

5327

CRAIGMONT MINES LIMITED

GEOLOGICAL REPORT

OF

DIAMOND DRILLING

ON THE

BLUE GROUP OF MINERAL CLAIMS

LOCATED 10 MILES NORTHWEST OF MERRITT, B.C.

N 50°10' E 120°55'

NICOIA MINING DIVISION

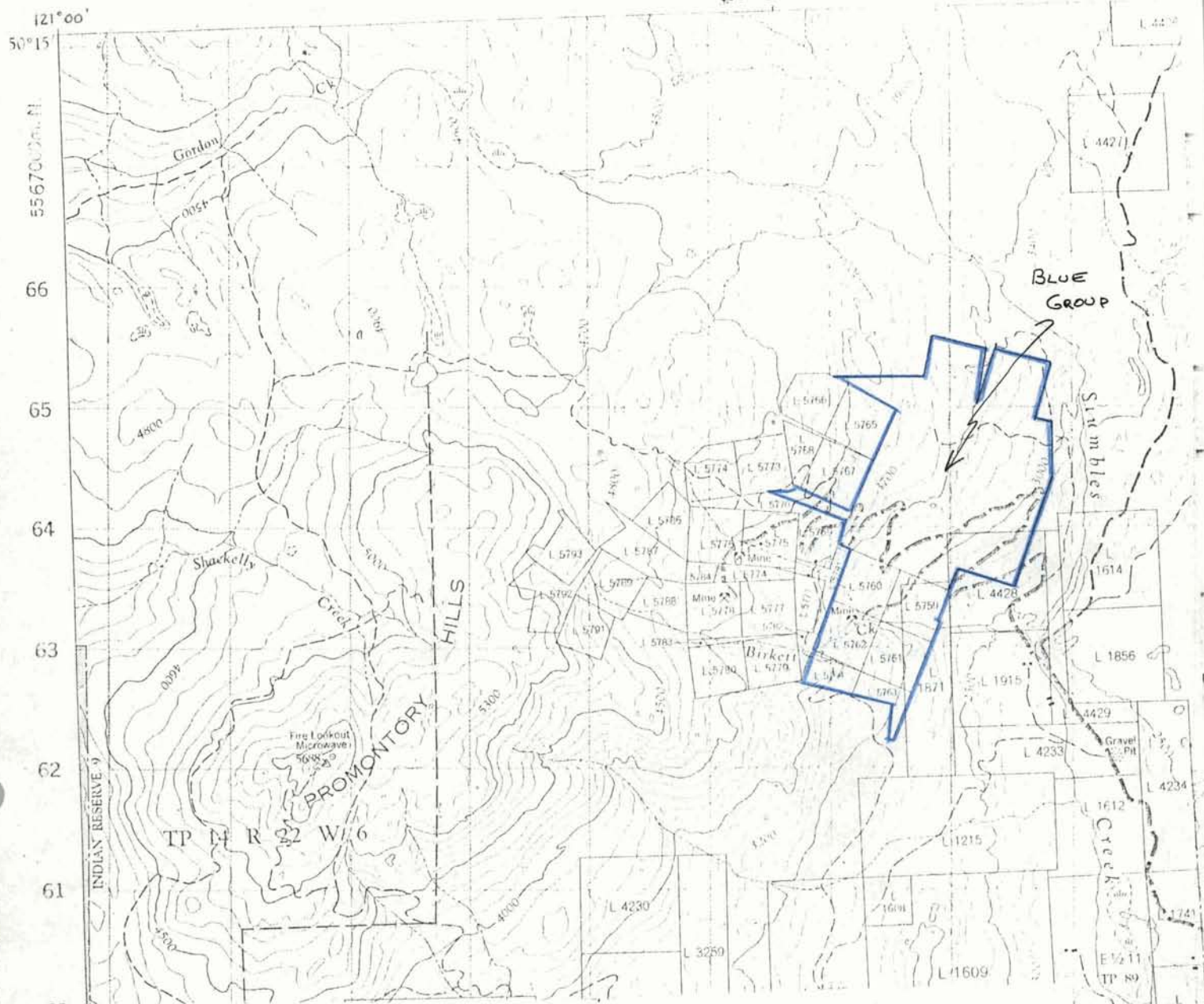
26 FEBRUARY 1974 - 6 MARCH 1974

26 APRIL 1974 - 7 MAY 1974

G.R. SANFORD - GEOLOGIST

92I/2W

Department of Mines and Petroleum Resources	
ASSESSMENT REPORT	
NO. <del>5033</del> 5327	MAP.....

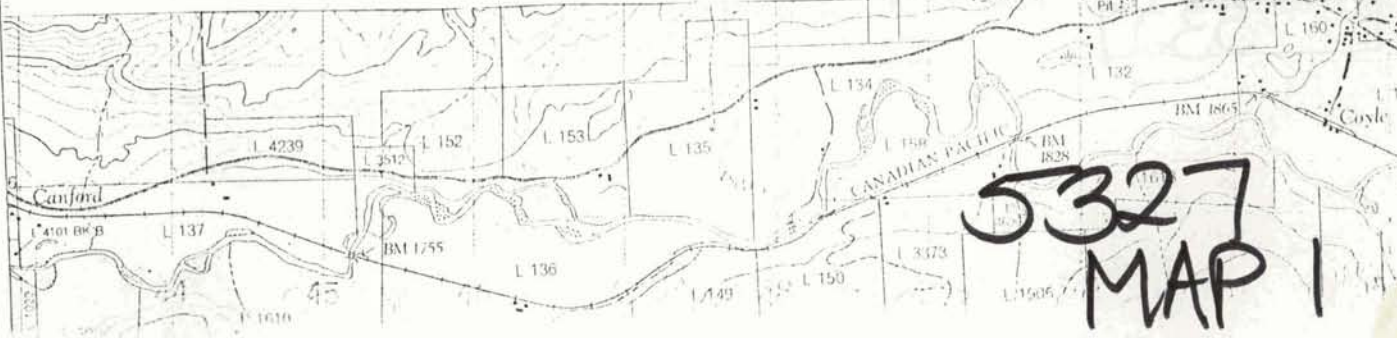


# MERRITT BRITISH COLUMBIA

SCALE 1:50,000 ÉCHELLE



## INDEX MAP BLUE GROUP OF MINERAL CLAIMS



GEOLOGICAL REPORT OF DIAMOND DRILLING ON THE BLUE GROUP

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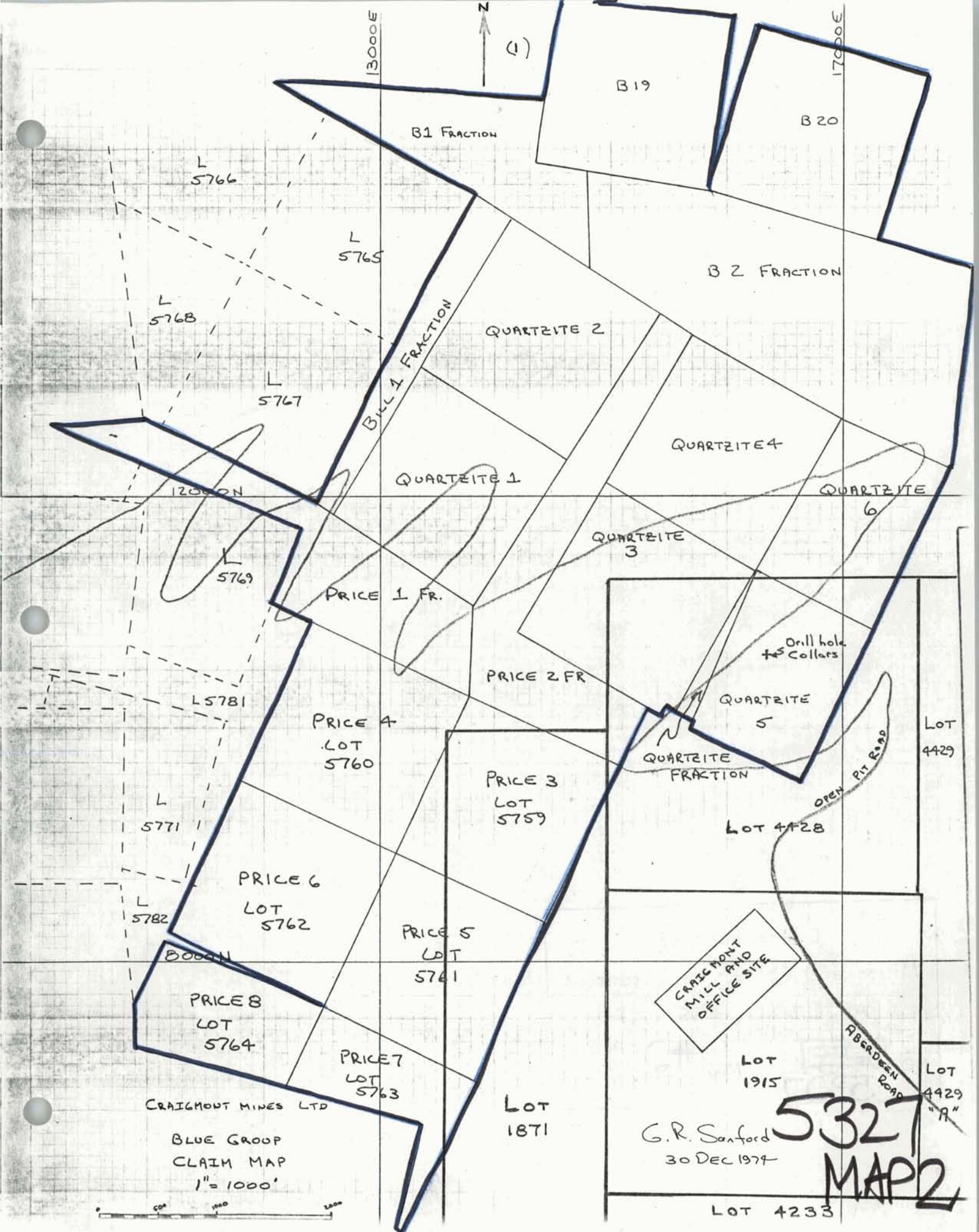
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# GEOLOGICAL REPORT OF DIAMOND DRILLING ON THE BLUE GROUP

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13000E

17000E

(1)

B19

B20

B1 FRACTION

B2 FRACTION

L 5766

L 5765

L 5768

L 5767

BILL 1 FRACTION

QUARTZITE 2

QUARTZITE 4

QUARTZITE 1

QUARTZITE 6

12000N

L 5769

PRICE 1 FR.

QUARTZITE 3

Drill hole  
Collars

PRICE 2 FR.

QUARTZITE 5

L 5781

PRICE 4  
LOT 5760

QUARTZITE FRACTION

PRICE 3  
LOT 5759

LOT 4428

L 5771

PRICE 6  
LOT 5762

PRICE 5  
LOT 5761

L 5782

8000N

PRICE 8  
LOT 5764

PRICE 7  
LOT 5763

LOT 1871

LOT 1915

CRAIGMONT  
MILL AND  
OFFICE SITE

ABERDEEN ROAD

CRAIGMONT MINES LTD

BLUE GROUP  
CLAIM MAP  
1" = 1000'

G.R. Sanford  
30 DEC 1979

5327  
MAP 2



LOT 4233

LOT 4429

LOT 4429

"A"

(2)

QUARTZITE 4 M.C.

QUARTZITE 6 M.C.

QUARTZITE 3 M.C.

QUARTZITE 5 M.C.

PRICE 2 FRACTION

QUARTZITE FRACTION

Diamond Drill Hole Collars

PRICE No 3 LOT 5759

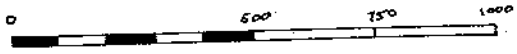
NE CORN LOT 1871

CRAIGMONT MINES LTD.

DRILL HOLE LOCATION

QUARTZITE 5 M.C.

1" = 400 ft



IP - IRON PIN

NW CORN LOT 1915 SW CORN LOT 4428

G.R. Sanford  
30 DEC 1974

5327  
MAP 3

8500N

15000E

15000E

11500N

10000N



## GEOLOGICAL REPORT OF DIAMOND DRILLING ON THE BLUE GROUP

## STATEMENT OF EXPENSES

129 feet of BQ wireline diamond drilling 26 February - 6 March 1974	1993.55
617 feet of NQ wireline diamond drilling 26 April - 7 May 1974	<u>8672.66</u>
TOTAL	\$ 10,666.21

All diamond drilling done by Connors Drilling Limited, under contract to Craigmont Mines Limited.

Supervision by G.R. Sanford 19 days @ 30.00/day	570.00
Report Preparation by G.R. Sanford 2 days @ 75.00/day	<u>150.00</u>
TOTAL	\$ 11,386.21

## GEOLOGICAL REPORT OF DIAMOND DRILLING ON THE BLUE GROUP

Description of Claims

The Blue Group of twenty located Mineral Claims, owned by and operated by Craigmont Mines Limited, is located approximately ten miles northwest of Merritt, B.C. These claims are contiguous with leases containing the known Craigmont ore bodies.

The individual claims, record numbers, and date due for assessment work are as follows:

<u>CLAIM</u>	<u>RECORD NUMBER</u>	<u>DUE DATE</u>
B1 Fraction	4673	5 March 1979
B2 Fraction	4674	5 March 1979
B19	4670	5 March 1979
B20	4671	5 March 1979
Quartzite Fraction	13372	24 March 1977
Bill 1 Fraction	11389	15 July 1979
Price 1 Fraction	4907	1 Aug 1979
Price 2 Fraction	4908	1 Aug 1979
Price 3	4909	1 Aug 1979
Price 4	4910	1 Aug 1979
Price 5	4911	1 Aug 1979
Price 6	4912	1 Aug 1979
Price 7	4913	1 Aug 1979
Price 8	4914	1 Aug 1979
Quartzite 1	4232	29 Aug 1979
Quartzite 2	4233	29 Aug 1979
Quartzite 3	4234	29 Aug 1979
Quartzite 4	4235	29 Aug 1979
Quartzite 5	4236	29 Aug 1979
Quartzite 6	4237	29 Aug 1979

All but four claims (B19, B20, B1 Fr, B2 Fr) have been surveyed or have had a perimeter survey done by a professional land surveyor.



## GEOLOGICAL REPORT OF DIAMOND DRILLING ON THE BLUE GROUP OF MINERAL CLAIMS

### Purpose of the Diamond Drilling

The diamond drilling was done to obtain a better appreciation of bedrock geology in an area of extensive overburden cover approximately one mile east of known Craigmont orebodies.

### Location and Access

The claims are located immediately north of Craigmont Mines Limited mill and office site. Stumbles Creek runs about 500 feet east of the eastern boundary of the claim group.

Aberdeen Road from Lower Nicola provides access to the Craigmont mill site from where a well maintained gravel road leads to the Craigmont open pit and Jackson Lake. This road switches back and forth across the claim group.

### Topography

The claims all lie on a south easterly facing slope, at an elevation of 3800 feet in the north and 2700 feet in the south. Birkett Creek flows to the south east across the claim group and joins Stumbles Creek 1500 feet beyond the claim group boundary. The area was logged at least 15 years ago and is the typical park-like open pine forest of the dry interior.

### Geology of the Area

There is little outcrop over most of the southern half of the claim group and overburden is extensive. Farther upslope to the north, there is moderate exposure of border phase diorite of the Guichon Batholith.

The intent of the drilling program was to establish the southern limit of the batholith and to test the intruded Nicola Series rocks within the thermal aureole of the batholith.

### Equipment

The diamond drilling was done by Connors Drilling Limited. A skid mounted BBS1 was used initially and then a Long Year 38 mounted on a surplus 2½ ton 6 wheel drive army truck was used. Normal BQ or NQ wire line equipment and procedures were used. The drilling was done from 26 February to 6 March 1974 and 26 April to 7 May 1974.

Results

The initial attempt at drilling through the overburden failed. Hole S-89 was abandoned at 129' while still in overburden. This hole was drilled with the skid mounted BBS1 which proved to be inadequate for the job. A larger drill was then brought in. Hole S-93 drilled later in the same position, but at a steeper angle passed through 195' of overburden before encountering bedrock. The entire hole cut border phase intrusive rocks and bottomed at 617'.

<u>Hole No.</u>	<u>Diam.</u>	<u>Latitude</u>	<u>Departure</u>	<u>Elevation</u>	<u>Azimuth</u>	<u>Dip</u>	<u>Length</u>
S-89	BQ	10643.36	16323.41	2815.81	358°28'	-45°N	129'
S-93	NQ	10635.24	16319.60	2813.09	01°36'	-65°N	617'

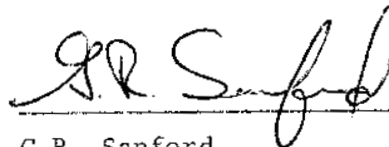
Both holes were collared on the Quartzite 5 Mineral Claim.

The southern edge of the Guichon Batholith is further south than anticipated. Additional drilling will be required to find the southern limit of the batholith so that the intruded rocks may be tested.

Core Storage

The core is currently stored at the Craigmont Mine site.

Respectively Submitted



G.R. Sanford,  
Senior Mine Geologist.

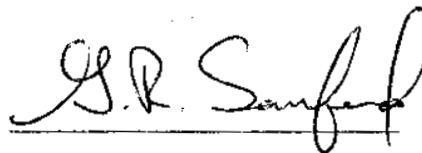
30 December, 1974

/cjk

STATEMENT OF QUALIFICATIONS

I, Gerald R. Sanford, of 2213 Quilchena Avenue, Merritt, B.C. state that

- 1) I graduated from the University of British Columbia in 1969, obtaining a Bachelor of Applied Science Degree in Geological Engineering.
- 2) I am registered as an Engineer in Training with the Association of Professional Engineers of British Columbia.
- 3) I have been continuously employed in the mining industry since graduation from university.
- 4) I am currently employed by Craigmont Mines Limited as the Senior Mine Geologist at the Merritt mine site.



G.R. Sanford,  
Senior Mine Geologist.

Appendix

Diamond Drill Logs

Drilling Costs (Contractor's Statement)

Diamond Drill Contract





--- DIAMOND DRILL LOG.

Grid No. \_\_\_\_\_ Property CRAIGMONT - BLUE GROUP Section No. 16320 Hole No. S-93

Started <u>26 April, 1974</u>	Bearing <u>01°36' Az</u>	Dips <u>-65° N</u>	Lat. <u>10635.24</u>	Elevation <u>2813.09</u>	Location
Completed <u>7 May, 1974</u>	Length <u>617'</u>	Surface Hole	Dep. <u>16319.60</u>	Level	Logged by <u>G.R. Sanford</u>
Standpipe	Casing <u>NQ</u>	Underground Hole	Remarks		

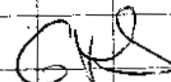
FOOTAGE		Core Re- covered %	Description	Sample No.	Footage	Width Core	Assay				Avera. Value
From	To										
0	195	-	Overburden - Triconed								1/6
195	207	-	Weathered bedrock - Triconed								
207	217	10	Tube didn't lock, mostly angular fragments recovered. Dark greenish grey, fine grained dioritic rock. Up to 10% sericite. Minor limonite stain.								
217	244	95	Some good core sections, but mostly broken and limonite stained. Minor amounts of gouge on fractures. 233-234 mostly mud. Fine to medium grained dark greenish grey dioritic rock. Short sections vaguely foliate.								
244	271 1/2	98	Mostly medium grained dark dioritic rock, but color and texture varies. Some sections fine grained with "fuzzy" feldspar grains to 1/2 cm diameter but mostly 1mm diam. Occasional quartz-plagioclase veinlet 1-2 cm wide. Blotch of garnet at 268. Minor limonite on fractures, some vague foliations								

*GRS*

--- DIAMOND DRILL LOG.

Grid No. \_\_\_\_\_ Property \_\_\_\_\_ Section No. \_\_\_\_\_ Hole No. \_\_\_\_\_

Started	Bearing	Dips	Lat.	Elevation	Location
Completed	Length	Surface Hole	Dep.	Level	Logged by
Standpipe	Casing	Underground Hole	Remarks		

FOOTAGE		Core Re- covered %	Description	Sample No.	Footage	Width Core	Assay			Average Value
From	To									
			fractures, some vague foliations.							2/6
271 1/2	272	98	Dark green dyke rock. Upper contact @ 50° to core axis. Lower non-existent. Hornblende laths 1 x 5 mm and somewhat glassy zoned plagioclase crystals 1-2 mm scattered in dense fine grained matrix.							
272	303	98	Dark greenish black fine grained diorite rock. Varies in texture from fine to medium. "Fuzzy" feldspar sections as 244-271 1/2, 272-275 slightly bleached.							
303	310	75	Fault zone. Brecciated 85% gouge and mud. Few % epidote and K-Spar.							
310	313	98	Dark green grey very fine grained dyke rock. Scattered laths of plagioclase, biotite, and augite (?) in dense f.g. slightly glassy matrix. 310-311 bleached near fault. Upper							

--- DIAMOND DRILL LOG.

Grid No. \_\_\_\_\_ Property \_\_\_\_\_ Section No. \_\_\_\_\_ Hole No. \_\_\_\_\_

Started	Bearing	Dips	Lat.	Elevation	Location
Completed	Length	Surface Hole	Dep.	Level	Logged by
Standpipe	Casing	Underground Hole	Remarks		

FOOTAGE		Core Re- covered %	Description	Sample No.	Footage	Width Core	Assay				Average Value
From	To										
			contact @ 50° to core axis, lower assimilated @ approx. 60° to core axis.								3/6
313	319	98	Dark green fine grained dioritic rock. Some- what (5%) siliceous. Very vague foliation approx. 30° to core axis.								
319	339	98	Middle grey green, vaguely variable foliate medium grained dioritic rock. 334-336, 337- 338 darker colored with "fuzzy" feldspars. 324-327 almost completely digested fragment of wallrock or earlier diorite? @ 335 - 2" quartz-plagioclase vein.								
339	377	98	Dark green medium grained dioritic rock with several diorite patches. Several almost com- pletely digested fragments as above. Vari- able foliate, generally 10°-25° to core axis. Diorite patches are lighter in color as they contain more quartz and feldspar.								

AS

--- DIAMOND DRILL LOG.

Grid No. \_\_\_\_\_ Property \_\_\_\_\_ Section No. \_\_\_\_\_ Hole No. \_\_\_\_\_

Started	Bearing	Dips	Lat.	Elevation	Location
Completed	Length	Surface Hole	Dep.	Level	Logged by
Standpipe	Casing	Underground Hole	Remarks		

FOOTAGE		Core Re- covered %	Description	Sample No.	Footage	Width Core	Assay			Avera. Value
From	To									
377	401	98	Occasional blotch of chlorite along fractures. Occasional bleb pyrite. Dark green medium grained dioritic rock with some lighter sections and foliate as above.							4/6
401	417	98	Finer grained, slightly lighter in color than above. Variably foliate. Slightly more silici- fied than previous. Numerous light monzonitic patches. 415-417 partially digested siliceous fragment with 2% chlorite, 2% epidote and a trace of garnet, pyrite.							
417	467	98	Dark medium grained dioritic rock as 377-401. Minor chlorite throughout. Minor pyrite and epidote. Plagioclase crystals to 1/2 cm in places. Variably foliate.							
467	513	98	As above. Several scattered monzonitic patches Minor chlorite and pyrite. Very occasional fleck of chalcopyrite.							

--- DIAMOND DRILL LOG.

Grid No. \_\_\_\_\_ Property \_\_\_\_\_ Section No. \_\_\_\_\_ Hole No. \_\_\_\_\_

Started	Bearing	Dips	Lat.	Elevation	Location
Completed	Length	Surface Hole	Dep.	Level	Logged by
Standpipe	Casing	Underground Hole	Remarks		

FOOTAGE		Core Re- covered %	Description	Sample No.	Footage	Width Core	Assay			Average Value
From	To									
513	525	98	Fine grained, lighter colored dioritic rock. Foliate 20-30° to core axis. Minor pyrite, chlorite throughout.							5/6
525	546	98	Fine to medium grained, middle to dark grey green dioritic rock. Several monzonitic patches. Occasional digesting fragment of finer grained material. More siliceous, finer grained than previous dark sections.							
546	584	98	As above with monzonitic patches. Occasional blotch of epidote, K-spar. Occasional 1/2" quartz plagioclase vein.							
584	607	98	As above. 584-587 broken ground. Minor K-spar, chlorite throughout (<2%). 601-602-10% K-spar, 1% Epidote and chlorite. 600 1/2-601 quartz vein. Some brecciation at 591'							
607	617	98	Fine grained dark green dioritic rock with							

*GR*



-- DIAMOND DRILL LOG.

Grid No. \_\_\_\_\_ Property \_\_\_\_\_ Section No. \_\_\_\_\_ Hole No. \_\_\_\_\_

Started	Bearing	Dips	Lat.	Elevation	Location
Completed	Length	Surface Hole	Dep.	Level	Logged by
Standpipe	Casing	Underground Hole	Remarks		

FOOTAGE		Core Re- covered	Description	Sample No.	Footage	Width Core	Assay				Avera Value
From	To										
			diorite patches and vague foliation approx. 40°								6/6
			to core axis. 607-609 somewhat brecciated, minor								
			K-spar. 610-612 digested fragment.								
			END AT 617'								
J.R. Smith											

JOB: 2-418

Craigmont Mines Limited,  
 Box 3000,  
 Merritt, B. C.

INVOICE NO: 3-343  
 DATE: March 4, 1974

SURFACE DIAMOND DRILLING  
MERRITT, B. C.  
February 16 - 28, 1974.

FOOTAGE FEE

516-300	D. D. Hole # 74-1	313' - 500'	- 187'	@\$8.15	\$1,524.05	} S-88	\$2,175.10
		500' - 547'	- 47'	8.65	406.55		
	74-2	0' - 30'	- 30'	8.15	244.50	} S-89	
		30' - 52'	- 22'	Field Cost			
			<u>286'</u>				

FIELD COST WORK

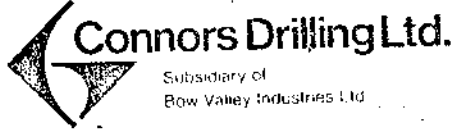
Date	Man Hrs.	Drill Hrs.	Remarks	
Feb. 27/74	12	6	Overburden beyond 30'	} S-89
Feb. 28/74	2	1	Overburden beyond 30'	
	<u>14</u>	<u>7</u>		
	Total Man Hours	14	@\$8.50	\$119.00
	Total Drill Hours	7	7.50	<u>52.50</u>
				171.50

MUD SUPPLIES CONSUMED

2 - 50# Bags Quick Gel Mud	@\$3.60	\$ 7.20	} S-89
	5% Tax	.36	
		<u>7.56</u>	
Freight on Above		2.08	} S-89
		<u>9.64</u>	
Plus 10%		.96	
			<u>10.60</u>
			\$2,357.20

ORDER No. _____
RECEIVED BY _____
DATE _____
CHECKED WITH ORDER _____
EXTENSIONS CHECKED _____
PRICE APPROVED <u>GRS SMAR 74</u>
APPROVED FOR PAYMENT _____
CHARGED TO _____

S-89 426.60  
 S-88 1930.60  
2357.20



155 WEST 3rd AVENUE, VANCOUVER, B.C. CANADA V5Y 1E8  
AREA CODE 604/872 - 1675

JOB: 2-418

Craigmont Mines Limited,  
Box 3000,  
Merritt, B. C.

INVOICE NO: 3-365  
DATE: March 22, 1974

SURFACE DIAMOND DRILLING  
MERRITT, B. C.  
March 1 - 15, 1974

FOOTAGE FEE

D.D. Hole #	74-2	52' - 129' - 77'	@Field Cost	5-90	
	74-3	0' - 105' - 105'	@\$8.15	5-90	
		182'			\$ 855.75

FIELD COST

Date	Hole #	Man Hrs.	Drill Hrs.	Remarks
Feb. 16/74	74-1	2	1	No water
Feb. 25/74	74-1	14	7	Mag hole & pull casing
Mar. 1/74	74-2	12	6	Overburden 52'-65'
Mar. 2/74	74-2	20	10	Overburden 65'-78'
Mar. 4/74	74-2	20	10	Overburden 78'-104'
Mar. 5/74	74-2	8	4	Overburden 104'-108'
Mar. 6/74	74-2	20	10	Overburden 108'-129'
Mar. 12/74	74-3	X 3	1½	Mixing Mud
Mar. 13/74	74-3	4	2	Mixing Mud
Mar. 14/74	74-3	2	1	Mixing Mud
Mar. 15/74	74-3	2	1	Mixing Mud
		107	53½	

196.00 5-83  
920.00 5-89  
134.75 5-90

Total Man Hours	107	@\$8.50	\$909.50	
Total DRill Hours	53½	7.50	401.25	1,310.75



Subsidiary of  
Bow Valley Industries Ltd.

155 West 3rd Avenue Vancouver 10, B.C., Canada  
Area Code 604/872-1675

• **Craigmont Mines Limited,**  
•  
•  
•

• **DATE March 22, 1974**  
•  
• **INVOICE NO. 3-365**  
• **JOB: 2-418**

- 2 -

<u>SUPPLIES CONSUMED</u>				
21 - 50# Bags Quick Gel Mud	9 589 / 12 590	@\$3.60	\$ 75.60	
14 - 2# Bags Quick Trol Mud - All S-90		4.45	62.30	
1 - BW Casing Shoe # 14ZW-744 - 50%	} S-89		58.10	
1 - BQ Core Bit # M5L-9036 - 30%		60.70		
1 - BW Casing Shoe # 14ZW-712 - 100%		116.20		
1 - KM BQ Core Bit # M5L-9040 - 100%		202.34		
1 - BQ Shell # M7YA-931 - 20%		29.53		
			<u>\$604.77</u>	
	5% Tax		30.24	
Freight on mud 1078 #'s @ \$2.08			22.42	
			<u>657.43</u>	
	Plus 10%		65.74	723.17
				<u>\$2,889.67</u>

S-89 32.40 MUD  
4.66.87 REST  
499.27 TOTAL  
24.96 TAX  
524.23 TOTAL  
9.36 FREIGHT  
533.59  
53.36 10%  
586.95 TOTAL

S-90 = 136.22  
S-89 = 586.95  
723.17

S-90 = 62.30  
42.60  
105.50  
3.18  
110.78 TOTAL  
13.06 FREIGHT  
123.84  
12.38 10%  
136.22 TOTAL

ORDER No. _____
RECEIVED BY _____
DATE _____
CHECKED WITH ORDER _____
EXTENSIONS CHECKED _____
PRICE APPROVED <u>GR 25 MAR 74</u>
APPROVED FOR PAYMENT _____
_____

Total S-88 196.00  
S-89 1566.95 + 426.60 = 1993.55  
S-90 1126.72  
2989.67

Craigmont Mines Ltd.,  
 Box 3000,  
 Merritt, B. C.

JOB: 2-418  
 INVOICE NO: 3-406  
 DATE: May 7, 1974

SURFACE DIAMOND DRILLING  
MERRITT, B. C.  
April 16 - 30, 1974.

FOOTAGE FEE

D.D. Hole #	74-4-A	608' - 668' - 60'	@\$10.00	\$ 600.00	
	S-93	0' - 100' - 100'	13.50	1,350.00	} 3974.00
		100' - 150' - 50'	15.50	775.00	
		150' - 207' - 57'	17.00	969.00	
		207' - 287' - 80'	11.00	880.00	
		<u>347'</u>			\$4,574.00

FIELD COST WORK

Date	Man Hrs.	Drill Hrs.	Remarks
Apr. 16/74	6	3	Getting rods to bottom
Apr. 17/74	4	2	Working on rods
Apr. 18/74	14	7	Working on rods
Apr. 19/74	20	10	Working on rods
Apr. 20/74	24	8	Trying to get to bottom
Apr. 23/74	18	9	Reducing hole
Apr. 24/74	16	8	Reducing hole & pull casing
Apr. 25/74	6	3	Pulling casing
Apr. 26/74	2	1	Mixing mud
Apr. 27/74	2	1	Mixing mud
Apr. 29/74	2	1	Mixing mud
Apr. 30/74	2	1	Mixing mud
	<u>116</u>	<u>54</u>	

Total Man Hours 116 @\$8.50 \$986.00  
 Total Drill Hours 54 8.50 459.00 1,445.00



• Craigmont Mines Ltd.;

DATE May 7, 1974

To

INVOICE NO 3-406  
 JOB: 2-418

PAGE 2

MUD SUPPLIES CONSUMED

21 - 50# Bags Quick Gel Mud	@\$ 3.50	\$* 75.60	} S-93 = 143.24 S-92 = 344.10
23 - 2# Bags Quick Trol Mud	4.45	102.35	
5 - 50# Bags SF-100	24.95	124.75	
1 - 100# Bag Baroid		5.75	
1 - 50# Bag CC-16		12.80	
11 - Gallongs Kutwell Oil	1.49	16.39	
300 - Gallongs Diesel Fuel	.339	101.70	
		439.34	
		16.88	
		31.12	
5% Tax on (337.64)			487.34
Freight on above 1496 #'s @\$2.08			

SUPPLIES LOST IN HOLE (# 74-4-A)

16 - pieces BQ 10' Drill Rods (@50%)	@\$17.18	\$274.88	} S-92
1 - only BQ Rod Tap @50%		37.10	
1 - only BQ Core # M6L-9538		214.90	
1 - BQ Shell EM7YA-901		153.63	
1 - BQ 10' Outer Tubex		47.50	
1 - AQ 10' Outer Tube (85%)		31.50	
16 - pieces AW 10' Casing @95%	24.94	399.04	
1 - only AW Casing Shoe #N4ZW-447		78.75	
1 - only AQ Shell # L7YA-629		112.50	
1 - only AQ Core L6L-9692		128.18	
		1,477.98	
5% Tax		73.90	1,699.68
Plus 10%		147.80	\$8,206.02

ORDER NO. _____
RECEIVED BY _____
DATE _____
CHECKED WITH OFFER _____
EXTENSIONS CHECKED _____
PRICE APPROVED <u>CLB (3 May 74)</u>
APPROVED FOR PAYMENT _____
CHARGED TO _____

S-92 3986.78  
 S-93 4219.24  
 -----  
 8206.02

JOB: 2-418

Craigmont Mines Ltd.,  
 Box 3000,  
 Merritt, B. C.

INVOICE NO: 3-418  
 DATE: May 21, 1974

SURFACE DIAMOND DRILLING  
MERRITT, B. C.  
May 1 - 15, 1974

FOOTAGE FEE						
D. D. Hole #	S-93	287' - 500'	- 213'	@\$11.00	\$2,343.00	
		500' - 617'	- 117'	13.50	1,579.50	3922.50 - S-93
	S-94	0' - 93'	- 93'	13.50	1,255.50	
		93' - 354'	- 261'	11.00	2,871.00	4126.50 \$8,049.00
			684'			

FIELD COST WORK

Date	Man Hrs.	Drill Hrs.	Remarks
May 1/74	2	1	Mixing KMud
May 2/74	2	1	Mixing Mud
May 3/74	2	1	Mixing Mud
May 4/74	2	1	Mixing Mud
May 6/74	2	1	Mixing Mud
May 7/74	14	7	Mag Hole # S-93
May 8/74	2	2	Wait on next hole
May 8/74	2	1	Mixing Mud
May 9/74	2	1	Mixing Mud
May 10/74	2	1	Mixing Mud
May 11/74	2	1	Mixing Mud
May 15/74	2	1	Mixing Mud
	<u>36</u>	<u>19</u>	

ORDER No.	
RECEIVED BY	
DATE	
CHECKED WITH ORDER	S-93
EXTENSIONS CREDITED	↑
PRICE APPROVED	ORCA 22 MAY 74
APPROVED FOR PAYMENT	
CHARGED TO	S-94

Total Man Hours 36 @ \$8.50 \$306.00  
 Total Drill Hours 19 8.50 161.50

S-93 340.00  
 S-94 127.50  
 467.50

MUD SUPPLIES CONSUMED

37 - 50# Bags Quick Gel Mud	@\$3.60	\$133.20
41 - 2# Bags Quick Trol Mud	4.45	182.45
3 - 50# Bags CC-lt	12.80	38.40
		<u>354.05</u>
5% Tax		17.70
Freight on above 2082#'s @ \$2.09		<u>43.31</u>

93-126,187,10000  
 94-126,237,20000  
 S-93 170.92  
 S-94 224.17  
 415.09  
 415.06  
 \$8,931.56

S-93 4453.42 + 4219.24 = 8672.66  
 S-94 4478.14  
 8931.56

A G R E E M E N T

THIS A G R E E M E N T made this 5th day of February, 1974.

BETWEEN: CRAIGMONT MINES LIMITED,  
MERRITT, B. C.

(hereinafter referred to as the "COMPANY")

AND: CONNORS DRILLING LTD.,  
155 West 3rd Avenue,  
VANCOUVER, B. C. V5Y 1E8.

(hereinafter referred to as the "CONTRACTOR")

WHEREAS the COMPANY hereby requests that the CONTRACTOR carry out certain surface diamond drilling and other services, on the COMPANY'S property near Merritt, B. C.

AND WHEREAS the CONTRACTOR hereby agrees to perform said diamond drilling and other services requested, under the terms and conditions hereinafter contained.

1. SCOPE OF WORK

The work is to consist of a drill hole, drilled at a location specified by the COMPANY. A total minimum footage of 500 feet shall be drilled, but total footage may be extended beyond that amount, by mutual consent. Holes shall be drilled with EQWL tools producing 1 7/16" diameter core, as far as is reasonably practical. Maximum depth of any hole shall not exceed 1,000 feet, and minimum depth shall be 500 feet.'

2. COMMENCEMENT AND EXECUTION OF WORK

Work shall be commenced: As soon as equipment and crews can be placed on property, estimated to be during the week of February 4 - 9th. Work will be carried out with shifts working seven days a week or as near that schedule as can be maintained.

3. THE CONTRACTOR HEREBY COVENANTS AND AGREES:

- (a) To provide all of the required drilling machinery and associated tools including, but not limited to: Drill outfit, pumps, rods, casing, diamond set items, fuel, oil and grease, etc.
- (b) That drilling crews will follow good drilling practice and shall use due care and diligence as shall enable them to recover as high a percentage of core as the nature of the ground being drilled shall permit. All cores shall be delivered to the COMPANY, in boxes provided by the COMPANY at the drill sites.

- (c) That it shall be responsible for, and will pay promptly all costs and charges, incurred by itself for labor, machinery, tools, and supplies used in completing the work hereunder so that no lien or other such charge relative to the CONTRACTOR, may be registered against the COMPANY or the property. The CONTRACTOR shall be responsible for the payment of all assessments for Workmen's Compensation, Holiday Pay, Canada Pension, Unemployment Insurance, Sales Taxes, or other such applicable charges, relative to its own labor and supplies purchased.
- (d) 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 who is objectionable or unsatisfactory to the COMPANY shall be removed from the work and replaced by an employee satisfactory to the COMPANY.
- (e) The CONTRACTOR shall keep his drill sites free from waste and rubbish, and at the completion of his work he shall leave all drill sites as nearly as possible in the condition such as it was prior to the commencement of the work.
- (f) The CONTRACTOR or its personnel shall not divulge any information concerning drilling results or permit access to, or examination of, the drill core by any person not specifically authorized by the COMPANY.

4. THE COMPANY HEREBY AGREES:

- (a) Should cavities, loose or caving ground or excessive water flows be encountered in a hole so that further drilling in that hole is deemed impracticable, that hole may by mutual consent, be abandoned, and, the CONTRACTOR be paid at rates so specified herein for all footage completed in that hole. 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.
- (b) That it will provide access roads to as near all drill sites as is practical, and prepare sites suitable for drill set up.
- (c) The COMPANY shall provide, at no cost to the CONTRACTOR, all rights of way of ingress and egress to all lands that may be required to enable the CONTRACTOR to carry out the work as specified. 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.

5. THE COMPANY HEREBY AGREES to pay the CONTRACTOR for footage drilled and other services performed as follows:

- (a) Mobilization and demobilization, The COMPANY will transport equipment from CONTRACTOR'S base of operations to job site, and return at the job completion, at no cost to the CONTRACTOR.

- (b) Drilling: BQ : ce, 0 - 500 feet, at \$8.15 a foot.  
500 - 1,000 feet, at \$8.65 a foot. 8187 0-1000  
845 1-1000
- (c) Overburden penetration: 0 - 30 feet, at \$8.15 a foot.  
Beyond 30 feet, at Field Cost.
- (d) Reaming hole in bedrock for casing, and casing hole, if required,  
at Field Cost.
- (e) Standby, dip-testing, or delay time, or other time during which  
the CONTRACTOR'S crews are performing services, for the COMPANY  
not otherwise covered herein, at Field Cost.
- (f) Cementing of drill holes, and re-drilling of cemented section of  
hole, at Field Cost.
- (g) Water supply: The COMPANY will supply water for drilling at no  
cost to the CONTRACTOR.
- (h) Moving of drill and equipment from site to site: From transport  
discharge point to drill site, moving from site to site, (beyond  
500 feet), and return to loading point, at Field Cost.
- (i) Drilling mud, additives and mixing mud, if required, at Field Cost.
- (j) Truck rental: CONTRACTOR will provide a service truck for its  
personnel.
- (k) Tractor: If required for building road access or moving equipment,  
shall be for the COMPANY'S account.
- (l) Core boxes: Shall be supplied by the COMPANY.
- (m) Camp: Housing and board for CONTRACTOR'S personnel shall be at no  
cost to the COMPANY.
- (n) Field Costs, where applicable, shall be: Labor at \$8.50 a man hour,  
equipment rental at \$7.50 a drill shift hour and all the "down the  
hole" tools and supplies lost or consumed during the Field Cost  
portion of the work, at Cost plus ten percent.

## 6. INSURANCE AND GENERAL

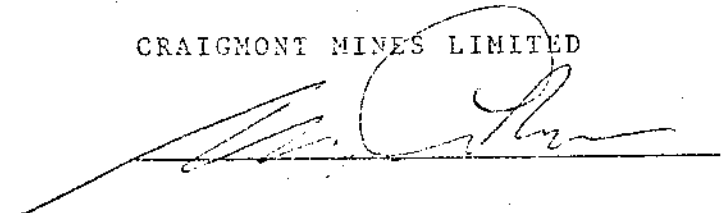
- (a) The CONTRACTOR, at its own cost, shall maintain insurance to the  
following limits; Liability and Property Damage \$1,000,000.00,  
Automobile Insurance coverage \$1,000,000.00.
- (b) The CONTRACTOR shall not be held liable for any loss or damage  
suffered by reason of any cause beyond its active control such  
as riots, strikes, lockouts, acts of God, or failure of trans-  
portation.
- (c) Under the foregoing terms and conditions the CONTRACTOR does not  
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.



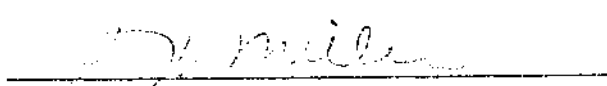
(d) The CONTRACTOR shall invoice the COMPANY semi-monthly for footage drilled and other services performed. Such invoices shall be due and payable within 30 days of invoice date.

IN WITNESS WHEREOF THE COMPANY and the CONTRACTOR set  
their hands this                      day of                      , 19                      .

CRAIGMONT MINES LIMITED

  
\_\_\_\_\_

CONNORS DRILLING LTD.

  
\_\_\_\_\_  
\_\_\_\_\_



**Connors Drilling Ltd.**

Subsidiary of  
Bow Valley Industries Ltd.

155 West 3rd Avenue, Vancouver, B.C., Canada V5Y 1E8 Area Code: 604/872-1675

May 2, 1974

Mr. G. Sandford,  
Craigmont Mines Ltd.,  
Box 3000,  
Merritt, B. C.

Dear Sir:

Re: Surface Drilling Program

Dear Sir:

Further to and in accordance with, your discussions with our Mr. Dick Griffiths, the following will confirm the price for drilling NQ size holes on your property, near Merritt, B. C.

NQ size holes in Bedrock:	0' - 500'	--	\$11.00 per foot.
	600' - 1200'	--	\$13.50 per foot.

Overburden:	0 - 100'	--	\$13.50
	100 - 150'	--	\$15.50
	150 - 200'	--	\$17.00

All other conditions of our Agreement, dated March 11th, 1974, would remain the same.

We appreciate the opportunity of working with you on this project.

Yours very truly,

CONNORS DRILLING LTD.

H. Cameron  
General Manager

HC/ed

A G R E E M E N T

THIS A G R E E M E N T made this 11th day of March, 1955.

BETWEEN: CRAIGNORT MINES LIMITED,  
MERRITT, B. C. VOK 280 CRS

(hereinafter referred to as the "COMPANY")

AND: CONORS DRILLING LTD.,  
155 West 3rd Avenue,  
VANCOUVER, B. C. V5Y 1S8.

(hereinafter referred to as the "CONTRACTOR")

WHEREAS the COMPANY hereby requests that the CONTRACTOR carry out certain surface diamond drilling and other services, on the COMPANY'S property near Merritt, B. C.

AND WHEREAS the CONTRACTOR hereby agrees to perform said diamond drilling and other services requested, under the terms and conditions hereinafter contained.

1. SCOPE OF WORK

The work is to consist of a drill hole, drill log and recorder specified by the COMPANY. A total minimum footage of 200 feet shall be drilled, but total footage may be extended to, and that amount, by mutual consent. Holes shall be drilled with RPH tools producing 1 7/16" diameter core, as far as is reasonably practical. Maximum depth of any hole shall not exceed 1,200 *ft* feet, and minimum depth shall be 500 feet.

2. COMMENCEMENT AND EXECUTION OF WORK

Work shall be commenced: As soon as equipment and crews can be placed on property, estimated to be during the week of March 11 - 1955. Work will be carried out with regular working seven days a week to as near that schedule as can be determined.

3. THE CONTRACTOR'S OBLIGATIONS, COVENANTS AND WARRANTIES

- (a) To provide all of the required drilling machinery and associated tools including, but not limited to, drill, bits, pipe, rods, casing, diamond cutters, fuel, oil and lubricants.
- (b) That drilling crews will follow good drilling practice and shall use due care and diligence as shall enable them to recover as high a percentage of core as the nature of the ground being drilled shall permit. All cores shall be delivered to the COMPANY, in boxes provided by the COMPANY at the drill site.

- (c) That it shall be responsible for, and will pay promptly all costs and charges, incurred by itself, for labor, machinery, tools, and supplies used in completing the work hereunder so that no lien or other such charge relative to the CONTRACTOR, may be registered against the COMPANY or the property. The CONTRACTOR shall be responsible for the payment of all assessments for Workmen's Compensation, Holiday Pay, Canada Pension, Unemployment Insurance, Sales Taxes, or other such applicable charges, relative to its own labor and supplies purchased.
- (d) 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 who is objectionable or unsatisfactory to the COMPANY shall be removed from the work and replaced by an employee satisfactory to the COMPANY.
- (e) The CONTRACTOR shall keep his drill sites free from waste and rubbish, and at the completion of his work he shall leave all drill sites as nearly as possible in the condition such as it was prior to the commencement of the work.
- (f) The CONTRACTOR or its personnel shall not divulge any information concerning drilling results or permit access to, or examination of, the drill core by any person not specifically authorized by the COMPANY.

4. THE COMPANY HEREBY AGREES:

- (a) Should cavities, loose or caving ground or excessive water flows be encountered in a hole so that further drilling in that hole is deemed impracticable, that hole may by mutual consent, be abandoned, and, the CONTRACTOR be paid at rates so specified herein for all footage completed in that hole. 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 FULL COST Rates.
- (b) That it will provide access roads to as near all drill sites as is practical, and prepare sites suitable for drill set up.
- (c) The COMPANY shall provide, at no cost to the CONTRACTOR, all rights of way of ingress and egress to all lands that may be required to enable the CONTRACTOR to carry out the work as specified. The CONTRACTOR shall be permitted to cut and sell 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 stoppage or other charges of every kind and nature.

5. THE COMPANY HEREBY AGREES to pay the CONTRACTOR for footage drilled and other services performed as follows:

- (a) Mobilization and demobilization. The COMPANY will transport equipment from CONTRACTOR'S base of operations to job site, and return at the job completion, at no cost to the CONTRACTOR.

- (b) Drilling: 80 size, 0 - 60 feet, at \$ 9.50 a foot.  
600 - 1,200 feet, at \$10.00 a foot.
- (c) Overburden penetration: 0 - 100 feet, at \$12.00 a foot.  
100 - 150 feet, at \$14.00 a foot.  
150 - 200 feet, at \$16.00 a foot.  
Beyond 200 feet, at Field Cost, Should the cost of penetration be greater than \$16.00 a foot.
- (d) Reaming hole in bedrock, for casing, and casing hole, if required, at Field Cost.
- (e) Standby, dip-testing, or delay time, or other time during which the CONTRACTOR'S crews are performing services, for the COMPANY not otherwise covered herein, at Field Cost.
- (f) Cementing of drill holes, and redrilling of cemented section of hole, at Field Cost.
- (g) Water supply : The COMPANY will supply water for drilling at no cost to the CONTRACTOR.
- (h) Moving of drill and equipment from site to site: From transport discharge point to drill site, moving from site to site, (beyond 500 feet), and return to loading point, at Field Cost.
- (i) Drilling mud, additives and mixing mud, if required, at Field Cost.
- (j) Truck rental: CONTRACTOR will provide a service truck for its personnel.
- (k) Tractor: If required for building road access or moving equipment shall be for the COMPANY'S account.
- (l) Core boxes: Shall be supplied by the COMPANY.
- (m) Camp: Housing and board for CONTRACTOR'S personnel shall be at no cost to the COMPANY.
- (n) Field Cost, where applicable, shall be: Labor at \$8.50 a man hour, equipment rental at \$8.50 a drill shift hour and all the "down the hole" tools and supplies lost or consumed during the Field Cost portion of the work, at Cost, plus ten percent.

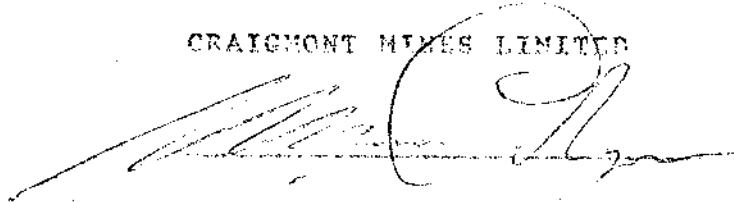
6. INSURANCE AND GENERAL

- (a) The CONTRACTOR, at its own cost, shall maintain insurance to the following limits; Liability and Property Damage \$1,000,000.00, Automobile Insurance coverage \$1,000,000.00.
- (b) The CONTRACTOR shall not be held liable for any loss or damage suffered by reason of any cause beyond its active control such as riots, strikes, lockouts, Acts of God, or failure of transportation.

- (c) Under the foregoing terms and conditions, the CONTRACTOR does not 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.
- (d) The CONTRACTOR shall invoice the COMPANY semi-monthly for footage drilled and other services performed. Such invoices shall be due and payable within 30 days of invoice date.

IN WITNESS WHEREOF THE COMPANY and the CONTRACTOR set their hands this *20<sup>th</sup>* day of *March*, 19 *.*

CRAIGMONT MINES LIMITED



CONNORS DRILLING LTD.

