 528-470 Granville Street

Vancouver 2, British Columbia

hereinafter called Contractor

WITNESSETH: THAT,

WHEREAS, Company is the owner, part owner and/or Operator, of certain properties on which it desires to have a program drilled and completed and,

WHEREAS, Contractor represents that it has adequate equipment in good working order and fully trained personnel capable of efficiently operating such equipment with which it desires to drill for Company:

NOW, THEREFORE, the parties hereto, each in consideration of the promises and agreements of the other, mutually agree as follows:

1. WORK TO BE DONE, LOCATION, COMMENCEMENT DATE, AND DEPTH:

1.1 Contractor agrees to drill and complete the hereinafter designated program in accordance with all provisions hereof and other conditions and specifications set forth in the Bid Sheet and Job Specifications, identified as Exhibit A attached hereto and made a part hereof.

1.2 Contractor further agrees to commence operations for the drilling of the project at the location, on the date, and to the depths agreed upon in Sections 1 and 2 of Exhibit A hereof.

2. LABOR, EQUIPMENT, MATERIALS, SUPPLIES, AND SERVICES:

2.1 All labor, equipment, material, supplies and services necessary to the normal operation or maintenance of the drilling equipment shall be furnished by Contractor. Additional material, equipment, special tools, supplies and services necessary or proper to the drilling and completion of the job shall be furnished at the drill site by the party designated in Exhibit A. Should tools, materials, apparatus or services, other than those set forth herein or designated in Exhibit A be necessary to the drilling of the program, the cost of such tools, materials, apparatus or services and the manner in which they are to be furnished are to be agreed upon by the parties hereto.

2.2 Should Contractor purchase for Company at Company's request any materials, supplies, or equipment which Company is obligated to furnish under the terms of this agreement, Company agrees to pay Contractor within (30) days after date of receipt of Contractor's invoice the actual cost of such materials, supplies, or equipment. Contractor agrees to furnish Company copies of suppliers', vendors', or third party invoices covering such materials, supplies, or equipment.

3. FOOTAGE RATE, HOURLY RATE, STAND-BY RATE, BASIS OF DETERMINING AMOUNTS PAYABLE TO CONTRACTOR:

3.1 Subject to all of the other provisions hereof, Company agrees to pay Contractor for the work performed, services rendered, and the materials, equipment and supplies furnished by Contractor, a sum computed as hereafter prescribed.

3.2 For work performed on a footage basis, Contractor shall be paid the rate agreed upon and specified in Section 3 of Exhibit A, multiplied by the linear footage of hole drilled. Such linear footage of hole drilled shall be determined in the manner specified in Exhibit A.

3.3 For work performed on an hourly basis, the hourly rate shall be as agreed upon in Section 3 of Exhibit A.

3.4 If it is necessary to shut down Contractor's drill for repairs while Contractor is performing work on an hourly basis, Contractor shall be allowed compensation in the manner set out in Section 3(L) of Exhibit A.

3.5 In determining the amount of hourly time for which Contractor is to be compensated, it is agreed that such day work time shall begin when Contractor, suspends normal drilling operations being conducted on a footage basis, and shall include the time required to restore the hole to the same drilling conditions which existed when operations on a footage basis were suspended.

4. ACCESS:

Preparation of drill sites and access roads is the responsibility of the Company. The Company shall provide at no cost to the Contractor, all rights of ingress and egress to all lands that may be required to enable the Contractor to carry out the specified work.

5. DRILLING SITES:

The Contractor agrees to case and drill on the sites and at angles and azimuths selected by the Company representative and to follow the instructions of the Company representative relating to place and time of drilling.

Company and Contractor respectively agree to comply with all laws, rules and regulations Federal or Provincial, which are now or may become applicable to operations covered by this Agreement and any work order issued in connection herewith. If any of the terms hereof are in conflict with any applicable rule, regulation, order or law of a Provincial or Federal Regulatory Body, the terms of this Contract so in conflict shall not apply and the applicable Provincial or Federal rule, regulation, order or law shall prevail.

6. CAVITIES:

In the event that cavities or loose and caving materials or excessive water flows are encountered of a nature so as to prevent the successful completion of any hole, the Contractor does not, under such conditions guarantee to drill to a predetermined depth and, in the event that it becomes necessary to abandon the hole, the Company agrees to pay for such uncompleted holes at the rates herein specified for all footage completed. However, should the Company request that further work be carried out in the hole beyond this point, then the Contractor shall continue work in the hole, but such continuing work shall be at Field Cost rates.

7. TIMBER RIGHTS:

The Contractor shall be permitted to cut and fell any timber on the Company's property as may be required in the course of the work hereunder, and the Company shall indemnify and save harmless the Contractor from any assessment for stumpage or other charges of every kind and nature whatsoever.

8. LOSS OR DAMAGE:

In addition to all other indemnifying provisions contained herein, Contractor represents and warrants that the use or construction of any and all tools and equipment furnished by Contractor and used in the work provided for herein does not infringe on any license or patent which has been issued or applied for, and Contractor agrees to indemnify and hold Company harmless from any and all claims, demands, and causes of action of every kind and character in favor of or made by any patentee, licensee, or claimant of any right or priority to such tool or equipment, or the use or construction thereof, which may result from or arise out of furnishing or use of any such tool or equipment by Contractor in connection with the work under this agreement and applicable work orders.

Contractor shall be liable at all times for damage to or destruction of Contractor's surface equipment and materials, regardless of how such damage or destruction occurs. Company shall be under no liability to reimburse Contractor for any such loss except loss or damage thereto caused by negligence or wilful acts or omissions of Company or Company's agents, servants, or employees.

Contractor shall not be responsible for damage to the hole on which Contractor performs services nor to property of Company unless such damage shall be caused by or the result of the gross negligence or wilful misconduct of Contractor, its agents or employees, this provision applying to sub-surface damage and surface damage resulting from subsurface damage.

Company shall be responsible for and protect, indemnify and save Contractor harmless from any liability for injury to or death of persons or damage to property (including, but not limited to, injury to the job) growing out of or in any way connected with the use of radioactive material in the hole, unless such damage shall be caused by the gross negligence or wilful misconduct of Contractor, its agents or employees.

Except as otherwise provided, Contractor will indemnify and hold Company harmless from and against all damages and claims for damage by reason of injury or death of persons or damage to property caused by the negligence of Contractor, its employees or agents, in the performance of work hereunder and not caused or contributed to by the negligence of Company, its agents or employees.

9. CORE:

The drilling shall be conducted so as to produce as high a percentage of core as the nature of the ground being drilled shall allow. All cores recovered shall be delivered to the COMPANY at the drill site, carefully marked.

10. HOLE DIRECTION AND DEPTH:

The Contractor does not guarantee the direction of the hole beyond the collar nor guarantee to drill any hole to any specified depth. The Contractor will however, expend every reasonable effort to complete all holes to the satisfaction of the Company.

11. COMPANY REPRESENTATIVE:

The Company will have a representative on site authorized to approve Company charges on a daily basis.

12. SECRECY:

The Contractor will not give out any information regarding drill results or permit any access to drill core to any individual other than the Company's representative, except upon specific permission of responsible officials of the Company.

13. DISCIPLINE:

The Contractor shall at all times enforce discipline and maintain good order among its employees, and shall not retain on the job any person not skilled in the work assigned to him.

Any employees of the Contractor who are objectionable or unsatisfactory to the Company shall be removed from the job and replaced by an employee satisfactory to the Company.

14. LIENS:

The Contractor shall be responsible for, and will pay promptly all costs and charges, incurred by itself for labor, machinery, tools, transportation, and supplies used.

15. PAYMENTS:

The Company shall pay Contractor for the work and/or equipment or materials furnished by Contractor at the rate stipulated in the work orders provided for herein, subject to the same being accepted by Company as fully complying with all the terms, conditions, specifications and requirements of this Contract and such work orders; provided Contractor shall have satisfied Company that there are no liens or claims on or against Company or its property by reason of the operations of Contractor hereunder. Invoices will be submitted Semi- monthly. Payment to be made Fifteenth days thereafter. Interest on overdue accounts will be charged at 1½ percent per month.

16. ECOLOGY AND SANITATION:

During the course of the work, the Contractor shall keep the site of any drilling and camp areas free from accumulation of waste materials, rubbish or garbage and upon completion of the work, shall remove all tools, scaffolding, surplus materials, rubbish and garbage and leave the working and camp site in a clean condition. The Contractor shall observe and comply with all applicable Federal and Provincial laws, regulations and orders relating to prevention of forest fires and sanitation in the bush and shall bear all costs arising from any violation thereof.

17. INSURANCE:

At any and all times during the term of this Agreement, Contractor agrees to carry insurance of the types and in the minimum amounts as follows:

17.1 Workmen's Compensation insurance in full compliance with all applicable Provincial laws and regulations.

17.2 Employer's liability insurance in the minimum limits of \$ 500,000.00----- per accident covering injury or death to any employee which may be outside the scope of the workmen's compensation statute of the province in which the work is performed.

17.3 Comprehensive general liability insurance with minimum limits of \$500,000.00----- for injury to or death of any one person and \$500,000.00--- for any one accident and with minimum limits of \$500,000.00--- for property damage.

17.4 Automobile liability insurance covering owned, non-owned, and hired automotive equipment with minimum limits of \$500,000.00--- for injury to or death of any one person and \$500,000.00----- for any one accident and \$500,000.00----- property damage.

17.5 All such insurance shall be carried in a company or companies acceptable to Company and shall be maintained in full force and effect during the term of this Agreement, and shall not be cancelled, altered, or amended without ten (10) days' prior written notice having first been furnished Company. Contractor agrees to have its insurance carrier furnish Company a certificate or certificates evidencing insurance coverage in accordance with the above requirements and, when requested by Company, to furnish certified copies of all said insurance policies.

18. RIGHT TO VACATE:

Upon completion of the work herein contracted to be performed the Contractor shall have the right to remove within a reasonable length of time all temporary buildings and other fixtures including trade fixtures, machinery, equipment and appliances placed by the Contractor upon such lands.

19. DISPUTES:

This Agreement and any dispute arising hereunder shall be interpreted and determined in accordance with the laws of British Columbia.

In the event there is a conflict between the provisions hereof and any papers or documents, which may have been executed or passed between the parties hereto in connection with the subject matter hereof, it is understood and agreed that the provisions hereof shall be controlling. It is expressly understood and agreed by the parties hereto that no provision of any delivery ticket, invoice or other instrument used by Contractor in setting forth the operations conducted hereunder shall supersede the provisions of this Agreement.

20. FORCE MAJEURE

Neither Company nor Contractor shall be liable to the other for any delays or damages or any failure to act due, occasioned, or caused by reason of Provincial laws or the rules, regulations or orders of any public body or official purporting to exercise authority or control respecting the operations covered hereby, including the use of tools and equipment, or due, occasioned, or caused by strikes, action of the elements, or causes beyond the control of the elements, or causes beyond the control of the parties affected hereby, and delays due to the above causes, or any of them shall not be deemed to be a breach of or failure to perform under this Agreement.

21. NOT ASSIGNABLE:

It is mutually agreed that this Agreement shall be binding upon and enure to the benefit of the parties hereto, their respective successors and permitted assigns, but shall not be assignable by either party without the consent in writing of the other party first had and obtained.

22. MAILING ADDRESSES:

That any notice required to be given hereunder shall be properly given if mailed by registered letter addressed to the Company as follows:

**Rio Tinto Canadian Exploration Limited
Suite 615-555 Burrard Street
Vancouver 1, British Columbia**

or to the Contractor by registered letter addressed as follows:

**Tonto Drilling Ltd.
Suite 528-470 Granville Street
Vancouver 2, British Columbia**

This AGREEMENT may be altered only by written consent of both parties hereto.

23. TIME IS OF THE ESSENCE:

Time is expressly declared to be the essence of this Contract. If either party hereto defaults in the performance of this Contract of work commenced under work orders as provided for herein, the other party has the option to terminate this Contract and the work order involved.

WITNESS the signatures of the parties hereto in DUPLICATE ORIGINALS, this _____ day of _____, A.D. 19_____.

WITNESSES:

Neo Tinto Canadian Exploration Limited
SUITE 2400 - 120 ADELAIDE ST. W.
TORONTO 1, ONTARIO

Company
By: R.C. Hart

WITNESSES:

Tonto Drilling Ltd.
Vancouver, British Columbia
Contractor

By: M.A. Harrison



EXHIBIT A
 BID SHEET AND JOB SPECIFICATIONS

Rio Tinto Canadian Exploration Limited
Suite 615-555 Burrard Street
Vancouver 1, British Columbia

To: Tonto Drilling Ltd.
Suite 528-470 Granville Street
Vancouver 1, British Columbia

Gentlemen:

We solicit your bid to drill and complete the hereinafter designated project.

This bid form has been filled in by us to the extent necessary to identify the project, the quantity, and size of core desired. If you desire to submit a bid, please complete this instrument in every respect, execute the original and two copies, and return to our office at 615 - 555 Burrard Street not later than 5:00 XM./P.M. June 27th 1973.

Very truly yours,

Company

1. INTRODUCTION:

Minimum footage Two Thousand feet (2000') No. of drills One (1)
 Starting date July 5th, 1973 Completion date _____
 Location (attach map) Beaverdale, British Columbia
 Access - all weather road (X), winter road (), aircraft (), others specify _____

2. DESCRIPTION OF WORK:

The work is to consist of a series of drill holes, drilled at locations specified by the Company. A total minimum footage of --2,000----- feet shall be drilled but, total footage may be extended by mutual consent. Holes shall be drilled with NQWL tools producing 1-23/32"-diameter core. Maximum depth of any hole shall not exceed ---500----- feet, and minimum depth shall be --200--- feet. The Contractor will not be called upon to drill any hole at a flatter angle than --45---- degrees. Measurement of all holes shall be taken from the top of the casing pipe. If holes of a greater depth than 500-- feet are desired, such drilling shall be performed only upon such conditions and at such rates as may be agreed upon before commencement of such drilling.

3. SCHEDULE OF RATES:

The Company agrees to pay the Contractor for footage drilled and other services performed as follows:

(a) Coring at Bedrock

Depth Intervals	<u>NQWL</u> Size	<u>BQWL</u> Size
0 - 500 Ft.	\$ <u>--7.35-----</u> /Ft.	\$ <u>--7.00-----</u> /Ft.
500 - 1000 Ft.	\$ _____/Ft.	\$ _____/Ft.
1000 - 1500 Ft.	\$ _____/Ft.	\$ _____/Ft.
____ - ____ Ft.	\$ _____/Ft.	\$ _____/Ft.

(b) Casing of Overburden

Depth Interval	
0 - 50 Ft.	\$ <u>7.35</u> /Ft.
50 - 100 Ft.	\$ <u>8.00</u> /Ft.
___ - ___ Ft.	\$ _____ /Ft.

(c) The following services will be provided on an operating Field Cost plus Ten (10) % basis.

1. Casing of overburden over --100-- ft.
2. Reaming and setting casing for borehole reduction, borehole stabilization, and control of return water.
3. Drilling caved or broken ground.
4. All cementing operations excluding setting time but including drilling of set cement.
5. Wedging of boreholes.
6. Supplying water to the drill when water supply over 2,000 ft. lateral and/or -250-- ft. vertical lift from borehole collar under non-freezing conditions and _____ ft. lateral and/or _____ ft. vertical lift under freezing conditions.
7. Recovering pipe and/or casing at Company's request.

Where operating Field Costs are defined as:

OPERATING FIELD COSTS

Labour (including Supervision) -----\$7.35----- per man hour.

Drill, Two pumps and service vehicles including normal operating repairs, ---\$7.00-- per drill hour.

Tractor \$17.00----- per hour.

Water truck (excluding driver) \$ 5.50----- per hour.

Pumps for water supply

Type	Operating hourly Rate
<u>420 Bean</u>	<u>\$5.00 per day, plus fuel</u>

Supplies consumed or damaged beyond use due to site conditions including diamond articles, mud ingredients, cement, rods, core barrels, etc. Site replacement value plus Ten(10) %.

(d) The following services would be provided on a non-operating field cost plus Ten (10) % basis.

1. Setting time for cement.
2. Delays caused by Company.
3. Travelling time of crew in excess of Thirty minutes per man shift (Labour only).

Where non-operating field costs are defined as:

NON-OPERATING FIELD COSTS

Labour (including supervision) -----\$7.35----- per man hour.

Drill, pumps and service vehicle ----\$5.00----- per drill hour.

Tractor operating ---\$17.00--- per hour.
not operating ---\$ 8.50--- per hour.

(e) Testing of borehole

The Contractor, when instructed so to do, shall take any clinometer dip tests desired by the Company. The Contractor's charge for such test shall be at the rate of 3----- feet of drilling at the depth where tested.

(f) **Transportation and moves**

The moving of drill equipment, supplies and personnel from Tonto's base of operations to the transport discharge point and return from the transport loading point to Tonto's base of operations shall be for Rio Tinto's account at the sum of One Hundred and Fifty Dollars (\$150.00). The moving of drill equipment, supplies and personnel by Tonto to the initial drill site, between drill sites and return from the final drill site to the transport loading point would be for Rio Tinto's account at field cost plus ten percent.

Moves shall be interpreted to include tearing down, dismantling machinery, moving, securing timber, site preparation and setting up.

Interim service trips in connection with the maintenance of drill camps and the drilling operation shall be for Tonto's account.

(g) Room and board for Contractor's personnel will be provided by Tonto

Contractor will provide meals for up to Two (2) of Company's representatives at a price of \$4.00 per meal.

Room and board will be provided by Company to Contractor at ~~=\$13.00=~~ per man day.

(h) Core boxes will be provided by Tonto. Contractor's rates for Core boxes on site

<u>Nominal core length</u>	<u>Core Size</u>	<u>Rate</u>
20'	NQ	\$3.50 each
25'	BQ	\$3.00 each

(i) Core Splitter to be supplied by _____

Contractor to supply core splitter at _____ per month.

(j) **Controlled Drilling**

The Contractor agrees to use controlled feeds when requested by the Company. An extra charge per foot will apply to all such controlled feed drilling as follows:

Controlled drilling on _____ Feed at _____ extra per foot
Controlled drilling on _____ Feed at _____ extra per foot

(k) **Standby Rental**

It is agreed that, at the completion of the present active drilling program, the Company may retain the Contractor's drilling equipment at the drill area for a rental rate of \$800.00- per month, per drilling unit. The standby rental charge will cease to apply upon commencement of continuous drilling Program, or, on the giving of a written notice to the Contractor by the Company that the drilling equipment is no longer required.

(l) **Equipment Repairs**

If it becomes necessary to shut down the Contractor's equipment for repairs while the Contractor is performing work on an hourly basis, Contractor shall be allowed compensation for such repairs at the appropriate rate. The number of hours for which Contractor is to be compensated shall be limited as follows:

For any one repair job Four (4)----- hours.
Total hours per month Sixteen (16)-----

(m) Special Agreements

In computing the price schedule in the core drilling and reaming sections, we provided for \$1.50 per foot drilled or reamed to cover the anticipated diamond and setting charge expense. In the event the actual diamond bit expense should exceed the \$1.50 per foot allowance, it is understood that fifty percent (50%) of such excess expense will be invoiced to Rio Tinto.

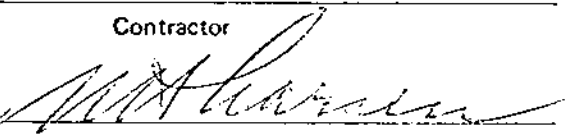
In response to the above request our bid for the drilling of the project hereinabove described is submitted as set forth above.

TONTO DRILLING LTD.

Vancouver, British Columbia

Contractor

Date: _____

By:  _____



**4851
M2**

SCALE
One Inch = 400

Department of
Mines and Geology Resources
ASSESSMENT REPORT
NO. 4851 MAP #2

RIO TINTO CANADIAN EXPLORATION LIMITED
ARGENTIA PROPERTY, BEAVERDELL B.C.
PLAN SHOWING LOCATION
OF D.D.H. A-8 AND A-9
MAY 1973 ERS/rjh DWG L-8293