IMPERIAL OIL LIMITED

Minerals Section

E. L. Pekar

Chief Geologist, Western Canada

#314 - 1281 - W. Georgia Street Vancouver 5, B. C. Area Code 604 - 681-8231

MV-1947

September 12, 1975

File: 6023

The Mining Recorder Nanaimo Mining Division Court House Nanaimo, B.C.

Dear Sir:

I am enclosing the following documents as part of a Diamond Drilling Report:

- 1) A 1:50,000 topographical map showing the geographical location of the property.
- 2) A copy of each of four 1" = 800' claim and topographical maps showing the location of diamond drill holes 75 - 1 through 75 - 3. These maps are keyed to the 1:50,000 maps by the claim boundary and by the position of topographic features such as McKay Lake.
- A copy of each of the logs for holes 75 1 through 75 3, signed by myself.
- 4) A copy of a drill contract between IOL and Interior Drilling.
- 5) A statement of costs for the drilling work covering the hole logs being filed as assessment work complete with invoices from the contractor.
- 6) A copy of each of the two Affidavits on Application for Certificate of Work for the two groups.

I trust you will find everything in satisfactory order.

Department of Volume ESSION

Mines and Petroleum Resources OF

ASSESSMENT REPORT R.D. SOMERVALE

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RS:JT Encl.

1,2,3,4 in pochet (claim-DDH loc. maps)

DIAMOND DRILL CORE LOG

RILL HOLE NO. MT. WASHINGTON

1975 - 3

LOCATION:

1200' @ 230° from No.1 Post

of MWC 222 on crest of

CLAIM:

MWC 222 FR.

AZIMUTH:

CORE SIZE:

INCLINATION:

-90°

CORE STORAGE:

IOL Warehouse Puntledge Ave.

Courtenay, B.C.

ELEVATION:

-4690

DESCRIPTION

		i .
FROM	TO	
0	600'	Intrusive Breccia. composed of angular to rounded loosely packed clasts of predominantly hornblende quartz-diorite mixed with minor quantities of siltstone (Comox?) fragments and more rarely altered chloritic fragments which conceivably could be basalt in origin. The matrix consists of finely ground rock flour and very small fragments with some minor silicification.
	at 312'	3" silicified zone at 90° trace of pyrite and chalcopyrite.
O	at 324½'	3 x l" over 8" silicified bands. 25% chalcopyrite over $\frac{1}{4}$ " in one band.
	át 330'	silicified diorite fragment with traces of chalcopyrite in chlorite.
341	365	intense clay alteration with frequent silicified patches - occasional 1" - 3" quartz vein sparse pyrite arsenopyrite and realgar.
365	372	moderately fractured, occasional bleached patch, very little alteration.
372	390	moderate clay alteration in patches, minor pyrite, arsenopyrite, and realgar.
390	422	frequent silicified patches with quartz stringers, carrying pyrite, arsenopyrite and realgar.
422	439	increasing pyrite to average 3% total sulphide, minor arsenopyrite, realgar decreases to negligable, heavy clay alteration.
439	444	secondary biotite rimming of breccia fragments, minor sulphides.
O	j	

DIAMOND DRILL CORE LOG

DRILL HOLE NO.

MT. WASHINGTON

3

1975 - 3

CLAIM:

LOCATION:

AZIMUTH:

CORE SIZE:

INCLINATION:

CORE STORAGE:

ELEVATION:

DESCRIPTION

FROM	TO	
444	480	biotite and clay alteration mixed and alternating , no realgar, occasional band of near massive pyrite - chalcopyrite.
480	544	end of clay alteration increasing amount of secondary biotite with sparse pyrite, pyrrhotite and chalcopyrite.
	at 510'	10" vuggy quartz with 50% pyrite, chalcopyrite - vuggy hala.
04	600	390 total suphides, minor chalcopyrite and pyrrhotite mainly pyrite.
Sept.	12/75	heavy sericite alteration. Secondary diotite only slightly noticeable.

DIAMOND DRILL CORE LOG

$\mathbf{Q}_{\mathtt{RILL}}$	HOLE NO. M	t. Washington 75-1	LOCATION:	350' @ 284° from the No. 2 post MWC226		
			CLAIM:	MWC226		
AZIMU	rH: -		CORE SIZE:	BQ		
INCLI	ATION: -	90°	CORE STORAGE	E: IOL Warehouse Puntledge Rd.		
· ELEVA	rion: 🌫	3600'		Courtenay, B.C.		
LENGT	Н:	608' DESCRIP	PTION			
FROM	TO	Drilled from August	t 16 to 21, 1	975.		
0.0	3.5	Collar				
3.5	7.0	Overburden		•		
7.0	55.0	of quartzite and si by a matrix of comb infilled with calci clay altered and se	iltstone, min o quartz line ite. Most cl ericite occur s of pyrite o	osely packed clasts or diorite, cemented d with chlorite and asts are moderately s in random patches. ccur in the vugs with		
O 5.0	58.0	Diorite clast with	Diorite clast with minor pyrite.			
58.0	86.0	Breccia as from 7.0 pyrite in the matri		h rare patches of		
86.0	118.0	Breccia with abunda clasts. Rare pyrit sericite veins.		y altered diorite pyrite in 2 quartz-		
118.0	148.0		ts in a matri	d, small, angular quartite x of comb quartz, rare rite in matrix.		
148.0	149.2	Minor quartz veins and trace chalcopy:		nite, minor arsenopyrite		
149.2	169.0		e clasts, in	d quartzite and siltstone a matrix with rare quartz, cite.		
169.0	175.0	Single diorite clas	st in the bre	ccia.		
175.0	220.0			tered clasts. Rare r in matrix and in quartz		
220.0	222.5	Diorite clast with chloritized and sil				

ORILL HOLE NO. Mt. Washington 75-1 LOCATION: 350' @ 284° from the No. 2 post MWC 226

DESCRIPTION

FROM	TO	
222.5	227.7	Breccia
227.7	242.0	Diorite clast with 1% chalcopyrite, minor pyrite on \bigvee pre-breccia fractures.
242.0	286.5	Breccia with mainly angular quartzite and siltstone clasts in a matrix of comb quartzite, rare to abundant chlorite and calcite infillings. No sulphides present.
286.5	303.5	Diorite clast with minor pyrite and chalcopyrite on pre-breccia fractures.
303.5 O	394.0	Breccia with mainly quartzite and siltstone clasts, minor diorite clasts in a matrix of comb quartz and calcite with no chlorite. Minor pyrite and arseno- pyrite in calcite infillings, disseminated in clay altered clasts or on fractures.
394.0	504.5	Breccia with fresh to slightly clay altered quartzite and siltstone clasts, 25% diorite clasts in a matrix of rare comb quartz, abundant chlorite and patches of calcite. Rare occurrences of trace sulphides in matrix.
504.5	527.5	Diorite clast with no sulphides.
527.5	554.5	Breccia with mainly quartzite and siltstone clasts and 15% diorite clasts.
554.5	573.0	Breccia with 75% diorite clasts.
573.0	594.0	Breccia with 85% quartzite and siltstone clasts. Minor pyrite and realgar in matrix and on fractures.
594.0	608.0	Breccia with 90% diorite class 5 5
	EHD	BRITISH COLUMBIT
# % I		1

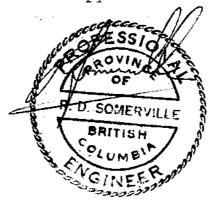
DIAMOND DRILL CORE LOG

$Q_{ ext{RILL}}$	HOLE NO.	Mt. Washington 75-2		•	
AZIMU	rH:	000°	CORE SIZE: BQ		
INCLI	NATION:	-70°	CORE STORAGE: IOL Warehouse Puntledge Rd.		
LENGT		<pre></pre>		Courtenay, B.C.	
FROM	то	Drilled from August	. 21 to Septembe	r 1, 1975	
0.0	3.0	Overburden			
3.0	50.5	Breccia with 95% an slightly clay alter and 5% diorite clas quartz cementing the calcite infillings.	ed quartzite and ts. Matrix con de clasts, abund	d siltstone clasts sists of comb	
50.5	66.0	Silicified, biotiti minor pyrite.	licified, biotitized diorite clast with <1% chalcopyrite, nor pyrite.		
O66.0		l inch quartz vein with sphalerite and pyrite in sericite and clay altered breccia.			
66.0	155.0	Breccia with 95% qu weakly clay altered Trace pyrite and re	and 5% diorite	•	
155.0	204.5	Breccia as above an porphyry dikes.	d with 3 thin (6" to 15") diorite	
204.5	223.0	Breccia with modera chlorite in the mat patches of pyrite matrix and one 1½" pyrite.	rix and common arsenopyrite an	calcite. Small d realgar in the	
223.0	243.5	Breccia consisting clasts.	mainly of large	silicified quartzite	
243.5	254.0	Breccia with four o	lasts of basalt	-	
254.0	284.0	Breccia with modera Quartz-carbonate ve 267.0 to 268.0.		ed quartzite clasts. senopyrite from	
284.0	345.5	Breccia with mainly quartzite and silts scattered patches a	tone clasts and	rare basalt. Minor	
345.5	347.0	Dike of diorite por	phyry.		

From No. 1 post MWC 226 RILL HOLE NO. Mt. Washington 75-2 LOCATION: 350' @ 305°

DESCRIPTION

FROM	TO	
347.0	408.0	Breccia with 90% quartzite and siltstone clasts and 10% basalt. No sulphides.
408.0	409.5	Diorite dike.
409.5	479.0	Breccia with 10 - 15% basalt clasts. The only sulphides present are minor pre-breccia disseminations of pyrite in the basalt.
479.0	527.0	Breccia with 60% large basalt clasts and 40% quartzite and siltstone.
527.0	560.5	Basalt cut by two stages of mineralized quartz veins. Fracture and quartz veining intensity averages 5 per foot. Slightly less than 1% pyrite occurring in quartz veins and silicified fractures.
O 0.5	607.0 מאשן	Breccia with 85% slightly clay altered quartzite and siltstone clasts and 15% basalt. One inch thick quartz-carbonate vein with arsenopyrite and pyrite and disseminated sphalerite and pyrite at 602.5'.



COST STATEMENT

DIAMOND DRILLING - MOUNT WASHINGTON PROPERTY

PROJECT 6023 (MTW & MWC CLAIMS)

RE: D.D.H. NOS. 75-1; 75-2

1.	CONTRACTOR	COSTS:

	Interior Diamond Drilling Ltd. Invoice - August 25 1975 Invoice - Sept. 5 1975	\$	9,720.00 9,705.00
	Crown Zellerbach Limited Invoice dated August 29, 1975 to clear drill sites		600.00
	Subtotal	\$	20.025.00
2.	TRANSPORATION COSTS		
	Okanagan Helicopters Limited Invoice No. 104776 (D.D.H. 75-1) Invoice No. 104784 (D.D.H. 75-2)		865.15 831.63
	Budget Rent-A-Truck Invoice No. T-DT06632		136.51
	Westminster Leasing Ltd. August 11 to Sept. 2, 1975 @ \$498.75		370.04
	Gas, oil, service, repairs		63.75
	Subtotal	\$	2,267.08
3.	LABOUR		
	C. Aird (Supervisor) August 14, 1975 -1 day @ \$96.00	\$	96.00
	D. Bridge (Project Geologist) August 8 to 25 -18 days Sept. 2 -19 days @ \$60.00	\$	1,140.00
	R. Somerville (Geological Supervisor) July 30, 31 -2 days August 7, 8 -2 days August 19 to 21 -3 days August 25 to 31 -7 days Sept. 1 to 3 -3 days Sept. 10 to 12 -3 days -20 days @ \$96.00	\$	1,920.00
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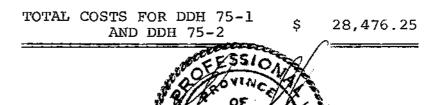
DIAMOND DRILLING - MOUNT WASHINGTON PROPERTY

3.	<u>LABOUR</u> (Cont'd.)	
	Amount brought forward	\$ 3,156.00
	G. Bloy (Assistant) August 5 to 22 -18 days @ \$38	684.00
	M. Weber (Assistant) August 5 to 22 -18 days @ \$29.60	532.80
	G. Wilson (Assistant) August 25 to 29 -5 days @ \$31.20	156.00
	Subtotal	\$ 4,528.80
4.	CAMP COSTS - AUGUST, 1975	
	Core Storage logging area @ \$200/mo.	\$ 200.00
	Food, Lodging, Hardware, Miscellaneous including-ground and air transporation expenses from Vancouver	1,406.00
	Subtotal	\$ 1,606.00

5. SERVICES

Map Reproduction, Utilities

\$ 49.37



STATEMENT / ÉTAT DE COMPTE

IN ACCOUNT WITH / EN COMPTE AVEC

Interior Diamond Drilling Ltd.
R.R. #2'
Summerland, B.C.

Imperial Oil Limited
314 - 1281 West Georgia Street
Vancouver, B.C.

Terms / Cond	nto, monoment e ex one me me no constante, mono con se co, mono mas ne dosapato mono.	Dote	August	25	1975
	in Courtenay, B.C. 608 ft. @ \$15.00/		\$9,	,120	•00 ¥
	Move - 'Copter base lst drill site	to_		600	.00"
	Total		\$19	720 -	.00
1.	Invoiced by			. i	·
	forman Smray				
	APPROVED FOR PAY		· ·		
i i	CHARGE 83-025-28	-60	<u> </u>	50-3	201

IN ACCOUNT WITH / EN COMPTE AVEC

Interior Diamond Drilling Ltd.

'R.R. #2
Summerland, B.C.

TO / À

Imperial Oil Limited 314 - 1281 West Georgia Street Vancouver, B.C.

Terms / Condi	ions	Date	Sept	<u>. 5,</u>	1975
	Diamond_Drilling_or MtWashington_clai DDH_MW_752	ms -			
	Move - lst drill site	1			00
	Total		42	705	
	Invoiced by APPROVED FOR PA	YME	NT		
	CHARGE 83-025-	28-6	c23-	150	-3201
	A.	b			
£					

CrownZellerbach Coast Wood Supply Division

Imperial Oil Ltd., #314 - 1281 West Georgia St., Vancouver, B.C.

Attention: Mr. R. D. Somerville

SEP 2 REC'D

Crown Zellerbach Canada Limited Vancouver, B.C.

Box 3310, Courtenay, B.C.

\$600.00

Date: August 29, 1975

Debit Memorandum

We are today debiting your account as follows:

Re Clearing Drill Sites - Mt. Washington

Falling timber - 4 man days at \$150.00/day

APPROVED FOR PAYMENT

CHARGE 83-025-28-6-1

1150 - 3201

Form C2M 360 TO 24

COST STATEMENT

DIAMOND DRILLING - MOUNT WASHINGTON PROPERTY

PROJECT 6023 (MTW & MWC CLAIMS)

SEPT. 3 TO SEPT. 15, 1975

RE: D.D.H. 75-3

1.	CONTRACTOR COSTS		
	Interior Diamond Drilling Ltd. Invoice - Sept. 12, 1975	\$	10,200.00
	Subtotal	\$	10,200.00
2,	TRANSPORTATION COSTS Okanagan Helicopters		
	Invoice #100977: D.D.H. #3 Invoice #100984: D.D.H. #3	\$	1,225.48 303.90
	Westminster Leasing Ltd. Sept. 3 to 11, 1975		149.63
	Gas, oil, services, repairs		251.11
	Subtotal		1,930.12
3.	LABOUR		
	C. Aird Sept. 10 -1 day @ \$96.00	\$	96.00
	D. Bridge Sept. 3 to 12 -10 days @ \$60.00		600.00
	R. Somerville Sept. 4 to 8 -5 days @ \$96.00		480.00
	Subtotal	\$	1,176.00
4.,	CAMP COSTS - SEPTEMBER 1975		
	Core Storage and logging area @ \$200/mo.	\$	200.00
	Food, Lodging, air fares ground transport tion, general	ta-	580.00
	Subtotal	\$	780.00

DIAMOND DRILLING - MOUNT WASHINGTON PROPERTY

5. SERVICES

Map Reproduction, Utilities

25.00

TOTAL COSTS FOR HOLE NO.75-3 \$ 14,111.12

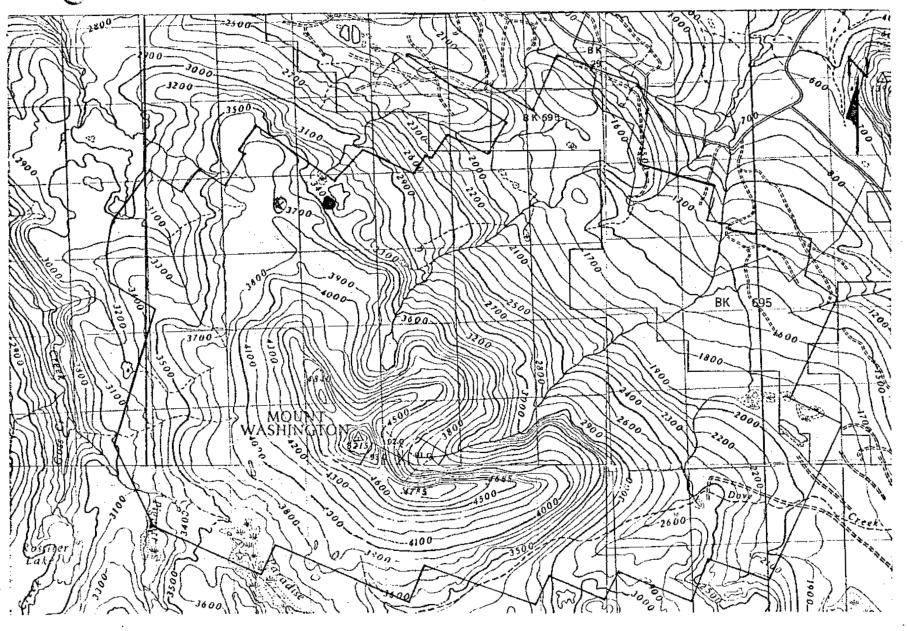


Interior Diamond Drilling Ltd. R.R. #2 Summerland, B.C.

Imperial Oil Limited
314 - 1281 West Georgia Street
Vancouver 5, B.C.

Terms / Conditions	Daté	Sept	. 12	1975
Diamond Drill	ing on			
Mt. Washingto	_ {			
DDH MW 75 -	ĺ			
600 ft. @ #		.sc	,000	-004
Moves - 2nd d	·		,	
	ll site and	3		
3rd drill				, , , ,
'copter si	!			
@ \$600.00	†	1	,200	.00.
			9200	000
Total		\$10	200	.00 v
- Imr	C2.			
Invoiced by	- Limited			

APPROVED FOR	PAYMEN			
100	11-1			
CHARGE 83-02	5-28-607	- //	20-32	2 O J · · ·
CHARGE 05-02	J-20-0.02			



Mt. Washington Claim Boundary and Index Map

Scale 1:50,000

To accompany Report by R. Somerville dated Sept. 12/75

5604 Map 1a

DRILLING CONTRACT

THIS AGREEMENT made this 5 th day of Sept. A.D., 1975.
BETWEEN:

INTERIOR DIAMOND DRILLING LTD., a body corporate, and registered to carry on work in the Province of British Columbia (hereinafter called "the Contractor")

- 'and -

IMPERIAL OIL LIMITED, a body corporate, with Head Office at the City of Toronto in the Province of Ontario (hereinafter called "Imperial").

WHEREAS the Contractor has been engaged in diamond drilling in the Province of British Columbia;

AND WHEREAS Imperial now desires that the Contractor drill for it in the Mount Washington Area of the said Province of British Columbia and the Contractor is ready, able and willing to undertake such drilling.

NOW THEREFORE in consideration of the mutual covenants and agreements herein contained, it is agreed by and between the parties hereto as follows:

The Contractor agrees that on the 16th day of August,
 or thereabouts, it will commence the actual drilling with
 diamond drilling equipment at a location selected and staked by

Imperial in the Mount Washington Area of Vancouver Island in the Province of British Columbia.

- 2. Unless drilling shall be sooner discontinued at the direction of Imperial, the Contractor agrees to drill Three (3) holes with due diligence to an approximate total footage of 1,500 feet. Such operations shall be at the sole risk, cost and expense of the Contractor and in accordance with the terms hereof.
- 3. Imperial shall pay the Contractor as follows at a rate of Fifteen (\$15.00) Dollars per foot drilled:
 - (a) Upon completion of Fifty (50%) percent of the work, a sum equal to Fifty (50%) percent of the total consideration within Thirty (30) days of receipt of invoice from Contractor.
 - (b) The remaining consideration shall be paid upon completion of the work and within Thirty (30) days of receipt of invoice from Contractor.
 - (c) For drilling below the 700 foot depth, Imperial shall pay an additional Dollars per foot drilled.
 - (d) Contractor shall be paid a lump sum of Six Hundred (\$600.00) Dollars per move of the drill rig. This includes mobilization of equipment from base and return thereto. Imperial guarantees a minimum of Four (4) moves.

- (e) Provided finally that time lost as a result of the failure of the Contractor's equipment shall be at the Contractor's expense, provided that the work then being performed is the normal and usual drilling practice.
- 4. In connection with the drilling, only the following material, equipment and services shall be furnished or paid for by Imperial:
 - (a) Surface rights, drilling permits, rights of entry and road to the location from the nearest travelled road.
 - (b) Any special services specifically requested by Imperial not covered by this Agreement.
 - (c) Helicopter as required.
 - (d) Core boxes.
- The Contractor agrees:
 - (a) To do and perform any and all things necessary or incidental to the diligent drilling and completion of the hole not herein specifically provided to be done by Imperial.

- (b) To furnish all material, equipment and labour, other than that which Imperial herein agrees to furnish, necessary for the drilling of the hole to completion, including, but not limited to, erection on location of drilling rig capable of drilling to contract depth. All of such material shall be in good condition and working order.
- requested by Imperial, and deliver them daily to Imperial's representative at Courtenay, British Columbia. Cores shall be caught, washed clean of mud dried and placed in boxes provided by Imperial, legibly marked as to hole and depth of such intervals and through such sections as designated by Imperial.
- (d) To conduct all operations hereunder in strict conformance with any statutes, governmental regulations or other provisions of law thereto applicable.
- (e) To core as directed by Imperial with approved bits.
- (f) To keep all information pertaining to the said holes and the drilling thereof from all but Imperial or its designated agent or agents, and to cause its own agents and employees to do likewise.

- (g) To furnish Imperial's representative at #314
 1281 W. Georgia St., Vancouver, B.C. a complete
 V6E 3J7

 statement of account for the drilling operations
 herein agreed upon. The Contractor shall pay
 promptly all bills for drilling equipment, labour,
 or other indebtedness involved in or arising out
 of the drilling and shall furnish releases
 evidencing such payments upon the request of
 Imperial or its authorized agent.
- (h) The Contractor shall indemnify and save Imperial harmless from any and all liens whatsoever arising out of the work performed by the Contractor hereunder.
- (i) To purchase and use Imperial's products in the performance of all operations under this Contract to the extent that such products are available.
- (j) Upon completion of the drilling program, the

 Contractor shall remove all rubbish and waste and
 shall rake, fertilize and seed the disturbed
 portions of the work area and leave the entire
 premises as near to its original state as is
 reasonably possible.

- before the completion of the drilling to discontinue the project. Imperial shall give notice to the Contractor of its intention so to do, and thereupon the Contractor shall cease the further drilling and will be entited to receive the price or sum per foot hereinbefore specified for each lineal foot in depth to which the hole shall have been drilled at the time of the receipt by it of the said notice; PROVIDED, however, that if the project is so discontinued before the holes have been drilled to a greater aggregate depth than 1,500 feet, Imperial agrees to pay Contractor a minimum footage price based on 1,500 feet of drilling.
- 7. The Contractor further covenants and agrees while this Agreement remains in force:
 - (a) Without in any way limiting the liability of Contractor under this Contract, it shall be the responsibility of Contractor to maintain and keep in force during the term of this Contract automobile liability insurance on all vehicles used in connection with the work under this Contract. In respect of such vehicles not owned by Contractor, it shall maintain and keep in force as aforesaid non-

owned automobile liability insurance protecting its liability including that assumed under this Contract. The limits of such insurance shall be at least:

Bodily Injury (including Passenger Hazard) and Property Damage: \$1,000,000 inclusive any one accident.

- (b) Contractor shall deposit with Imperial upon request at the office from which the Contract is let, before commencement of the work, certificates satisfactory to Imperial as evidence of the insurance required above.
- a policy of insurance with respect to Contractor's liability to members of the public and property of the public (other than liability arising from the operation of licensed vehicles) with inclusive limits of \$1,000,000 any one occurrence in respect of bodily injury and property damage.

 With respect to damage to property, there is a deductible of \$2,000 each occurrence, for which loss Contractor shall be liable. For purpose of this insurance, Imperial is deemed to be a member of the public.

This insurance does not provide any protection for

- (a) loss to the work under the Contract prior to its acceptance by Imperial, for which loss Contractor shall be liable, or
- (b) damage to or destruction of or loss of use of property owned by or leased to Contractor other than property belonging to Imperial or for which Imperial may have assumed responsibility.
- (d) Imperial assumes no responsibility for the adequacy of the coverage under the policy referred to in clause (c) above. A Memorandum of Insurance setting out the terms and conditions of the policy will be made available to Contractor upon request.
- (e) Any insurance carried by Contractor the cost
 of which is chargeable to Imperial shall contain
 a waiver of subrogation in favour of Imperial
 and all other Contractors engaged in the work.
- (f) Subject to the other provisions of this Contract, Contractor shall provide at its own expense any other insurance which it is required by law to

provide or which Contractor or Imperial considers necessary.

- (g) To comply with the provisions of all laws or governmental regulations of the Province of British Columbia relating to safety and to Workmen's Compensation so far as applicable to the operations hereunder.
- (h) To take all necessary precautions against fire, and any fire due to the Contractor's negligence or faulty equipment will be the Contractor's sole responsibility.
- indemnify and save harmless Imperial of and from all manner of actions, causes of action, proceedings, claims, demands, loss, costs, damages and expenses whatsoever which may be brought or made against Imperial, or which it may sustain, pay or incur as a result of or in connection with the performance, purported performance or non-performance of this Contract or of the work hereunder by the Contractor or his sub-contractors and whether the same result from or in connection with the use by the

Contractor or his sub-contractos of any machinery, tools or equipment belonging to Imperial, or from or in connection with the negligence or wilful acts or omissions of Imperial, its servants, agents, employees or its other contractors while acting under the direction or control of the Contractor or his sub-contractors, but excluding any such actions, causes of action, proceedings, claims, demands, loss, costs, damages and expenses to the extent that they are sustained, paid or incurred by reason of or are otherwise attributable to the negligence or wilful acts or omissions of Imperial, its servants, agents, employees or its other contractors while not acting under the direction or control of the Contractor or his sub-contractors, provided, however, that the liability of the Contractor hereunder in respect of loss or damage to property, including loss of use thereof, belonging to or in the custody of Imperial (other than the work, materials and equipment covered by this Contract prior to acceptance by Imperial) shall not exceed \$1,000,000 any one occurrence.

- (j) The Contractor shall promptly pay for all labour and materials and shall allow no liens to become filed against the property of Imperial.
- refuse to pay claims or indebtedness incurred by the Contractor, or his employees, agents or sub-contractors, in connection with the drilling of the hole herein contracted for, or any other hole or holes drilled by the Contractor for Imperial, Imperial shall have the right to pay said claims or indebtedness, or any of them, out of any money due or payable or to become due or payable to the Contractor by Imperial.
- 8. The Contractor shall not sublet or assign this Contract without the written consent of Imperial and, if sublet or assigned without such assent, the Contract, at Imperial's election, shall become void.
- 9. No change, modification or alteration of this
 Agreement shall be valid unless it be in writing, signed by
 the parties hereto, and no course of dealing between the
 parties shall be construed to alter the terms hereof.

10. It is further understood between the parties that no oral agreement or provision of this Contract shall be construed so as to constitute the Contractor the agent, servant or employee of Imperial, and the instruction, management and control of the Contractor's employees shall always remain in the Contractor and the Contractor shall be deemed to be an independent contractor.

IN WITNESS WHEREOF the parties hereto have duly executed this Agreement as of the day and year first above written.

INTERIOR PIAMOND DRILLING LTD.

Poucel Man

IMPERIAL OIL LIMITED

Margaret Jameson

