

5110

REPORT ON
DIAMOND DRILLING
SUSTUT RIVER

94D/10E

SUSTUT, WILLOW AND WILL MINERAL CLAIMS

OF THE
OMEGA GROUP, OMINECA, M.D.

56°35'N, 126°40'W

WESFROB MINES LIMITED

July 1, 1974 - August 23, 1974

Vancouver, B.C.
August 23, 1974

G. Harper

D.H. Brown, P. Eng.

Department of	
Mines and Petroleum Resources	
ASSESSMENT REPORT	
NO. 5110	MAP

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LOCATION PLAN (In pocket)

INTRODUCTION

The "Sustut" and adjoining claims lie in rugged mountainous country of the Swannell Range, 250 miles northwest of Prince George, B.C. Access to the property is exclusively by helicopter the last 20 miles either from Johanson Lake or Moose Valley. N.T. Air runs a fixed wing plane service (from Prince George) into each of these places to small gravel airstrips. Alternative supply routes are by the Mining Access Road from Fort St. James to Johanson Lake or up the B.C. Railroad construction grade from Fort St. James to Bear Lake. Heavy freight, fuel and equipment have been brought up the railroad or road, while personnel and urgent supplies are carried by air direct from Prince George.

SCOPE OF DIAMOND DRILLING PROGRAM

After an encouraging reconnaissance in 1972, Wesfrob Mines Limited decided to mount a major, continuing drilling program in the area during 1973/74. A camp was constructed at the centre of the property in the spring of 1973 and subsequently three machine drilling programs conducted in succeeding summers.

The short summer season, excessive snow and severe weather requires that the operation be undertaken as fast as possible with several drill machines and adequate air support. S & H Drilling Co. Ltd. had the contract both years as they proved themselves efficient and reasonably priced. In excess of 20,000 feet of core drilling have been/will be completed each season. All core is stored in racks at the camp on the property.

ASSESSMENT APPLICATION AND COSTS USED

As required by the recently modified Mineral Act of B.C., enclosed are: location plans, copies of diamond drill logs, and the drill contract and financial statements itemizing the costs. The direct costs of drilling each hole are presented but it should be noted that these are only a partial cost as camp construction, supply and technical services can not be separated for individual drill holes. Therefore, a detailed statement is presented of the composition of these indirect costs, the total reduced to a unit cost per foot. Invoices to support these stated expenditures are available in the Company's Vancouver office for inspection.

Vancouver, B.C.
August 23, 1974

G. Harper



D. H. Brown, P.Eng.

DOMINION OF CANADA:
PROVINCE OF BRITISH COLUMBIA.

To Wit:

In the Matter of the assessment report using the costs of diamond drilling on Claim Sustut 24 in the Omineca M.D. at 56°35'N latitude and 126°40'W longitude.

I, David H. Brown

of 504 - 1112 West Pender Street, Vancouver, V6E 2S3, B.C.

in the Province of British Columbia, do solemnly declare that the following drilling costs were incurred between July 14 and August 2, 1974 :

Direct Costs (See S & H Drilling invoices - Appendix A)

July 14-21/74	AXT DDH #130	587 ft.	\$ 4,506.85
July 22-29/74	AXT DDH #133	475 ft.	3,551.04
July 29-Aug.2/74	AXT DDH #138	467 ft.	3,396.00
		<hr/> 1,529 ft.	<hr/> \$11,453.89

Indirect Costs (See Derivation of: Appendix B)

1,529 ft. @ \$6.54 =	\$ 9,999.66
	<hr/> \$21,453.55

And I make this solemn declaration conscientiously believing it to be true, and knowing that it is of the same force and effect as if made under oath and by virtue of the "Canada Evidence Act."

Declared before me at the
of _____, in the
Province of British Columbia, this
day of _____, A.D.

*A Commissioner for taking Affidavits within British Columbia or
A Notary Public in and for the Province of British Columbia.*

WESFROB MINES LIMITED

1112 WEST PENDER STREET

VANCOUVER I. B. C., CANADA

TELEPHONE: 682-6242
TELEX 04-53245

August 23, 1974

The Mining Recorder,
Omineca Mining Division,
Smithers, B.C.

Dear Sir,

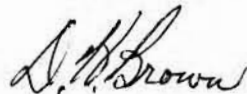
Re : Statements of Qualifications

This is to certify that the work covered under the attached report was carried out under the supervision of Dr. Gerald Harper, and under my direction. Dr. Harper is a graduate (B.Sc.) of University College of Rhodesia where he also studied for his Ph.D. degree under the affiliate sponsorship of the University of London.

Core logging was carried out by Mr. B. Downing B.Sc., University of Toronto, M.Sc. Queens University and by Mr. J. Wilson B.Sc., University of British Columbia. Both geologists have worked within the Falconbridge Nickel organization since 1972. Surveying and drill hole layout and control was carried out by G. Thomassen a qualified surveyor trained within the Falconbridge organization during the past eight years. D. Rondeau is his student assistant.

I am a graduate in engineering geology from the University of British Columbia, and a member of the Association of Professional Engineers of Ontario and British Columbia.

Yours very truly,
WESFROB MINES LIMITED,


D.H. Brown, P. Eng.

Att.

APPENDIX A

DIRECT DRILL HOLE INVOICES

S&H DRILLING COMPANY LTD.

13135 - 20th Avenue
SURREY, B.C. V4A 1Z1
Phone 531-4134

August 2, 1974

Mr. J. J. McDougall
Exploration Manager
Wesfrob Mines Ltd.
500 - 1112 West Pender Street
VANCOUVER 1, B. C.

Dear Mr. McDougall:

Re: Sustut 1974

Following is invoice for further diamond drilling, standby time, etc.:

Hole #129 - Drilling Casing - 10' @ \$8.00	\$ 80.00	
Reaming Casing - 4' @ \$2.50	10.00	
Core Drilling - 958' - 490' @ \$7.20	3,528.00	
468' @ \$7.80	3,650.40	PN 164
1 Dip Test	20.00	
AW Casing left in hole - 14' @ \$5.25	73.50	
1 AW Casing Shoe left in hole	<u>63.25</u>	\$ 7,425.15
Hole #130 - Drilling Casing - 15' @ \$8.00	\$ 120.00	
Reaming Casing - 7' @ \$2.50	17.50	
Core Drilling - 572' - 485' @ \$7.20	3,492.00	
87' @ \$7.80	678.60	PN 164
1 Dip Test	20.00	
AW Casing left in hole - 22' @ \$5.25	115.50	
1 AW Casing Shoe left in hole	<u>63.25</u>	4,506.85
Hole #131 - Drilling Casing - 14' @ \$8.00	\$ 112.00	
Core Drilling - 583' - 486' @ \$7.20	3,499.20	
97' @ \$7.80	756.60	403
1 Dip Test	20.00	
AW Casing left in hole - 14' @ \$5.25	73.50	
1 AW Casing Shoe left in hole	<u>63.25</u>	4,524.55
Hole #132 - Drilling Casing - 7' @ \$8.00	\$ 56.00	
Reaming Casing - 9' @ \$2.50	22.50	
Core Drilling - 896' - 493' @ \$7.20	3,549.60	
403' @ \$7.80	3,143.40	PN 164
1 Dip Test	20.00	
1 Cement Job	200.00	
AW Casing left in hole - 16' @ \$5.25	84.00	
1 AW Casing Shoe left in hole	<u>63.25</u>	<u>7,138.75</u>

Carried Forward

\$23,595.30

Mole #133 - Drilling Casing - 25' @ \$8.00	\$ 200.00	
Core Drilling - 442' @ \$7.20	3,182.40	
1 Dip Test	20.00	
Cost Plus 15% for driving Casing AW 25'-36'		
B. Gibson & A. Brown @ 4 hrs. - 8 x \$8.25 =	\$66.00	
	<u>63.25</u>	
1 AW Casing Shoe	\$129.25	
15%	<u>19.39</u>	
	<u>148.64</u>	3,551.04
Mole #134 - Drilling Casing - 10' @ \$8.00	\$ 80.00	
Reaming Casing - 10' @ \$2.50	25.00	
Core Drilling - 299' @ \$7.20	2,152.80	403
1 Dip Test	20.00	
AW Casing left in hole - 20' @ \$5.25	105.00	
1 AW Casing Shoe left in hole	<u>63.25</u>	2,446.05
Mole #135 - Drilling Casing - 12' @ \$8.00	\$ 96.00	
Core Drilling - 342' @ \$7.20	2,462.40	403
1 Dip Test	20.00	
AW Casing left in hole - 12' @ \$5.25	63.00	
1 AW Casing Shoe left in hole	<u>63.25</u>	2,704.65
Mole #136 - Drilling Casing - 10' @ \$8.00	\$ 80.00	
Reaming Casing - 6' @ \$2.50	15.00	
Core Drilling - 441' @ \$7.20	3,175.20	PN164
1 Dip Test	20.00	3,290.20
Mole #137 - Drilling Casing - 22' @ \$8.25	\$ 181.50	
Core Drilling - 586' - 478' @ \$7.45	3,561.10	PN164
108' @ \$8.05	869.40	
1 Dip Test	<u>20.00</u>	4,632.00
Mole #D-4 Drilling Casing - 22' @ \$9.00	\$ 198.00	
Reaming Casing - 16' @ \$2.50	40.00	
Core Drilling - 467' @ \$8.20	3,829.40	PN166
1 Dip Test	20.00	
AW Casing left in hole - 38' @ \$5.25	199.50	
1 AW Casing Shoe left in hole	<u>63.25</u>	4,350.15
Mole #D-5 Drilling Casing - 27' @ \$9.00	\$ 243.00	
Reaming Casing - 19' @ \$2.50	47.50	
Core Drilling - 422' @ \$8.20	3,460.40	PN166
1 Dip Test	20.00	
AW Casing left in hole - 46' @ \$5.25	241.50	
1 AW Casing Shoe left in hole	<u>63.25</u>	4,075.6

Standby Time waiting for helicopter to move from DH #3 to #4

July 16 - S. Oleksiuk, J. GG. Jolette, ✓
M. McDonald, A. Quesnel @ 5 hrs = ✓
20 hrs @ \$8.25 \$165.00
66.00 ✓

July 17 - Same Men @ 2 hrs. = 8 hrs. @ \$8.25 ✓

Carried Forward

PN166
231.
\$ 48,876

S&H DRILLING COMPANY LTD.

12 AUG 1974
 13135 - 20th Avenue
 SURREY, B.C. V4A 1Z1
 Phone 531-4134

August 8, 1974

Mr. J. J. McDougall
 Exploration Manager
 Wesfrob Mines Ltd.
 1112 West Pender Street
 VANCOUVER, B. C.

P.O. No.	EXT.	AMOUNT	TERMS	F.S.T.	P.S.T.	DATE
	BS					

Dear Mr. McDougall:

Re: Sustut 1974

Following is invoice for further diamond drilling:

<u>Hole #138</u> - Drilling Casing - 17' @ \$8.00	\$ 136.00	PN 164D2 ✓
Core Drilling - 450' @ \$7.20	3,240.00	
1 Dip Test	20.00	\$ 3,396.00
<u>Hole #139</u> - Drilling Casing - 26' @ \$8.25	\$ 214.50	PN 164D2 ✓
Core Drilling - 194' @ \$7.45	1,445.30	1,659.80
<u>Hole #D-6</u> - Drilling Casing - 9' @ \$9.00	\$ 81.00	
Reaming Casing - 6' @ \$2.50	15.00	
Core Drilling - 798' - 191' @ \$8.20	4,026.20	
307' @ \$8.80	2,701.60	PN 166D2
2 Dip Tests @ \$20.00	40.00	
AW Casing left in hole - 15' @ \$5.25	78.75	
1 AW Casing Shoe left in hole	63.25	7,005.80
Total		\$ 12,061.60

Yours truly,

E. M. Schussler

(Mrs.) E. M. Schussler
 Sec. -Treas.
 S & H Drilling Company Ltd.

PN 164D2	505580
PN 166D2	700580
TOTAL	1206160
GOING	PAID
<i>BS</i>	<i>10/6/74</i>



A P P E N D I X B

DERIVATION OF INDIRECT COSTS OF SUSTUT DRILLING

DERIVATION OF INDIRECT COSTS OF SUSTUT DRILLING

	<u>As Paid to June 30</u>	<u>Est. to Completion of Job August 15</u>	<u>Total</u>
1) <u>1974 Season Operating Expenses</u>	\$	\$	\$
<u>General and Geology</u>			
A) Salaries and wages for G. Harper, supervision; B. Downing and J. Wilson, qualified geologists logging core; G. Thomassen and D. Rondeau, surveyor and helper controlling DDH layout; R. Macphee, camp manager - expediter.	25,709	10,000	35,709
B) Field expenses - sundry supplies, repairs and communications.	914	200	1,114
C) Local transportation - 206B helicopter support for camp.	1,215	1,000	2,215
D) Travelling and expenses to and from Sustut - Vancouver for ancillary staff - C.P. Air, N.T. Air.	451	450	901
<u>Diamond Drilling</u>			
E) Field expenses - core boxes.	3,339	700	4,039
F) Local transportation - 206B, FH1100, S58T helicopters for moving drills between set-ups.	21,537	5,000	26,537
G) Travelling expenses: Vancouver - Sustut for drill crew, mobilization time for snow removal opening camp, maintenance of equipment, C.P. Air/ N.T. Air tickets, helicopter transportation of personnel - airstrip to camp.	18,593	7,000	25,593
<u>Camp Operation</u>			
H) Salaries and wages - cooks X 2.	3,280	2,000	5,280
I) Camp supplies, less meal charge-outs to S & H Drilling Co.	6,763	5,000	11,763
Totals	<u>\$81,801</u>	<u>\$31,350</u>	<u>\$113,151</u>

2) 1973 Stockpile of Fuel for 1974

A) Transportation - truck Fort St. James - Johanson Lake.	\$ 2,506
B) Helicopter (S58T and 206B) Johanson Lake - Sustut.	4,496
C) Labour for loading and unloading	500
Total	<u>\$ 7,502</u>

Drilled footage in 1974:

to June 30	-	15,000 ft.
to July 24	-	19,000 ft.
est. to completion	-	25,000 ft.

∴ Unit indirect cost per foot ('74 costs) = \$4.83

3) <u>Capital Cost of Camp Construction in 1973</u>	\$72,250
4) <u>Initial Mobilization of Drilling Equipment in 1973</u>	10,000
Total	<u>\$82,250</u>

Total drilling on property '73 and '74 48,000 ft.

∴ Unit indirect cost per foot ('73 costs) = \$1.71

Total indirect costs/ft. = \$6.54
=====

A P P E N D I X C

DRILLING CONTRACT

DRILLING CONTRACT

FORM 2

THIS AGREEMENT made as of the 22nd day of March, 1974

BETWEEN:

WESTCOB MINES LIMITED

#500 - 1112 West Pender Street
Vancouver 1, B.C.

V6E, 2S3.

(hereinafter called "the Company")

OF THE FIRST PART

- and -

S & H Drilling Company Limited,

13135 - 20th Avenue,

Surrey, B.C. V4A, 1Z1.

(hereinafter called "the Contractor")

OF THE SECOND PART

WITNESSETH that in consideration of the payments to be made by the Company and of the premises and mutual promises and agreements herein contained, the parties hereto agree as follows:

1. Introduction

The Contractor agrees to perform forthwith certain piping and diamond drilling (hereinafter sometimes called the "Work") on the land of the Company situated in the District of Comerica Mining Division in the Province of British Columbia and known as the Sustut Property.

2. Property

The Company shall allow the Contractor, at the Contractor's discretion, to look over the property and area to be drilled, and where possible shall indicate the position of set-ups. The Company shall at its own expense provide all rights of way, all rights of ingress or egress and all real property that may be required in connection with the Work including real property upon which all necessary temporary buildings may be erected, and other facilities required, and shall also warrant the quiet and peaceful possession of all such real property.

During the course of the Work, the Contractor shall at all times keep the Company's premises free from accumulation of waste material or rubbish and upon completion of the Work shall remove all tools, scaffolding, surplus materials and rubbish and leave the premises in a clean condition. It is the Contractor's responsibility to comply with the standards specified in the B.C. Litter Act to the satisfaction of the Company's representative.

3. Diamond Drills

The Contractor agrees to supply four diamond drilling outfits together with the necessary men and supplies to carry on the Work to operate 20 hours per day 7 days per week and to pay all expenses of the Work not otherwise provided for in this Agreement. All machines must be mobilized and ready to start drilling at the site not later than July 1st 19 74.

4. Footage

The Contractor agrees to sink by piping and/or bore by core drilling 16,000 lineal feet of AQ core drilling and the Company guarantees to the Contractor an aggregate minimum footage only of 16,000 lineal feet, holes to be not less than 150 lineal feet or not greater than 2000 lineal feet in depth, measurements to be taken from the top of the casing pipe.

It is agreed that no hole shall be flatter than fortyfive (45) degrees.

If the Contractor and the Company's Representative mutually agree that loose and caving material will prevent successful completion of a hole, the Contractor shall not be obligated to drill to any specified depth.

5. Price per Foot for Piping

The price per foot for piping in overburden for AQ drilling shall be charged at the following rates:

From 0 feet to 25 feet in depth.....\$8.00.....per foot
Beyond 25 feet is cost plus 15%



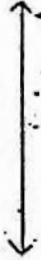
6. Pipe and Casing

It is agreed that the cost of all material lost or left in holes while driving pipe or drilling shall be borne by the Contractor.

However should the Company's Representative instruct the Contractor to leave any pipe or casing in the holes, the Company will pay for the same at cost per foot, FOB drill site.

It is agreed that if a hole requires reaming to allow drilling to proceed, the Company will pay the Contractor at the following rates:

From 0 feet to 500 feet in depth.....\$2.50.....per foot



Handwritten initials/signature

7. Price per Foot for Core Drilling

The price per foot for AQ core drilling shall be charged at the following rates:

From 0 feet to 500 feet in depth.....	\$7.20.....	per foot
500 feet to 1000 feet in depth.....	\$7.80.....	per foot
1000 feet to 1500 feet in depth.....	\$8.80.....	per foot
1500 feet to 2000 feet in depth.....	\$9.80.....	per foot

For holes at the 6300 ft. elevation or higher, there will be an additional charge of 25¢ per lineal foot of core drilling.



Handwritten initials/signature

(a) When the total footage drilled exceeds 16,000 feet, the above prices may be reconsidered.

CH
JH

(c) Costs: Any reference to COST in the Agreement shall be interpreted as follows: All labour provided by the Contractor will be at the all-inclusive rate of \$8.25 per manhour. All material and supplies provided by the Contractor will be at cost, plus a nominal 15% for handling, accounting, et cetera.

8. Mobilization and Demobilization

It is agreed the cost and expense of moving the Contractor's drills, as well as all equipment, parts, supplies and personnel necessary for the work from Vancouver, British Columbia, to the initial drill site and return thereof from the final drill site to Vancouver, British Columbia, shall be for the Company's account. It is also agreed that the Contractor will supervise operations involved if at all possible, and the Company will remunerate the Contractor for expenses. This includes wages at \$8.25 per man hour and a maximum of one day's travelling time for the Contractor's crews to the first drill site. The above transportation at the Company's expense does not include transportation charges for unscheduled replacement labour or replacement parts, the cost of which shall be borne by the Contractor.

9. Water Supply

The Contractor agrees to pump water against pressures of up to 325 pounds per square inch over distances up to 2000 feet. Pumping over distances and heads in excess of this will be at cost plus 15%.

10. Surveying Holes

The Contractor agrees to supply an Inline Clinometer; test tubes and four percent Hydrofluoric Acid and take tests, for dip angle only, that may be required

by the Company, and the charge per test shall be as follows:

From 0 feet to 1000 feet in depth.....\$20.00.....per test

However should the Company request the use of other types of surveying equipment such as a Pajari Bore Hole Surveying instrument, the Company agrees to have an Engineer on the job and pay the Contractor \$16.50 per hour for the men and equipment for the time required to do the survey and \$8.25 per hour per man while waiting for instructions.



Handwritten signature or initials, possibly 'C.H. S.'

12. Extra Footage

If the Contractor sees fit to back up a hole for reasons of its own and starts to re-drill the hole, such drilling shall be at the Contractor's expense until the hole arrives at the depth previously turned in to the Company.

13. Cementing

(a) It is agreed that the return flow of water must be kept in all drill holes. If a hole requires cementing due to lost water or rock cave the drilling may be stopped to permit cementing but such stoppages shall be only with the consent

of the Company's Representative.

The cost of cement and cementing shall be paid for by the Company at the following rates:

From 0 feet to 1000 feet in depth.....\$200.00.....per cement job

It is agreed that a "cement job" shall include up to three bags of cement; quantities of cement in excess of three bags will be chargeable to the Company at COST.

(b) If it is mutually agreed that drilling mud or drilling mud additives are required, the extra cost of using mud or drilling mud additives will be invoiced to the Company at COST.

(c) It is agreed that any unreasonable delay caused by the necessity of waiting for instructions shall be paid for by the Company at COST.

14. Moving

It is agreed that all costs, other than helicopter charges, of moving from hole to hole shall be borne by the Contractor, except when the move is less than 150 feet when the cost is for the Company's account. No further consideration of costs of moving and setting up shall be given, but the Company agrees to co-operate in every way possible to avoid difficult moves and set-ups.

15. Core

It is agreed that the core shall be kept in boxes provided by the Company and the Contractor shall cover, wire and transport all core from the drill site to a location, designated by the Company's Representative at the time of the site inspection described in Clause 2, at no cost to the Company, except that the Company will pay for helicopter time.

16. Daily Reports

The Contractor agrees to give the Company's Representative carbon copies of all daily diamond drill reports, daily.

17. Camps

The Company will provide camps, and cookery and will provide board for the Contractor's Representative(s) at \$3.50 per meal.

18. Workmen's Compensation

The Contractor agrees, at its own expense, to comply with all requirements of the Mechanic's Lien Act, Workmen's Compensation Act, Unemployment Insurance Act, Hours of Work and Vacations with Pay Act and generally all Federal and Provincial Acts and Regulations concerning employment applicable to the Contractor's operations, including obtaining all necessary permits and licenses, and agrees to indemnify the Company against all claims, loss, damages and expenses incurred by the Contractor's failure to make the necessary returns or payments or by any violation of any such Acts and/or Regulations.

19. Payment

Invoices will be rendered twice monthly, and will be due and payable in full in Canadian funds within 30 days after receipt thereof by the Company.

20. Performance and Efficiency

It is mutually agreed that the Company's Representative and Contractor's Foreman will co-operate so that as high a percentage of core recovery will be made as due diligence will allow.

The Contractor shall at all times enforce strict discipline and maintain good order among its employees and shall not retain on the Work, any unfit person or anyone not skilled in the work assigned to him. Any employee of the Contractor who is objectionable or unsatisfactory to the Company shall be removed from the Work and replaced by an employee satisfactory to the Company.

21. Drill Results

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

22. Regulations

The Contractor shall comply with all laws, ordinances, rules, safety and other regulations bearing on the conduct of the Work and shall bear all costs arising from any violation thereof. The Contractor shall comply with all laws, ordinances and rules concerning pollution.

The Company agrees to consider an adjustment in the prices set forth in Clauses 5, 6 and 7 of this Agreement in the event that the Contractor incurs

additional costs attributable to laws which were not in effect at the date of execution of this Agreement.

23. Protection of Persons and Property

(a) The Contractor shall take all reasonable precautions against risks of loss of life or injury to its employees or the Company's employees or any other person employed at the site of the Work, or to authorized visitors.

(b) The Contractor shall take all responsible precautions to protect the property of the Company and of other Contractors, if any, from all injury arising in connection with this Agreement and the performance of the Work.

(c) The Contractor shall indemnify and save harmless the Company from and against any and all claims, damages, loss, cost, expenses, actions and suits arising as a consequence of any illness, injury or death of any employees of the Contractor, however caused. The Contractor shall hold the Company harmless from any third party claims or personal injuries, death or property damage arising out of the failure of the Contractor, its Sub-Contractors, agents or employees to fully comply with any term or condition of this Agreement or caused by or arising out of or in connection with, whether directly or indirectly, the Work under this Agreement, or by reason of any matter or thing done, permitted or omitted to be done by the Contractor, its Sub-Contractors, agents or employees and whether or not occasioned by the negligence of the Contractor, its Sub-Contractors, agents or employees.

(d) The Contractor shall be liable for all loss and damage to the property of the Company, including property of the Company in the care, custody or control of the Contractor or occupied or used by it, caused by or arising out of directly or indirectly the negligence of the Contractor, its Sub-Contractors, agents or employees.

24. Employees

(a) The Contractor shall comply with all provisions of the Annual Holidays Act, Hours of Work Act, Human Rights Act, Labour Regulations Act, Male Minimum Wage Act, Payment of Wages Act, and Workmen's Compensation Act, the Unemployment Insurance Act, the Income Tax Act of Canada and all other applicable statutes and regulations of Canada and its executive and administrative agencies and all applicable trade and union agreements respecting wages and working conditions of the Contractor's employees engaged on the Work, and make all payments, contributions,

deductions and other remittances and all reports, returns and statements required of employers under such laws and agreements, and cause its Sub-Contractor(s), if any, to comply with the foregoing requirements with respect to such Sub-Contractor(s) employees.

(b) The Contractor shall indemnify and save harmless, the Company from and against any costs, loss, liability, obligation or lien which may arise as a consequence of or grow out of any failure by the Contractor or any of its Sub-Contractor(s) fully to comply with the provisions of Clause 24 (a) hereof.

25. Notices

Any notice desired or required to be given hereunder may be sent by pre-paid registered mail addressed:

- (a) To the Contractor at: 13135 - 20th Avenue,
Surrey, B.C., V4A,1Z1.
- (b) To the Company at: #500 - 1112 West Pender Street
Vancouver 1, B.C., V6E,2S3.

or may be delivered to such respective addresses and any such notice shall be deemed to have been received on the day of its mailing or delivery.

26. Insurance

The Contractor shall at its own expense maintain such insurance as will protect it from all claims and damages for personal injury, including death resulting therefrom, and from all claims for property damage arising from the operations under this Agreement in an amount not to exceed five-hundred-thousand dollars (\$500,000.00) inclusive for personal injury and two-hundred-fifty-thousand dollars (\$250,000.00) for property damage for all liabilities for any one accident or occurrence. Certificates of such insurance shall be filed with the Company upon request.

27. Obligation of Contract

This Agreement shall be binding upon the parties hereto, their respective heirs, personal representatives, successors and permitted assigns, but shall not be assigned by the Contractor without the written consent of the Company.

28. Time is of the essence of this Agreement.

29. Delays

In complying with the obligations of this Agreement neither the Company nor the Contractor shall be responsible for delays caused by labour disputes, strikes, fire, unusual delay by common carriers or unavoidable casualties, or

without limitation to any of the foregoing, by any cause of any kind whatsoever beyond their control.

IN WITNESS WHEREOF the Parties hereto have executed this Agreement under their respective corporate seals and the hands of their respective proper officers duly authorized in that behalf.

SIGNED, SEALED AND DELIVERED
in the presence of:

WESPROB MINES LIMITED

F. [Signature]

By _____

By _____

By *[Signature]*

S & H Drilling Company Limited

By *[Signature]*

A P P E N D I X D.

DIAMOND DRILL HOLE LOGS

No. 130, 133, 138

(OMEGA GROUP)

NORTH 47,149.79STARTED July 14/74

FALCONBRIDGE

PURPOSE To determine HOLE No. 130EAST 49,827.22COMPLETED July 21

DIAMOND DRILL RECORD

CLAIM Sustut # 2ELEV. 5182.04LENGTH 587'

PROPERTY

SECTION pyroclastic successionBEARING _____Sustut Claims P.O. 164LOGGED BY B. DowningOFFSET _____DIP Collar - 90°, orient test 587', -90°S's H; BBS - 1, AQ corePLOTTED _____

FOOTAGE	DESCRIPTION	SAMPLE	FOOTAGE	C.L.					
0 - 22'	Casing. Bedrock at 22 '15'								
	off bottom of bedrock broken up.								
22 ¹⁵ - 24.3'	RR agglomerate (90-10)	"							
24.3 - 36.4'	GRR agglomerate (50-40-10) contact with above RR at 60° Subangular to subrounded clasts up to 15cm; predominantly < 4cm; of variable composition, basalt, and peph, phycoproph basalt, felsic, and amygdaloidal, all diabase.								
36.4 - 48'	RRG agglomerate (50-40-10) wk. mod op. matrix; 40-41' mod. intense op. matrix; 41-48'								
48 - 64'	GRR agglomerate (50-40-10) few hem bands 50.5cm @ 70°								

FOOTAGE	DESCRIPTION	SAMPLE	FOOTAGE	C.L.				
	54.7-55.3'; 58-58.6' interstitial mod-intense ep. matrix; 57-57.8'	qtz ; Dg						
	58.8-59.3'							
<u>64-87'</u>	<u>RRG agglomerate (50-40-10)</u> 79.2-79.6', interstitial qtz few hem. bands ≤ 0.5 cm @ 60°							
<u>87-92'</u>	<u>GGP agglomerate (50-35-15)</u>							
<u>92-99'</u>	<u>RRG agglomerate (50-40-10)</u>							
<u>99-120</u>	<u>GGP agglomerate (50-35-15)</u> as above.							
	109.3-112', network of carb veinlets; veins at 10-50° x-cut by veins at 75-70° Fractures: open							
0-150'	10-30°, 1-2/sft; 30-50°, 3-4/sft.							

FOOTAGE	DESCRIPTION	SAMPLE	FOOTAGE	C.L.				
<u>120-292'</u>	<u>TRR agglomerate (50-40-10)</u> as above.							
	167-169, graded bedding @ 60°, tops upright.							
	120-292', wk-mat epithermal matrix unconsolidated qb: 161.6-162.3'; 163- 163.4'; 165.8-166'.							
	126-135', qb-carb veins @ 60-85° 180.7-182'; carb-qb veins at 0-10°, ≤ 0.5 cm; hem-rich fs. at 0-10°							
	160-203', odd carb-qb, minor hem, veins @ 10-30°. Fractures: open.							
150-303'	10-30°, 0-1/5 ft; 30-50°, 2-3/5 ft.							
<u>292-448'</u>	<u>GRR agglomerate (50-40-10)</u> 316-448' GRG agglomerate (50-30-20) as above.							

FOOTAGE	DESCRIPTION	SAMPLE	FOOTAGE	C.L.				
	Fractures: open.							
303-334'	10-30°, 1-2 1/2"; 30-40°, 2-4 1/2"							
334-450'	" , 2-3 " ; " , 3-4 "							
450-537'	" , 1-2 " ; " , 3-4 "							
<u>448-461'</u>	<u>RRG agglomerate (SD-40-10)</u> as above.							
<u>461-498'</u>	<u>GGP agglomerate (SD-40-10)</u> as above.							
<u>498-538'</u>	<u>RRG agglomerate (SD-40-10)</u> as above.							
	wk. med ep. matrix, 498-516'							
	mod-intense ep agglomerate, 516-523.3'							

FOOTAGE	DESCRIPTION	SAMPLE	FOOTAGE	C.L.					
<u>538-587</u>	GGP agglomerate (SD-40-10) as above								
	548-549', alternating ep-rich & siliceous, non-oxidized ' (< 0.5cm) beds, @ 60°								
<u>587'</u>	<u>End of hole.</u>								
	<u>Cave Recovery.</u>								
15-22'	0%								
22-587'	100%								

NORTH 47,138.28STARTED July 22/74

FALCONBRIDGE

PURPOSE To determineHOLE No. 133EAST 49,874.70COMPLETED July 28

DIAMOND DRILL RECORD

Cu grade throughCLAIM SUSTUT #ELEV. 5198.20LENGTH 475'

PROPERTY

pyroclastic succession.

SECTION _____

BEARING S39°10'WDIP Colbr - 62°41', acid test; 475' 62°Sustut Claims P.N. 164LOGGED BY B. Downing

OFFSET _____

Si H; BRS-1; AQ core.

PLOTTED _____

FOOTAGE	DESCRIPTION	SAMPLE	FOOTAGE	C.L.				
0-36'	Casing. Bedrock at 36'							
	0-36' thickness of agglomerate							
36-42'	RRG agglomerate (SD-40-10) wk-thick epidotized matrix qz-camb veinlets @ 0-30°							
42-52.5'	GGR agglomerate (SD-40-10) Sub rounded to subangular clasts up to 15cm; predominantly ≤ 4cm; of variable composition, basalt, aug.orph; plag.orph-basalt; felsic; odd amygdales volcanic & diabase							
	48.5-49.5' spotted texture, chl-epidote spots ≤ 0.5cm in f.g. matrix							

FOOTAGE	DESCRIPTION	SAMPLE	FOOTAGE	C.L.				
52.5-67'	GR agglomerate (50-50)							
	58-65' intense shears ≤ 0.5 cm @ 10-30°; barren fr. @ 0-10°							
67-73.5'	GRR agglomerate (50-40-10)							
73.5-84.5'	RPR agglomerate (50-40-10)							
	73.5-74.5' wkly. chl.							
84.5-90'	GRR agglomerate (50-40-10)							
90-114.4	RPR agglomerate (50-40-10)							
	113.6' carb vein ≈ 1 cm @ 85°, minor sp. sp.							
114.4-118'	GRR agglomerate (50-40-10)							
	117'; 119'; 121.4'; carb veins ≤ 1.5 cm @ 85°, 20°, 85°							

FOOTAGE	DESCRIPTION	SAMPLE	FOOTAGE	C.L.				
118-154.5'	<u>RRR agglomerate (58-40-10)</u>							
	137-139 GBR agglomerate.							
	152-154.5' intense ep. agglomerate							
	147-148', carb veins @ 10-30°							
	x cut by carb veinlets @ 60°							
154.5-158'	<u>GBR agglomerate</u>							
158-161'	<u>RRR agglomerate</u>							
161-164'	<u>GBR agglomerate</u>							
164-200'	<u>RRR agglomerate</u>							
200-218'	<u>GBR agglomerate</u>							
	210-211' carb veins @ 0-20°							
218-280'	<u>RRR agglomerate</u>							

FOOTAGE	DESCRIPTION	SAMPLE	FOOTAGE ✓	C.L.				
280-284'	<u>GGR agglomerate</u>							
284-323.7'	<u>RRG agglomerate</u> carb-gf veins @ 0-10°							
323.7-328'	<u>GGR agglomerate</u> 323-325' carb (minor gf) vein @ 0°, offset by carb-gf vein @ 65°; sinistral sense							
	332.4-332.8'; 334.2-336'; basaltic dyke (blast?)							
	332-334.2' mod. chl. GGR agglomerate							
338-350'	<u>RRG agglomerate</u>							
350-357'	<u>GGR agglomerate</u>							
357-422.5'	<u>RRG agglomerate</u> 416-418'; 419-421'; network carb-							

FOOTAGE	DESCRIPTION	SAMPLE	FOOTAGE	C.L.				
	qtz veinlets @ 10-30° & 30-50°							
427.5-435'	GGR agglomerate							
	456-475' willy chl agglomerate							
	Fractures : open.							
36-70'	10-30°, 1-2 / 5ft; 30-50°, 3-4 / 5ft.							
70-85'	" , 0-1 " ; " , 2-3 "							
85-170'	" , 1-2 " ; " , 4-6 "							
170-185'	" , 0-1 " ; " , 2-3 "							
185-250'	" , 1-2 " ; " , 4-6 "							
250-284'	" , 1-2 " ; " , 8-10 "							
284-290'	" , 1-2 " ; " , 4-6 "							
290-318'	" , 1-2 " ; " , 2-3 "							
318-375'	" , 1-2 " ; " , 4-6 "							
	broken core: 132-134'; 258-							
	268'; 335-339'; 428-429';							
	431-439'; 466-470';							
	intense shear zones: 268-269';							
	431-456'							

FOOTAGE	DESCRIPTION	SAMPLE	FOOTAGE	C.L.				
	429-431' brecciated conglomerate, interstitial carb.							
<u>475'</u>	<u>End of hole.</u>							
	<u>Core Recovery</u>							
36-77'	100%							
77-88'	95%							
88-130'	100%							
130-138'	75%							
138-330'	100%							
330-340'	95%							
340-431'	100%							
431-439'	50% lost 4.5' core							
439-475'	100%							
	Note a cumulative total of 6ft of core represents the boulders in the c/s from 1' - 36'							

NORTH _____ STARTED July 29/74
 EAST _____ COMPLETED August 2
 ELEV. _____ LENGTH 467'
 BEARING N 22° 29' 29" E
 DIP Colhr - 60° 44'; acid test, 458' - 62° S; H; B.B.S - 1; AQ core

FALCONBRIDGE
DIAMOND DRILL RECORD
 PROPERTY
Suslut Claims P.O. 1164

PURPOSE To determine HOLE No. 138
Cu grade through CLAIM Suslut #2
pyroclastic succession. SECTION _____
 LOGGED BY B. Downing OFFSET _____
 PLOTTED _____

FOOTAGE	DESCRIPTION	SAMPLE	FOOTAGE	C.L.			
0 - 18'	Casing. Bedrock at 18'						
	0 - 18' blds. agglomerate						
18 - 83'	GGR agglomerate (55-40-5)						
	Subangular to subrounded clasts, predominantly < 4cm, odd ones up to 15cm; of variable composition, basalt, quartz, porph, plag, porph. basalt; felsic, amygdaloidal volcanic.						
	40-60' graded beds @ 85-90°, tops upright.						
	61-63.2' interstitial qtz carb veins at 0-20° x-cut by carb veins @ 30-80°						
83-249'	RRG agglomerate (10-40-10) as above.						
	graded beds @ 80-85°, tops upright						

FOOTAGE	DESCRIPTION	SAMPLE	FOOTAGE	C.L.					
	110-125' patches interstitial qtz								
	wk-mod epidotized matrix 160-249';								
	mod-intense ep. matrix @								
	181.4-182.4'; 184.8-186'; 209.3-								
	210.1'; 214-215.3'; 241-241.3								
	123.7' carb vein ≤ 1.5 cm ϕ 25°								
	197.6-198.4' GR (70-30)								
249-343'	GR agglomerate (50-40-10) as above.								
	322-343' wk-mod ep. matrix								
343-467'	GR agglomerate (70-30) RR clasts. (50-50) as above.								
389-393'	410-467', mod-intense ep. agglomerate; w/ly chl.								

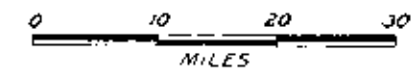
FOOTAGE	DESCRIPTION	SAMPLE	FOOTAGE	C.L.					
	341.2-343.5' f-in. grayish ^{pyroxene} clast porph (≤ 0.2 cm) dyke (clast?) agglomerate bleached up to 2" from contact @ 343.5' (specimen taken)								
18-105'	Fractures: open: 10-30°; 2-3/sft; 30-50°, 4-6/sft.								
105-467'	" , 0-1 " ; " , 2-3 " (few places fr @ 30-50° 3-5/sft) 306' shear $\hat{=}$ 2 cm @ 10-15°, hem. rich stringers 405-406' intense shear zone, interstitial chl, carb. 38-40 broken core								
467'	End of hole.								

FOOTAGE	DESCRIPTION	SAMPLE	FOOTAGE	C.L.					
	341.2-343.5' f-in. grayish ^{pyroxene} clast porph (≤ 0.2 cm) dyke (clast?) agglomerate bleached up to 2" from contact @ 343.5' (specimen taken)								
18-105'	Fractures: open: 10-30°; 2-3/sft; 30-50°, 4-6/sft.								
105-467'	" , 0-1 " ; " , 2-3 " (few places fr @ 30-50° 3-5/sft) 306' shear $\hat{=}$ 2cm @ 10-15°, hem. rich stringers 405-406' intense shear zone, interstitial chl, carb. 38-40 broken core								
467'	End of hole.								

Fig. LOCATION OF SUSTUT

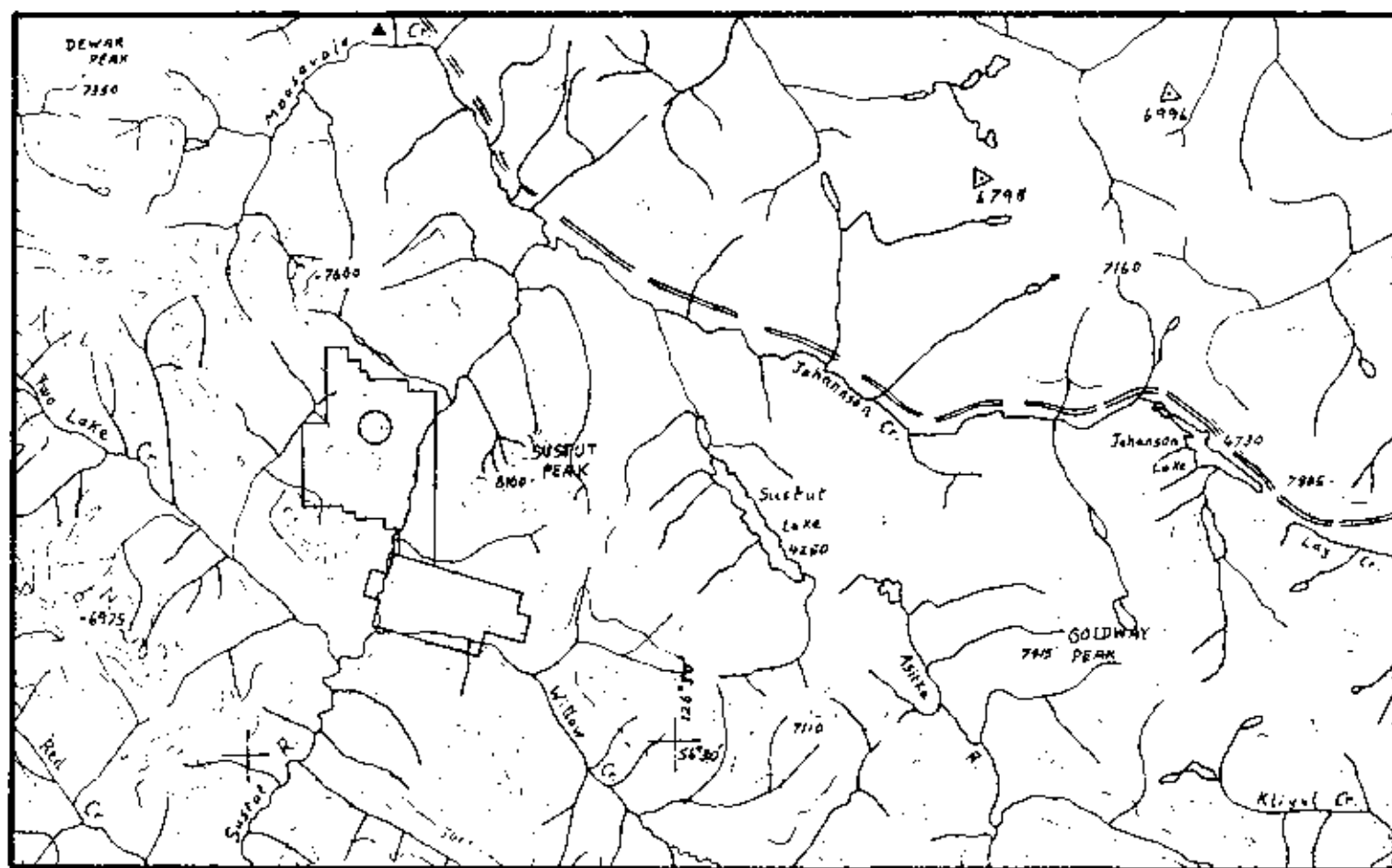
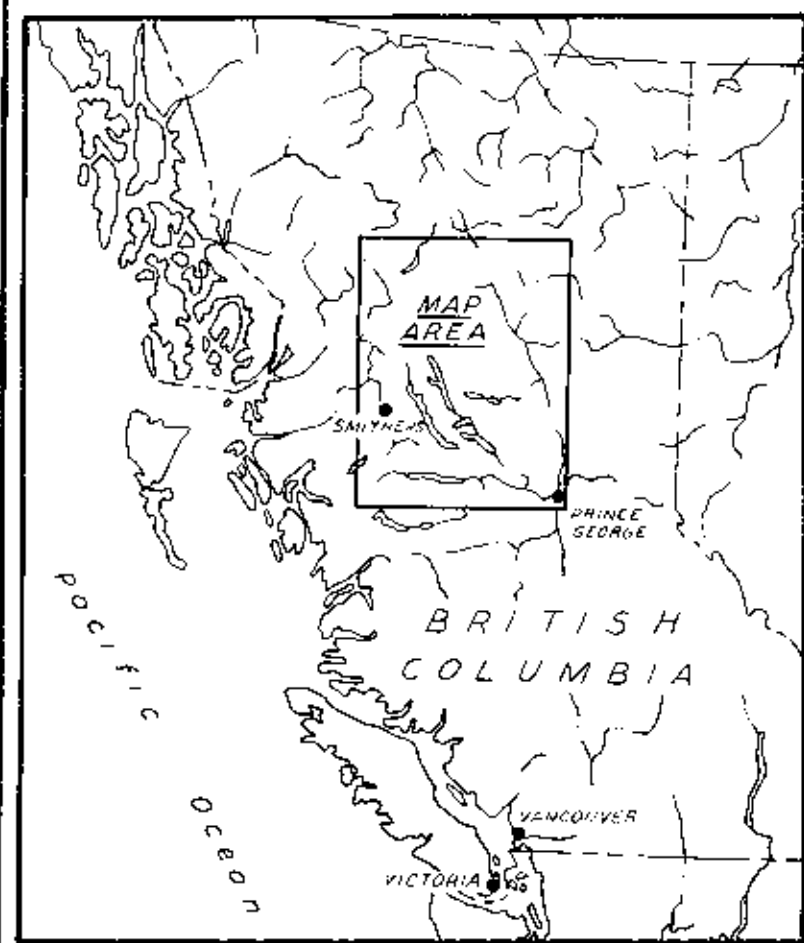
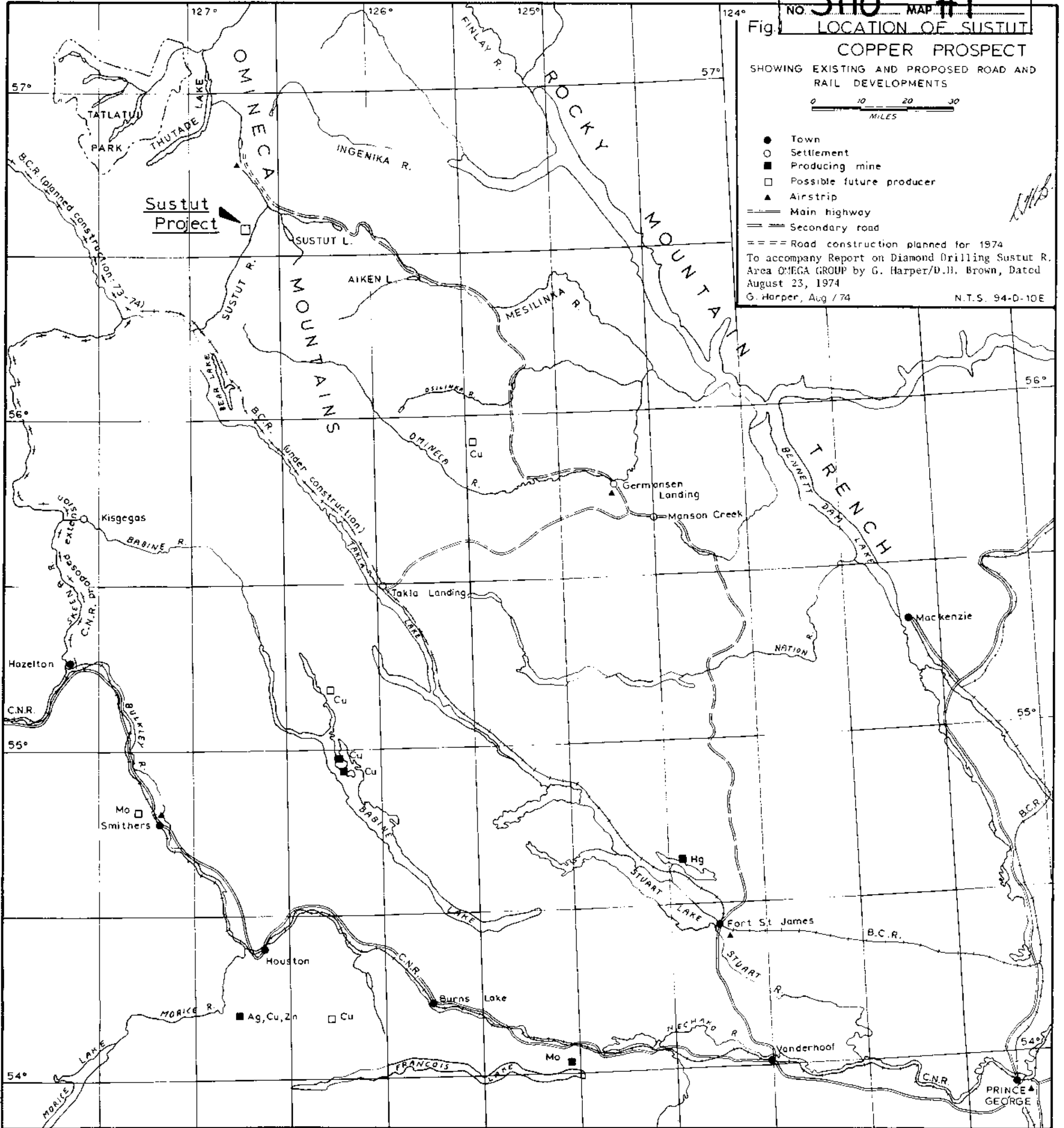
COPPER PROSPECT

SHOWING EXISTING AND PROPOSED ROAD AND RAIL DEVELOPMENTS



- Town
- Settlement
- Producing mine
- Possible future producer
- ▲ Airstrip
- == Main highway
- Secondary road
- ==== Road construction planned for 1974

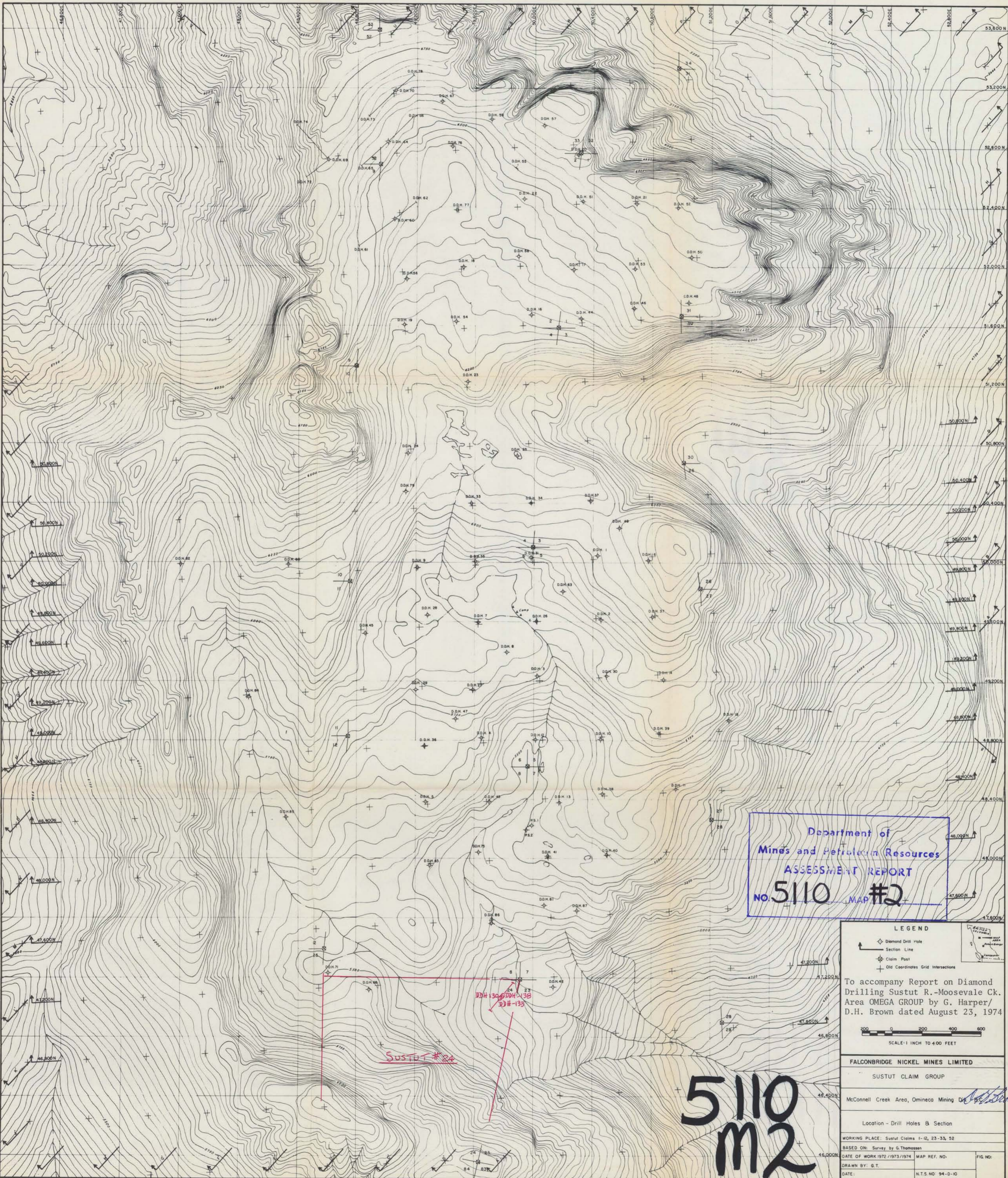
To accompany Report on Diamond Drilling Sustut R. Area OMEGA GROUP by G. Harper/D.H. Brown, Dated August 23, 1974
G. Harper, Aug / 74 N.T.S. 94-D-10E



LOCATION OF SUSTUT CLAIM BLOCK
Area of 1974 diamond drilling shown by circle.



5110 M1



Department of
 Mines and Petroleum Resources
 ASSESSMENT REPORT
 NO. 5110 MAP #2

LEGEND

- ◊ Diamond Drill Hole
- Section Line
- ⊕ Claim Post
- + Old Coordinates Grid Intersections

To accompany Report on Diamond Drilling Sustut R.-Moosevale Ck. Area OMEGA GROUP by G. Harper/ D.H. Brown dated August 23, 1974

SCALE: 1 INCH TO 400 FEET

FALCONBRIDGE NICKEL MINES LIMITED
 SUSTUT CLAIM GROUP

McConnell Creek Area, Omineca Mining District

Location - Drill Holes & Section

WORKING PLACE: Sustut Claims 1-12, 23-33, 52
 BASED ON: Survey by G. Thomassen
 DATE OF WORK: 1972/1973/1974 MAP REF. NO. FIG. NO.
 DRAWN BY: G.T.
 DATE: N.T.S. NO. 94-D-10

5110
m2