# CANEX PLACER LIMITED

## EXPLORATION DIVISION

MINERAL RESOURCES BRANCH

AULISUMENT REPORT

NO. 6371

DIAMOND DRILLING REPORT

ON THE

FAR MINERAL CLAIM, REVELSTOKE MINING DIVISION 51°38'N.,118°22' W.

32

Owned by: Seaforth Mines Limited

Operated by: Canex Placer Limited

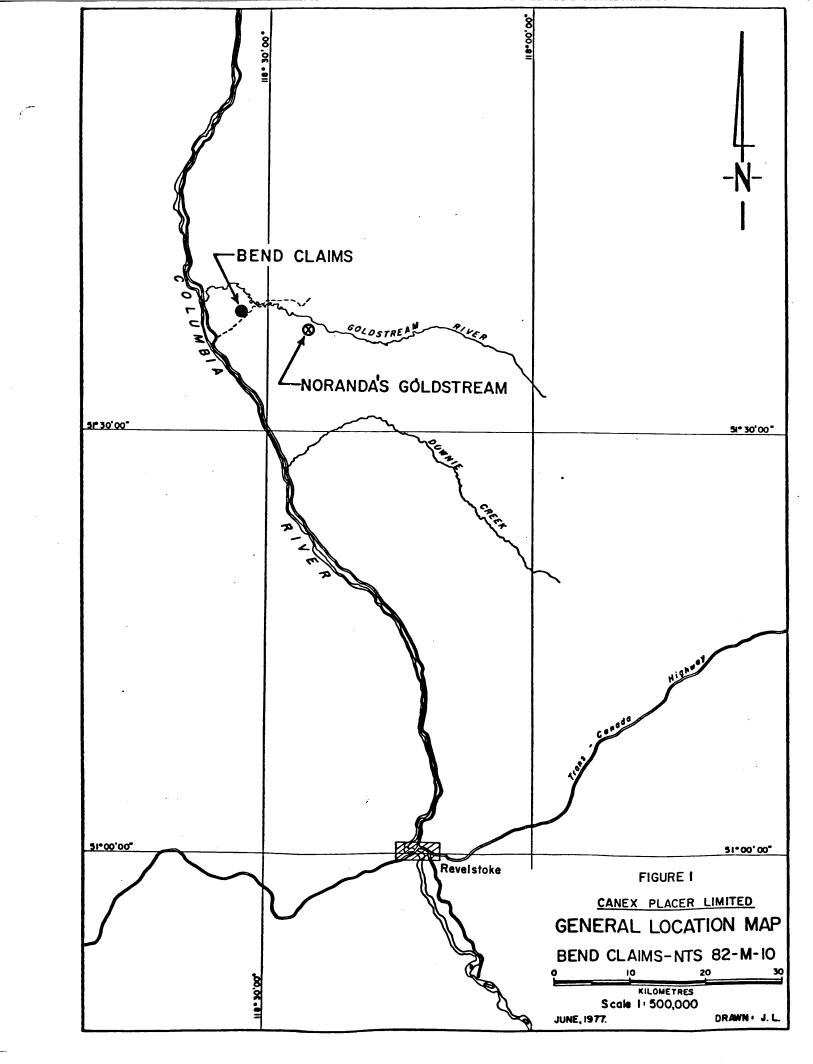
BY: W.S. Pentland

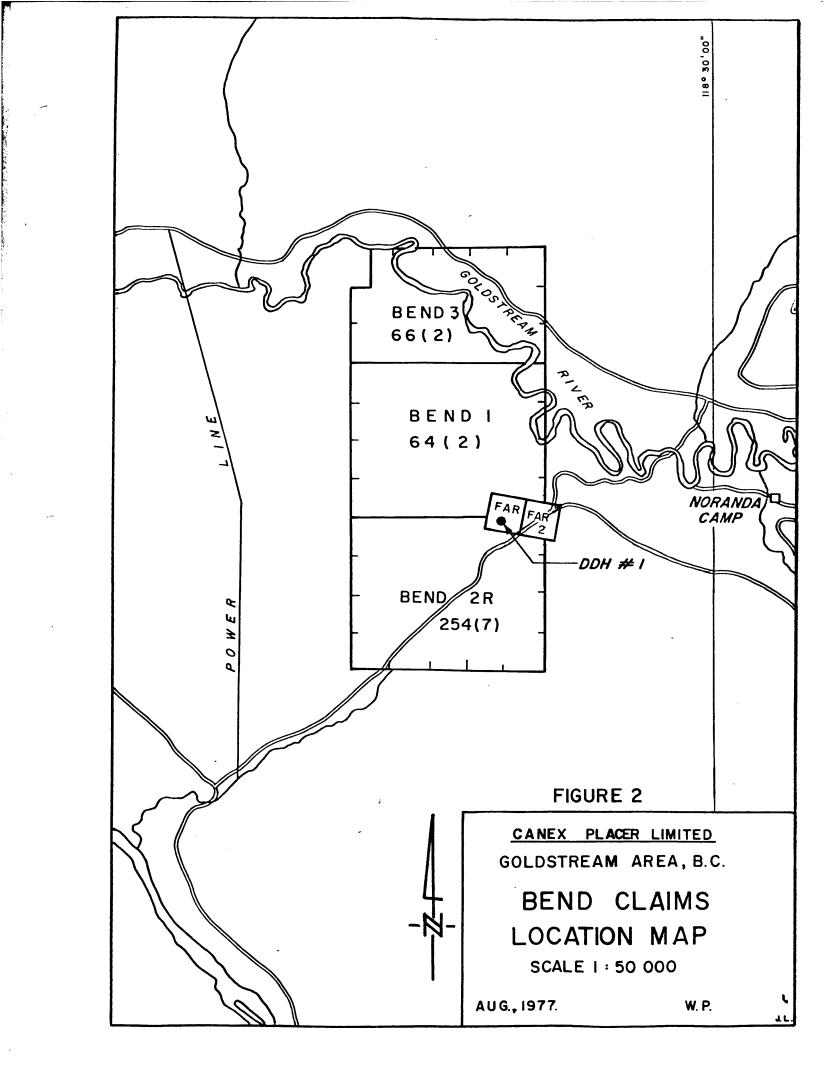
Supervised by: D.A. Howard, M.Sc., P. Eng. (B.C.)

June, 1977

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MAPS (in pocket)	
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Fig. 4. DDH #1 Graphic Log and Assays	





# Statement of Expenditures

The following is a breakdown of expenses incurred for the diamond drilling on the FAR mineral claim in June, 1977.

## Drilling

	507' BQWL @ \$15.00/ft.	\$7,605.
	Mobilization & demobilization	500.
	Reaming - 3 hrs. @ \$38.00/hr.	114.
	•	\$8,219.00
<u>Assaying</u>		
	51 samples - sample preparation @ \$1.25	\$63.75
	51 samples - copper analysis @ .60	30.60
	51 samples - zinc analysis @ .60	30.60
		\$124.95
Supervision		
	W Pentland - 10 days @ \$175./day	\$1.750.

\$10,093.95

#### Introduction

This report covers the diamond drilling of a hole on the FAR mineral claim in the Revelstoke Mining Division. The expenditures are to be applied as 2 years assessment work to the following claims: -

Claim Name	Record No.	No. of Units
FAR	11033 (N)	
FAR 2	11353 (0)	
BEND 1	64 (2)	20
BEND 3	66 (2)	15

### **Location & Access**

The FAR, FAR 2, BEND 1, and BEND 3 mineral claims are located 50 miles north of Revelstoke, B.C. and 4 miles east of the highway to the Miss dam. The claims extend from the Goldstream River on the north to the old Goldstream River channel on the south.

Access is by paved road to a point 50 miles north of Revelstoke, from which a good logging road extends east to the claims. Several secondary logging roads provide access to the drill site.

## Description of Drilling

D.D.H. #1 was drilled June 12 - 17, 1977, to a depth of 152.4 metres by Interior Diamond Drilling Limited of Summerland, B.C. using a truck mounted Longyear 38 machine.

The hole was located on the FAR mineral claim (see location maps) at approximately 2,200' elevation. The bearing was  $200^{0}$  and the dip -  $51^{0}$ . BQWL core was recovered and is presently stored at Placer Research Laboratory 323 Alexander Street, Vancouver, B.C.

W. Pentland

August 24th, 1977 WP/ct

## STATEMENT OF QUALIFICATIONS

I, W. S. PENTLAND, with business address in Vancouver, British Columbia, and a residential address in Delta, British Columbia, DO HEREBY CERTIFY THAT:

- 1. I am a geologist;
- 2. I am a graduate of the University of British Columbia, Vancouver, British Columbia, with a B.A. in 1951.
- From 1951 to 1977 I have worked in mineral exploration in various parts of Canada.
- I personally examined the area and have assessed the results of the work.

Respectfully submitted,

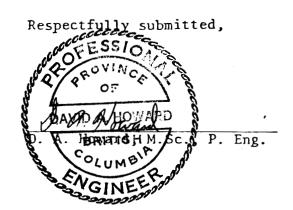
W. S. Pentland

DATED this 25 day of August 1977, Vancouver, British Columbia.

### CERTIFICATION

- I, D. A. Howard, with a business address at 800 1030 West Georgia Street, Vancouver, British Columbia, DO HEREBY CERTIFY THAT:
  - I am a professional engineer registered in the Province of British Columbia;
  - I have examined the report by W. S. Pentland on work done in 1977 on the BEND 2R claim, 51°38'N; 118°33'W, Revelstoke Mining Division;
  - 3. To the best of my knowledge the acquisition of the data and expenditure claimed for the performance of work is correct.

DATED this 25 day
August 1977, Vancouver,
British Columbia



Grid N	0		ProperProper	tySEAFORTH MIN	NES		Section	No		Hole No.	BEND #1
Started Complete		, 1977 June, 19		Dips 510 Surface Hole X	Lat. Dep.		Elevation Level	٠,	Location	on 1by W. Pent	land
Standpip	е		Casing	Underground Hole	Remarks						
	TAGE	Core Re-		Description		Sample No.	Footage	Width .		Assay	Average Values
From	То	covered				No.		Core			Values
			NOTE: Collar is 1.8 m	. above ground. I	Ran casing				Cu	Zn_	
			to 3,05 m.								
3.05	15.5	12.5	Calcareous chlorite	sericite schist.	Mostly Mostly		3.0-6.4	3.4	52	74	
		·	finely banded or lay	ered in appearance		6.4-9.5	3.1	46	102	)	
			generally .5 to 1 mm	but occas, up to		9.5-12.5	3	66_	119		
			Alternating white (c			12.5-15.	3	54	134		
			(sericite) to dark g								
			Sericite in much gre								
			Scattered layers whi						,		
					<u>'</u>						
<del></del>	<u> </u>		augens qtz. to 2 cm.			,					
		+	most visible plated		Banaing						
	<del>-</del>	<del> </del>	or layering at 80 <sup>0</sup> t	o core axis.							
			10.9 m - 12.5 few sh	ort sections to 5	_cm.						
			hard, bk. and graphi	tic.							_
					,		<del> </del>				
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						1					

Grid No		P	Property	Section No Hole No							
Started		Bearing	Dips	Lat.	Lat.			Location			
Completed		Length	Surface Hole	Dep.		Level		Logged by			
Standpipe		Casing	Underground Hole	Remarks							
FOOTAGE	Core Re				Sample	_	337:345	Assay	Averege		

Complete	<u>a</u>		Length	Surface Hole	Дер.	<del></del>	Level		Logged by		
Standpipe	•		Casing	Underground Hole	Remarks						
	TAGE	Core Re-		Description		Sample No.	Footage	Width	Ass	ay	Average Values
From	То	covered				No.		Core			Astries
15.5	17.5	2.0	Calcareous chlorite	schist. Similar t	o above				Cu	Zn	
			but chl. predominate:	5			15.5-17.5	2	50	99	
17.5	22.7 5.2 Calcareous chlorite biotite schist in roughly ec		roughly equ	al	17.5-22.7	5.2	57	131			
			amounts.								
22.7	31.5	8.6	Graphitic and chlori	tic schist variabl	y		22.7-25.5	2.8	53	147	
			calcareous. Is stil	ous. Is still basically a layered rock			25.5-28.5	3	46	83	
	<u> </u>		but much more chlori	te giving grey-gre	en colors.		28.5-31.5	3	47	82	
			Short sections black	where graphite pr	edominates.						
			Continue to get fine	stringers and ble	bs of						
			pyrite and pyrrhotit	e. Very rare minu	te specks						
			of chalco seen with	oyrrhotite. Pyrit	e noted						
			on x-cutting fractur	es and smeared on	slips						
			(see core ends)								
	<u> </u>						<u> </u>				
	-		24.9 - 25.8 Dense bl	ack siliceous rock	. Contains						
	ļ	-	highly contorted whi	te qtz. bands to 5	_mm						
	<del> </del>	1				***************************************					•
	<del></del>	<del> </del>					<del>                                     </del>	<del>  </del>			

Page #3

Grid No	•	·	Pro	Property Section NoHole N		·						
Started			Bearing	Dips	Lat.		Elevation		Location	n		
Complete	d		Length	Surface Hole	Dep.		Level		Logged	b <b>y</b>		
Standpipe			Casing	Underground Hole	Remarks							
FOO'	TAGE To	Core Re-		Description		Sample No.	Footage	Width Core	A	ssay		Average Values
			27.2 - 1 cm qtz.	and pyrr. with occas.	grain				Cu		Zn	
			ру.									
-			29-29.5 Blocky -	Lost 20 cm core.								,
31.5	40.9	9.0		tic schist. Finely l	ayered		31.5-34.5	3	55	-	95	
	}		black and white r	k and white rock appears to contain some				3	60		103	
			chlorite - variab	le - in order of 10%.	Limestone		37.5-40.5	3	45		102	
	bands to 1 cm.											
			Occas. qtz. bands	and augens to 2 cm.								
			Short section sho	w cons. crenulations	and				<u>`                                  </u>			
				ures. Sulphides est.								
			pyrr. and py with	pyrr. predom. Occur	's as					-		
·	ļ		hairline platy bl	ebs 11 foliation. Py	<u>in</u>							
			coarser patches a	nd occas. x-cutting f	ractures.							
		<del> </del>									-	<del></del>
		<del>-</del>					<del> </del>					
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Started			Bearing	Dips	Lat.		Elevation		Location		
Complete	d		Length	Surface Hole Dep.			Level		Logged by	y	
Standpipe			Casing	Underground Hole	Remarks						
From	TAGE To	Core Re- covered	Description			Sample No.	Footage	Width Core	Ass	Average Values	
40.9	42.1	1.2	Graphitic chlori	te_schist.					Cu_	Zn	
			1 '	en color. Banded scat	ttered pink		40.5-43.7	3.2	49	91	
			garnets to 2 mm.	Some conc. in bands	to 1 cm.						, 
			Few grains sulph								
42.1	43.7	1.6-	Cal. graph. schist similar to								\
			No. 1	s contain sections to	5 cm.						
	ļ	ļ	massive chl s	er							
			Est. 5% sulph. i	ncl. tr. chalco.							
43.7	44.1	4	"Soapstone" pale	apple green			43.7-44.1	0.4	36	45	
	ļ		color with irreg	. patches brownish. I	No apparent		ļ				
			banding. Largel	y talc.							
44.1	49.4	5.0	   Cal. graphitic s	chist similar			44.1-47	2.9	63	84	
				ions. Dark grey rk.	in		47-50	3	60	119	
			·	ered but less white ca							
				n but overall sulph,							
			est. 1%								
		ļ	Core becoming ve	ry blocky to 48 m.							
		<u> </u>									
		<u> </u>					<del> </del>				<u> </u>
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	1	1	1			1	1		1 1	1	1

							Elevation		Location		
Started			Bearing	Dips Lat. Surface Hole Dep.			Level		Logged by		
Completed			Length	Surface Hole	Remarks		Dever		Logged by		
Standpipe FOO	PAGE	Core Re-	Casing	Underground Hole	Remarks	Sample	D	Width	Assay		Average Values
From	То	covered		Description		No.	Footage	Core	Cu	Zn	Values
49.4	53.5	4.1	Var. cal. seric	ite schist with short	sections		50-53	3	91	99	
			graphitic schis	t. Greyish green in o	color with						
			few white limy	and qtz. layers sulph	. var						·
			_mostly_pyrr.Av	. 2%			<del> </del>				·
53.5	59.1	4.5	Cal. graphitic	schist. Layered but m	nostly black		53-56	3	128	139	
			in color. Few	patches and irreg. str	reaks		56-59	3	100	106	
			py. and pyrr. t	o 5 mm wide. Several							
		white qtz. to l	0 cm, 55,5 - 59,1 fau	ult zone.							
			Lost core.					_			
			Heavy graphitic	gouge							
		•	Pyritic - N								
59.1	76.7	17.5	Cal. chl. ser.	schist. Varies from 🤉	grey		59-62	3	47	108	
			(limestone) to	greyish green for the	Chl. ser.		65	3	63	30	
			schist.				68	3	67	1.03.	
				sects, with graphite	developed.		71	3	64	70_	
				ng and limestone band			74	3	62	120	
			varies 65 <sup>0</sup> to 8	5 <sup>0</sup>			77	3	65	78	
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Grid No			F	roperty			Section	n 110		.11016	110	
Started			Bearing	Dips	Lat.		Elevation		Location			
Complete	1		Length	Surface Hole	Dep.	Level			Logged by			
Standpipe	1		Casing	Underground Hole	Remarks							
FOO:	TAGE To	Core Re-		Description		Sample No.	Footage	Width Core	Аввау		<del>                                     </del>	Average Values
			Note: Sections	where darker green cl	hlorite				Cu-		Zn	
				wide cut and displaced			-					
				_								
				ox. 30. Est. 0.5% V.F	Dissem		<del> </del>					
			sulph mostly	pyrr.			<u> </u>			_		
76.7	76.7 83.5		In part similar	to above but majority		77-80	3	44		72		
		•	limy and numero	us_sections_MP_to_12_0		80-83	3	52		98		
			· •	estone. Est. 1% F. d								
				tly pyrr, Occas. larg		ns?						
			pyrr. after Py						<u>,                                      </u>			
83.5	89.8	6.3	Greyish green m	usc. chlorite schist.	_Not		83-86	3	54		93	
				places partly silicit			86-89	3	51		116	
				t approx. 10 <sup>0</sup> several								
			white qtz. to 6	CM.								
			Est 2% F. Disse	m. pyrr.								
			87.1 - 87.4 gra	phitic fault zone.								
											-	
											-	
								1				
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Grid No	Proper	·ty	Section No. Hole No.					
Started	Bearing	Dips	Lat.	Elevation .	Location			
Completed	Length	Surface Hole	Den	Level	Logged by			

Completed	<u>d</u>		Length	Surface Hole	Dep.		Level		Logged by		<del></del>
Standpipe	)		Çasing	Underground Hole	Remarks						
FOO? From	TAGE To	Core Re-	I	<b>Description</b>		Sample No.	Footage	Width Core	Assa		Average Values
		-			- 0	110.		Core	Cu	Zn-	V 4140B
89.8	99.6	7.9	Grey limestone. Col	or banding at appr	ox. 10° -		89-92	3	70	150	
•			15 <sup>0</sup> trace sulph. 92.	l - 92.5 white qtz	. and		92-95	3	97	218	
			graphite gouge zone.	Py. and pyrr. in	patches in		95-98	3	73	109	
			qtz. and graph. to 1	cm.			98-101	3	85	93	
			Some chlorite develo	ped on slips.		L					
			96.3 <u>- 96.7 graphiti</u>	•							
99.6	106.2	5.8	Mixed sections black		· ·		101-104	3	70	176	
			chl. schist. Gen. no	on-limy Up to 5%			104-107	3	48	116	
			Pyrr. and py est. 102	2.8- 103.3 fault zo	one.						
106.2	110.1	3.9	Grey limestone. Mass	sive - No foliation	n. White		107-11.3	4.3	107	193	
<del></del>			qtz. sects 8 cm.								
110.1	110.9	.8	Pale greenish white o	ıtzite. Ser. deve	el.on		ļ				
			foliation. Shot thru	with fine pyrr.	est.						
			+5%.			·					
	ļ	<u> </u>									
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Grid NoProperty							Section No Hole No						
Started Bearing Dips Lat.						Elevation			Location				
Completed			Length	Surface Hole	Dep.		Level	***	Logged by				
Standpipe			Casing	Underground Hole	Remarks	Remarks							
FOOTAGE Core Re-			Description			Sample No.	Footage	Width	Assay		Average Values		
From	То	covered					ļ	Core	Cu	Zn	Values		
110.9	11.3	.4	Grey Limestone										
111.3	115.7	4.0	Layered bk. and	white sil. graphitic		111.3-115.	7 4.4	58	330_				
			Not limy, Few	qtz. partings est. 10%	py and								
			nunn Min den	on foliation 114 -	001100 7000								
115.7	117.2	1.5	, ,	een chl. ser. schist f	<u> </u>		115.7-117.	2 1.5	49	116			
		,,,,	72.										
			•	ings to .5 mm qtz. par	tings to								
			2 cm.					1					
117.2	118.1		Graphitic schis				117,2-118,	j_0.9_	84	216			
118.1	118.4	.3	Greyish green s	il, chl. ser. schist.			<del> </del>						
118.4	118.8	4	_Limy_graphitic_	schist.		ļ	118.1-122.	5 4.4	44	115			
118.8	122.5	3.7	Sil. ser. schis	t. Pale greyish green	. Very		ļ				- <del></del>		
			fine pyrr py	- est. 3% Qtz. sects	. to 16 cm.								
			Occas. weakly 1	imy.									
122.5	124.2	1.7	•	itic schist. In gener	al appears		122.5-124.	2 1.9	64	810			
			quite sil. Sho	rt chl. sects, to 10 c	m. Var.								
			sulph over s	hort sections up to 15	% pyrr and								
			pv. Av. 3%										
											**************************************		
											···		

Grid No	) <b>.</b>		Prop	erty			Hole No					
Started			Bearing	Dips	Lat.		Elevation		Location			
Completed		Length	Surface Hole	Dep.		Level		Logged by				
Standpipe			Casing	Underground Hole	Remarks							
FOOT	rage	Core Re-					B	Width	Assay Aver			
From	То	covered		Description		Sample No.	Footage	Core	Cu	7n	Values	
124.2	126.8	2.5	Sil. Ser. Schist.	Few limv partings.	Fine		124 2-127	3 3 1	46	135		

Standpipe			Casing   Underground Hole   Remarks						
	FOOTAGE Core Re-		Description		Footage	Width	Assay	Average	
From	То	covered		Sample No.		Core	Cu	Zn	Values
124.2 126.8		2.5	Sil. Ser. Schist. Few limy partings. Fine		124.2-127.	3 3.1	46	135	
			dissem. sulph.						
126.8	127.3	.5	Limy graph schist.						,
127.3	128.1	.8	Sil. ser. schist.						
128.1	128.6	.5	Limy graph. schist		127.3-130	1 2.8	51	1530	
128.6	130.1	1.5	Sil. ser. schist						
130.1	136.3	5.3	Limy graph. schist. Noted few grains py. Sulph content low. 134.8 - 135.3 white qtz.		130.1-133 133-136	3	78	320 90	
136.3	139.7	2.5	Chlorite schist. Few limy partings at 10 <sup>0</sup>		136-139.7	3.7	41	196	
			Var. V.F. sulphide - Est. 1% overall		<u> </u>				
139.7	150.1	9.5	Limy graphitic schist. Occas. sections green		139.7-143	3.3	52	118	
	<u> </u>		chlorite to 5 cm. Est. 4-5% sulphide with pyrr.		143-146	3	63	520	
			predominating 147.8-148 ser. schist.		146-149	3	44	118	<b></b>
150	151.6	1.5	Greyish green chl. ser. schist. calcareous		149-151.6	2.6	60	157	
	 		est. 1% v.f. sulph.						<u> </u>
								·	
	-	•	•	•	•	•	•	•	

Grid No	·			Property	Section NoHole No							
Started	وبالمارين المحدد		Bearing	Dips	Lat.	Lat.			Locati	ion		
Complete	d		Length	Surface Hole	Dep.		Level		Logged by			
Standpipe	)		Casing	Underground Hole	Remarks							
FOOTAGE Core Re-				Description			Footage	Width	Assay		Average Values	
From	То	covered		Description		Sample No.	rootage	Core	Cu	Zn	Values	
			150.25 - 151.2	abund. phenos plagiol	case 2-4 mm							
* - * *********************************	<del> </del> -		Dike?									
151.6	154.2	2.6	Limy graphitic	schist. Est. 5% sulp	h	ļ	151.6-154.	2 2.6	52	12	7	
_			154.2 m - End c	of hole.	•							
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			2.			<u> </u>						
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# CANEX PLACER LIMITED EXPLORATION DIVISION

gac: 2-11-50

### AGREEMENT

This A G R E E M E N T made as of the 1st day of June 1977

BETWEEN:

CANEX PLACER LIMITED

700-1030 West Georgia Street

·Vancouver, B.C.

V6E-3A8

(hereinafter referred to as the "COMPANY")

AND:

INTERIOR DIAMOND DRILLING LIMITED

Summerland, B.C.

Y0H-1Z0

(hereinafter referred to as the "CONTRACTOR")

WHEREAS the COMPANY hereby requests that the CONTRACTOR carry out certain surface diamond drilling and other services, on certain of the COMPANY'S mineral claims, located approximately fifty miles north of Revelstoke, B.C.

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

Now therefore this AGREEMENT witnesseth that in consideration of the premises and the mutual convenants herein contained, the Parties hereto convenant and agree as follows:

## 1. SCOPE OF WORK

The work (hereinafter referred to as "The Work") is to consist of drill holes, drilled at locations 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 BQWL tools producing 1 7/16" diameter core, as far as is reasonably practical. Maximum depth of any hole shall be around 500 feet, and minimum depth shall be 100 feet.

## 2. THE CONTRACTOR HEREBY CONVENANTS AND AGREES:

- a) To provide all of the labour, materials, transportation, drilling machinery and associated tools necessary to carry out the work, including, but not limited to: One truck mounted LY38 drill outfit complete with pumps, rods, casing, diamond set items, fuel, oil and grease, transportation vehicles and water line.
- 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.
- The CONTRACTOR shall be responsible for, and will pay promptly all costs and charges, incurred by itself for labour, 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 Tax, or other such applicable charges relative to its own labour 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 camp and drill sites free from waste and rubbish, and at the completion of his work he shall leave the camp area and all drill sites as clean as possible.
- 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.
- g) The CONTRACTOR shall commence the Work on or about June  $\frac{1}{2}$ , 1977.

### 4. THE COMPANY HEREBY AGREES:

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.

- b) To provide access roads to as near all drill sites as is practical, and prepare sites suitable for drill set-up. Also the COMPANY will maintain road to camp suitable for CONTRACTOR'S service vehicle.
- c) To 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.
- 5. THE COMPANY HEREBY AGREES to pay the CONTRACTOR for footage drilled and other services performed as follows:
- a) Mobilization and demobilization: For equipment and crews from CONTRACTOR'S base of operations to job site and return at job completion, a total sum of \$500.00.
- b) Drilling: BQWL 0 500 feet at \$15.00 a foot
- c) Core recovery: The CONTRACTOR guarantees core recovery 90 percent or better, as requested by the COMPANY, provided that ground conditions are such that it is not impossible to obtain. If equipment neglect or personnel negligence can be proven the CONTRACTOR agrees to redrill hole.
- d) Dip testing: Shall be taken, if requested, at field cost.
- e) 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: If required, at Field Cost.
- g) The CONTRACTOR will be responsible for supplying the water required for drilling operations.

h) Moving of drill and equipment (including tearing down and setting up): Moving and setting up equipment, from site to site, is all included in contract price.

THE COMPANY'S

- i) Drilling mud and additives, if required, shall be at cost F.O.B. the drill site.
- j) Wherever pipe or casing is lost or is left in a hole on the instructions of the Owner, the Owner agrees to pay the CONTRACTOR for such pipe or casing at their depreciated value, F.O.B. drill site. The Owner agrees to pay the CONTRACTOR the cost of diamond set casing shoe bits in addition to the cost of any casing left in the hole.
- k) Truck rental: The CONTRACTOR will supply transportation and service vehicles for its personnel.
- Core boxes: Will be supplied by the COMPANY.
- m) The CONTRACTOR will supply his own camp facilities.
- n) Standby: If requested by the COMPANY, at Field Cost.
- o) Field Costs, where applicable, shall mean: Labour at \$14.00 a man hour, equipment rental at \$10.00 a drill shift hour, plus all the "down the hole" consumables during the field cost portion of the work at cost plus ten percent.
- p) Interim service trips in connection with the maintenance of drill camps and the drilling operation shall be for the CONTRACTOR'S account.

### 6. INSURANCE AND GENERAL

- a) The CONTRACTOR shall insure and keep insured during the term of this contract with an insurer acceptable to and approved by the COMPANY, at the CONTRACTOR'S own expense and cost, the following liability insurances:
  - i) Comprehensive general liability insurance on an occurrence basis, and including but not limited to, operations, CONTRACTOR'S protective, contractual, products and completed operations and non-owned automobile. The COMPANY shall be added as an additional insured under this item and the following clause shall be made part of this insurance policy: "Cross Liability the insurance afforded by this policy shall apply to any action brought against any of the insureds by any other insured in the same manner as though separate policies were issued to each."
  - ii) Automobile owned.

The insurers limit of liability in respect to the above mentioned insurances shall not be less than one million dollars (\$1,000,000.00) inclusive for bodily injury and/or property damage each occurrence, and one million dollars (\$1,000,000.00) aggregate for products and completed operations.

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 the invoice date at the rate of eighty-five percent (85%) of the value of the completed work. The amount remaining due to the CONTRACTOR shall be retained by the Owner until the expiration of seventy (70) days after completion and acceptance of the work. If at the expiration of the said seventy (70) days there are no mechanic's liens filed against the Property relating to the work the amount of the fifteen percent (15%) holdback shall thereupon be paid by the COMPANY to the CONTRACTOR.
- e) Any condoning, excusing or overlooking by the COMPANY of any breach, or no-performance by the CONTRACTOR at any time or times in respect to any convenant, term, condition, and proviso contained in this AGREEMENT shall not operate as a waiver of the COMPANY'S right in respect of any continuing or subsequent default, breach or non-performance.

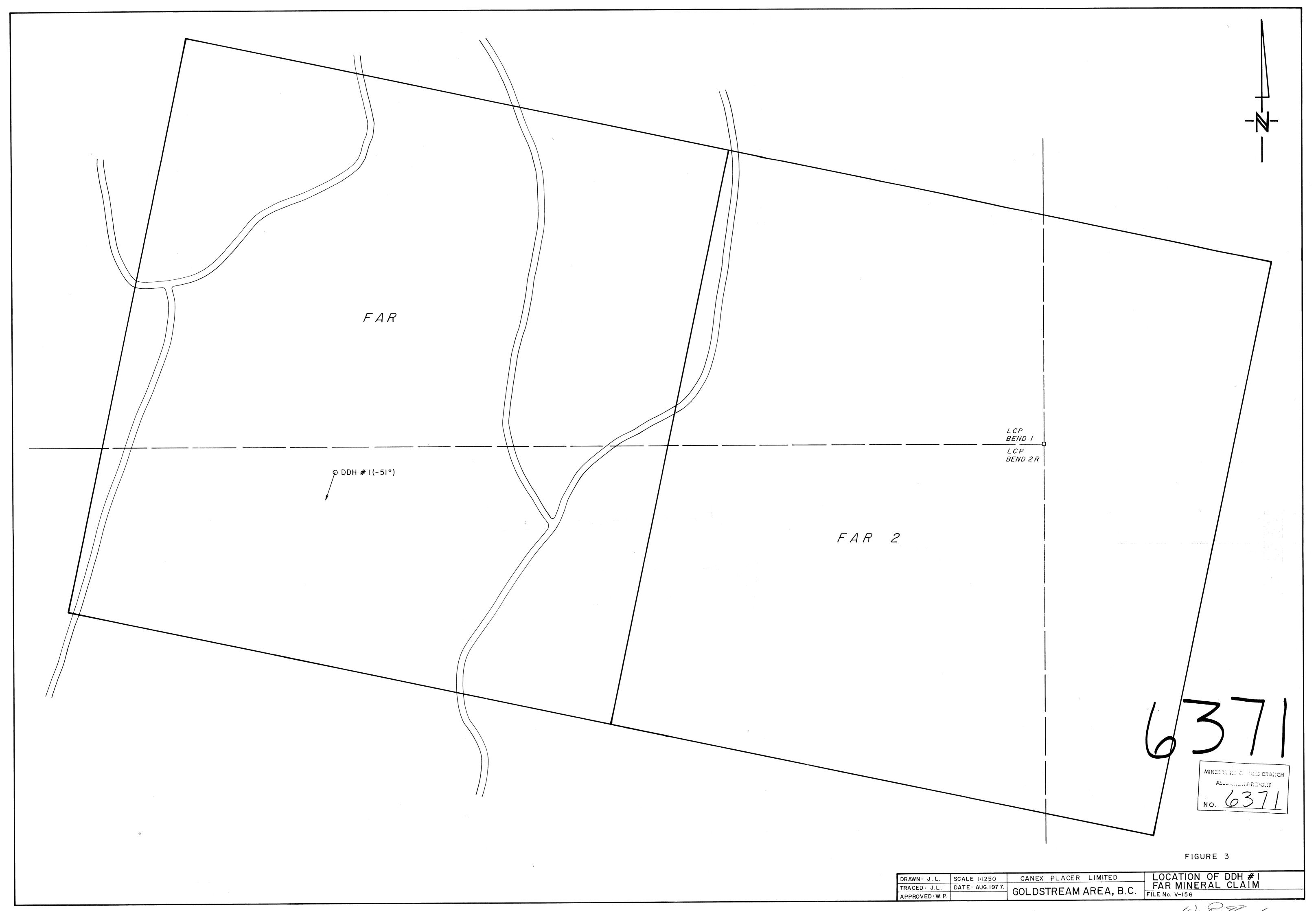
IN WITNESS WHEREOF the parties hereto have caused these presents to be executed by their respective officers in that behalf.

CANEX PLACER LIMITER

- Carlland

INTERIOR DIAMOND DRILLING LIMITED

DH/ct



W. Sattand

