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**DIAMOND DRILLING REPORT**  
**FOR THE**  
**BINGNFRAN AND DISNDAT GROUPS OF MINERAL CLAIMS**  
**OMINECA MINING DIVISION**  
**NTS 93K/3E**  
**LAT: 54°N LONG: 125°E**  
**BY**  
**PLACER DOME CANADA LIMITED**  
**ENDAKO MINES DIVISION**  
**ENDAKO, B.C.**

**GEOLOGICAL BRANCH**  
**ASSESSMENT REPORT**

**23,413**

(Gary) Y. Y. WONG, P.Eng

June 24, 1994

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## 1.0 INTRODUCTION

Forty-four NQ wireline diamond drill holes (S723 - S766) totalling 6181.95 meters were drilled within the Denak West Open Pit, along its periphery, and towards the Watkins Creek area for ore control refinement and for delineation of possible extensions to the Denak West ore zone.

This drilling consisted of two separate programs of which the first commenced on September 1, 1992 and finished on September 14, 1992, totalling 2003.45 m. The second program commenced on September 20, 1993 and finished on October 23, 1993 totalling 4178.50 meters. The diamond drilling costs for 1993 are being submitted for assessment work on the Bingnfran and Disndat Groups of Mineral Claims.

## 2.0 PROPERTY DEFINITION

### 2.1 Mineral Claims

The following mineral claims are grouped under separate grouping notices:

New Record	Mineral Claim	Due Date	Group
243838	AL 2FR.	03/29/97	BINGNFRAN
243843	AL 3FR.	04/10/97	BINGNFRAN
244682	BEN 1	02/26/96	BINGNFRAN
244683	BEN 2	02/26/96	BINGNFRAN
244684	BEN 3	02/26/96	BINGNFRAN
244685	BEN 4	02/26/96	BINGNFRAN
244686	BEN 5	02/26/96	BINGNFRAN
244687	BEN 6	02/26/96	BINGNFRAN
244688	BEN 7	02/26/96	BINGNFRAN
244689	BEN 8	02/26/96	BINGNFRAN
244690	BEN 9	02/26/96	BINGNFRAN
244691	BEN 10	02/26/96	BINGNFRAN
245643	BING 1	10/06/96	BINGNFRAN
245644	BING 2	10/06/96	BINGNFRAN
245645	BING 3	10/06/96	BINGNFRAN
245646	BING 4	10/06/96	BINGNFRAN
245647	BING 5	10/06/96	BINGNFRAN
245648	BING 6	10/06/96	BINGNFRAN
245649	BING 7	10/06/96	BINGNFRAN
245650	BING 8	10/06/96	BINGNFRAN
245651	BING 9 FR	10/06/96	BINGNFRAN

New Record	Mineral Claim	Due Date	Group
245652	BING 10	10/06/96	BINGNFRAN
245653	BING 11	10/06/96	BINGNFRAN
243648	BINGO 1	09/05/96	BINGNFRAN
243649	BINGO 2	09/05/96	BINGNFRAN
243650	BINGO 3	09/05/96	BINGNFRAN
243651	BINGO 4	09/05/96	BINGNFRAN
243652	BINGO 5	09/05/96	BINGNFRAN
243653	BINGO 6	09/05/96	BINGNFRAN
243654	BINGO 7	09/05/96	BINGNFRAN
243655	BINGO 8	09/05/96	BINGNFRAN
243656	BINGO 9	09/05/96	BINGNFRAN
243657	BINGO 10	09/05/96	BINGNFRAN
243659	BINGO 32	09/07/96	BINGNFRAN
244411	BINGO 41	09/20/96	BINGNFRAN
244412	BINGO 42	09/20/96	BINGNFRAN
244413	BINGO 43	09/20/96	BINGNFRAN
244414	BINGO 44	09/20/96	BINGNFRAN
237920	DENAK 1	03/01/99	BINGNFRAN
237921	DENAK 2	03/01/99	BINGNFRAN
243578	ELK 1	11/16/97	BINGNFRAN
243579	ELK 2	11/16/97	BINGNFRAN
243580	ELK 3	11/16/97	BINGNFRAN
243929	ELK 4 FR	06/12/00	BINGNFRAN
243928	ELK 5 FR	06/12/99	BINGNFRAN
243482	ELK 6	01/01/98	BINGNFRAN

New Record	Mineral Claim	Due Date	Group
243581	ELK 8	11/16/99	BINGNFRAN
244225	ELK 8 FR	08/09/99	BINGNFRAN
243582	ELK 9	11/16/99	BINGNFRAN
244013	ELK 9 FR	07/30/99	BINGNFRAN
243583	ELK 10	11/16/99	BINGNFRAN
244226	ELK 10 FR	08/09/99	BINGNFRAN
243584	ELK 11	11/16/99	BINGNFRAN
244227	ELK 11 FR	08/09/99	BINGNFRAN
243585	ELK 12	11/16/99	BINGNFRAN
245888	ELK 13 FR	05/13/99	BINGNFRAN
244049	FRAN 4FR	03/17/01	BINGNFRAN
243605	FRAN 13	08/11/01	BINGNFRAN
243606	FRAN 14	08/11/01	BINGNFRAN
243607	FRAN 15	08/11/01	BINGNFRAN
243608	FRAN 16	08/11/01	BINGNFRAN
243610	FRAN 18	08/11/97	BINGNFRAN
243611	FRAN 19	08/11/97	BINGNFRAN
243612	FRAN 20	08/11/97	BINGNFRAN
243613	FRAN 21	08/11/97	BINGNFRAN
243614	FRAN 22	08/11/97	BINGNFRAN
243615	FRAN 23	08/11/97	BINGNFRAN
243616	FRAN 24	08/11/97	BINGNFRAN
243617	FRAN 25	08/11/97	BINGNFRAN
243618	FRAN 26	08/11/97	BINGNFRAN
243619	FRAN 27	08/11/97	BINGNFRAN

New Record	Mineral Claim	Due Date	Group
243620	FRAN 28	08/11/97	BINGNFRAN
243632	FRAN 29	08/11/97	BINGNFRAN
243633	FRAN 30	08/11/97	BINGNFRAN
243634	FRAN 31	08/11/97	BINGNFRAN
243635	FRAN 32	08/11/97	BINGNFRAN
243636	FRAN 33	08/11/97	BINGNFRAN
243637	FRAN 35	08/11/97	BINGNFRAN
243638	FRAN 37	08/11/97	BINGNFRAN
243639	FRAN 39	08/11/97	BINGNFRAN
243640	FRAN 41	08/11/97	BINGNFRAN
243641	FRAN 43	08/11/97	BINGNFRAN
243642	FRAN 45	08/11/97	BINGNFRAN
243643	FRAN 46	08/11/97	BINGNFRAN
243644	FRAN 47	08/11/97	BINGNFRAN
243645	FRAN 48	08/11/97	BINGNFRAN
243448	MIN LS #2	05/06/97	BINGNFRAN
243880	MO 6 FR	08/29/94	BINGNFRAN
243883	MO 7 FR	09/16/97	BINGNFRAN
243575	MO 9	08/02/94	BINGNFRAN
243486	TAN 4	01/01/98	BINGNFRAN
243629	TI 1	08/23/99	BINGNFRAN
243630	TI 2	08/23/99	BINGNFRAN
243631	TI 3	08/23/99	BINGNFRAN



Record Number	Name	Due Date	Group
245325	CORA 1 FR	05/03/00	DISNDAT
245326	CORA 2	05/03/00	DISNDAT
245327	CORA 3	05/03/00	DISNDAT
245328	CORA 4	05/03/00	DISNDAT
245329	CORA 5	05/03/00	DISNDAT
245394	DAT 1	06/23/00	DISNDAT
245395	DAT 2	06/23/00	DISNDAT
244927	DAT 2 FR	10/31/00	DISNDAT
244928	DAT 3FR.	10/31/00	DISNDAT
244929	DAT 4FR.	10/31/00	DISNDAT
244930	DAT 5 FR	10/31/00	DISNDAT
244931	DAT 6FR.	10/31/01	DISNDAT
244932	DAT 7 FR	10/31/00	DISNDAT
244933	DAT 8 FR	10/31/00	DISNDAT
245396	DAT 9 FR	07/19/00	DISNDAT
243828	DAT 401	11/19/00	DISNDAT
307085	DAT 402	11/19/00	DISNDAT
243829	DAT 403	11/19/00	DISNDAT
307086	DAT 404	11/19/00	DISNDAT
243830	DAT 405	11/19/00	DISNDAT
243831	DAT 406	11/19/00	DISNDAT
307087	DAT 407	11/19/00	DISNDAT
307088	DAT 408	11/19/00	DISNDAT
307089	DAT 409	11/19/00	DISNDAT
243832	DAT 410	11/19/00	DISNDAT

Record Number	Name	Due Date	Group
243833	DAT 411	11/19/00	DISNDAT
307090	DAT 412	11/19/00	DISNDAT
243834	DAT 413 FR	11/19/00	DISNDAT
304815	DAT 415	11/19/00	DISNDAT
304864	DAT 416	11/19/00	DISNDAT
307068	DIS 2 FR	07/25/00	DISNDAT
307036	DIS 26	06/29/00	DISNDAT
307038	DIS 28	06/29/00	DISNDAT
243768	DIS 29	06/29/00	DISNDAT
243769	DIS 30	06/29/00	DISNDAT
243770	DIS 31	06/29/00	DISNDAT
243771	DIS 32	06/29/00	DISNDAT
243772	DIS 33	06/29/00	DISNDAT
243773	DIS 34	06/29/00	DISNDAT
243774	DIS 35	06/29/00	DISNDAT
243775	DIS 36	06/29/00	DISNDAT
243450	MIN LS #7	09/06/97	DISNDAT
244759	SAM 5	04/17/00	DISNDAT
244760	SAM 6	04/17/00	DISNDAT
244761	SAM 7	04/17/00	DISNDAT
244762	SAM 8	04/17/00	DISNDAT
244763	SAM 9	04/17/00	DISNDAT
244764	SAM 10	04/17/00	DISNDAT
244765	SAM 11	04/17/00	DISNDAT
244766	SAM 12	04/17/00	DISNDAT

Record Number	Name	Due Date	Group
244767	SAM 13	04/17/00	DISNDAT
244768	SAM 14	04/17/00	DISNDAT
244769	SAM 15	04/17/00	DISNDAT
244770	SAM 16	04/17/00	DISNDAT
244771	SAM 17	04/17/00	DISNDAT
244772	SAM 18	04/17/00	DISNDAT
244773	SAM 19	04/17/00	DISNDAT
244774	SAM 20	04/17/01	DISNDAT
244775	SAM 21	04/17/00	DISNDAT
244776	SAM 22	04/17/01	DISNDAT
244777	SAM 23	04/17/00	DISNDAT
244778	SAM 24	04/17/01	DISNDAT
244779	SAM 25	04/17/00	DISNDAT
244780	SAM 26	04/17/01	DISNDAT
244781	SAM 27	04/17/00	DISNDAT
244782	SAM 28	04/17/01	DISNDAT
244783	SAM 29	04/17/00	DISNDAT
244784	SAM 30	04/17/01	DISNDAT
244785	SAM 31	04/17/00	DISNDAT
244786	SAM 32	04/17/01	DISNDAT
244787	SAM 35	04/17/00	DISNDAT
244788	SAM 36	04/17/00	DISNDAT
244789	SAM 37	04/17/00	DISNDAT
244790	SAM 38	04/17/00	DISNDAT
244791	SAM 39	04/17/00	DISNDAT

Record Number	Name	Due Date	Group
244792	SAM 40	04/17/00	DISNDAT
244793	SAM 41	04/17/00	DISNDAT
244794	SAM 42	04/17/00	DISNDAT
244795	SAM 43	04/17/00	DISNDAT
244796	SAM 44	04/17/00	DISNDAT
244797	SAM 48	04/17/00	DISNDAT
244798	SAM 49	04/17/00	DISNDAT
244799	SAM 50	04/17/00	DISNDAT
244800	SAM 51	04/17/00	DISNDAT
244913	SAM 80	09/12/00	DISNDAT
244914	SAM 81	09/12/00	DISNDAT
244915	SAM 82	09/12/00	DISNDAT
244916	SAM 83	09/12/00	DISNDAT
244917	SAM 84	09/12/00	DISNDAT
244918	SAM 85	09/12/00	DISNDAT
244919	SAM 86	09/12/00	DISNDAT
244920	SAM 87	09/12/00	DISNDAT

The Bingnfran and Disndat Claim Groups are groupings of 94 and 92 contiguous claims and/or units respectively. All the claims are held by Placer Dome Canada Limited, Endako Mines Division.

## 2.2 Location

The Bingnfran and Disndat Mineral Claim Groups are located approximately 6 to 15 km south-southwest of Endako, B.C., in the Omineca Mining Division. The property is geographically located in the southeast quadrant of the quadrilateral, latitude 54° N and longitude 125° E.

## **2.3 History**

The claims that comprise the Bingnfran and Disndat Mineral Claim Groups were staked and recorded over a time period spanning the early 1960's to late 1980. During this period, exploratory field work done on these claims included geochemical sampling and diamond and percussion drilling.

The current program being submitted for assessment was designed to test for molybdenite mineralization at depth.

## **2.4 Ownership and Operatorship**

All mineral claims within the Bingnfran and Disndat Claim Groups are registered under Placer Dome Canada Limited, Endako Mines Division. All the field work for this diamond drill program was coordinated by this firm's staff.

## **2.5 General Economic Assessment**

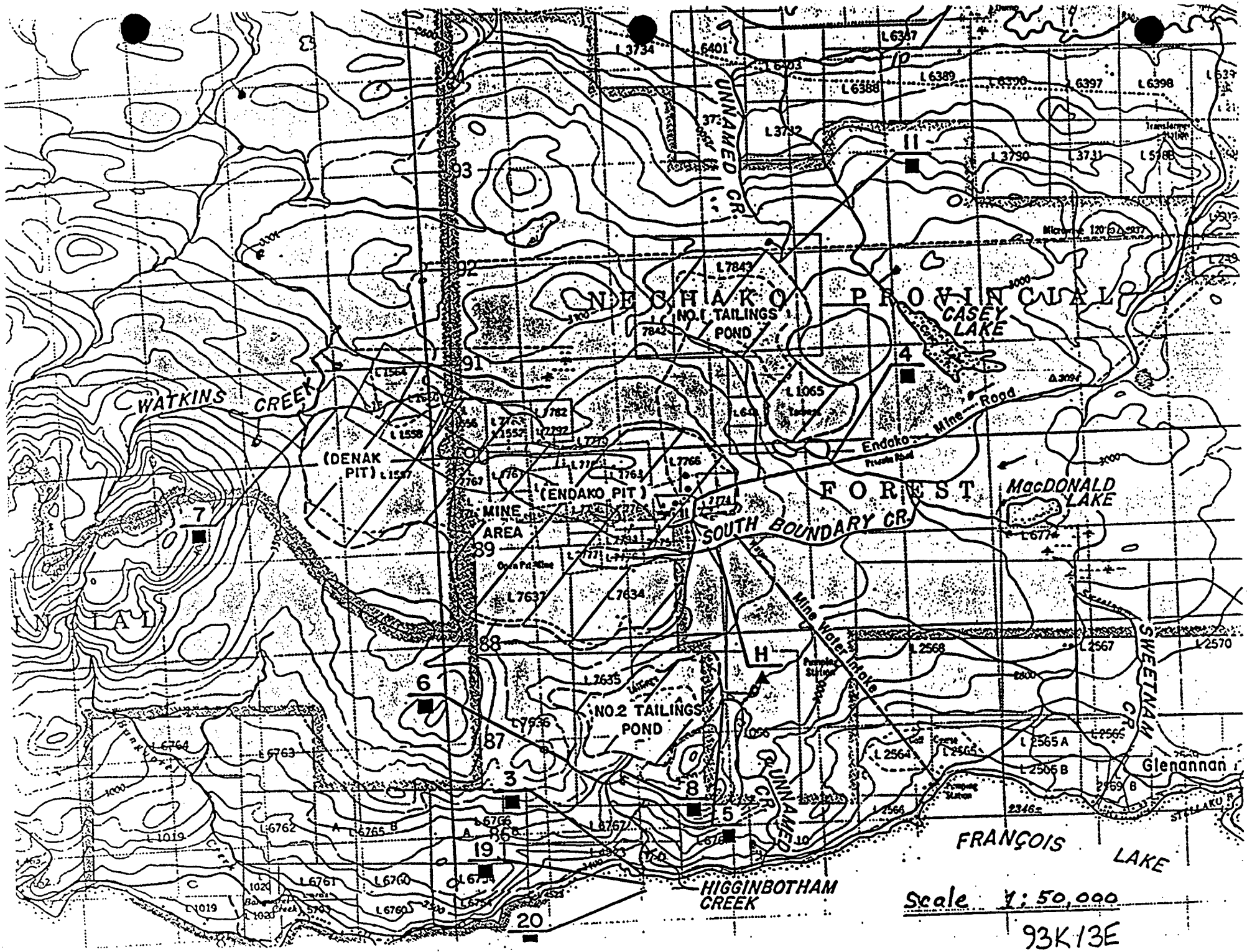
The molybdenite mineralization encountered at depth was predominantly narrow/confined and sub-economic.

## **3.0 DIAMOND DRILLING PROGRAM**

### **3.1 Contractor**

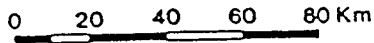
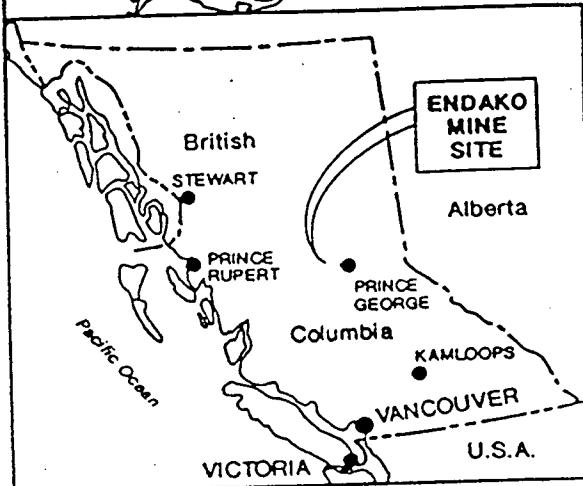
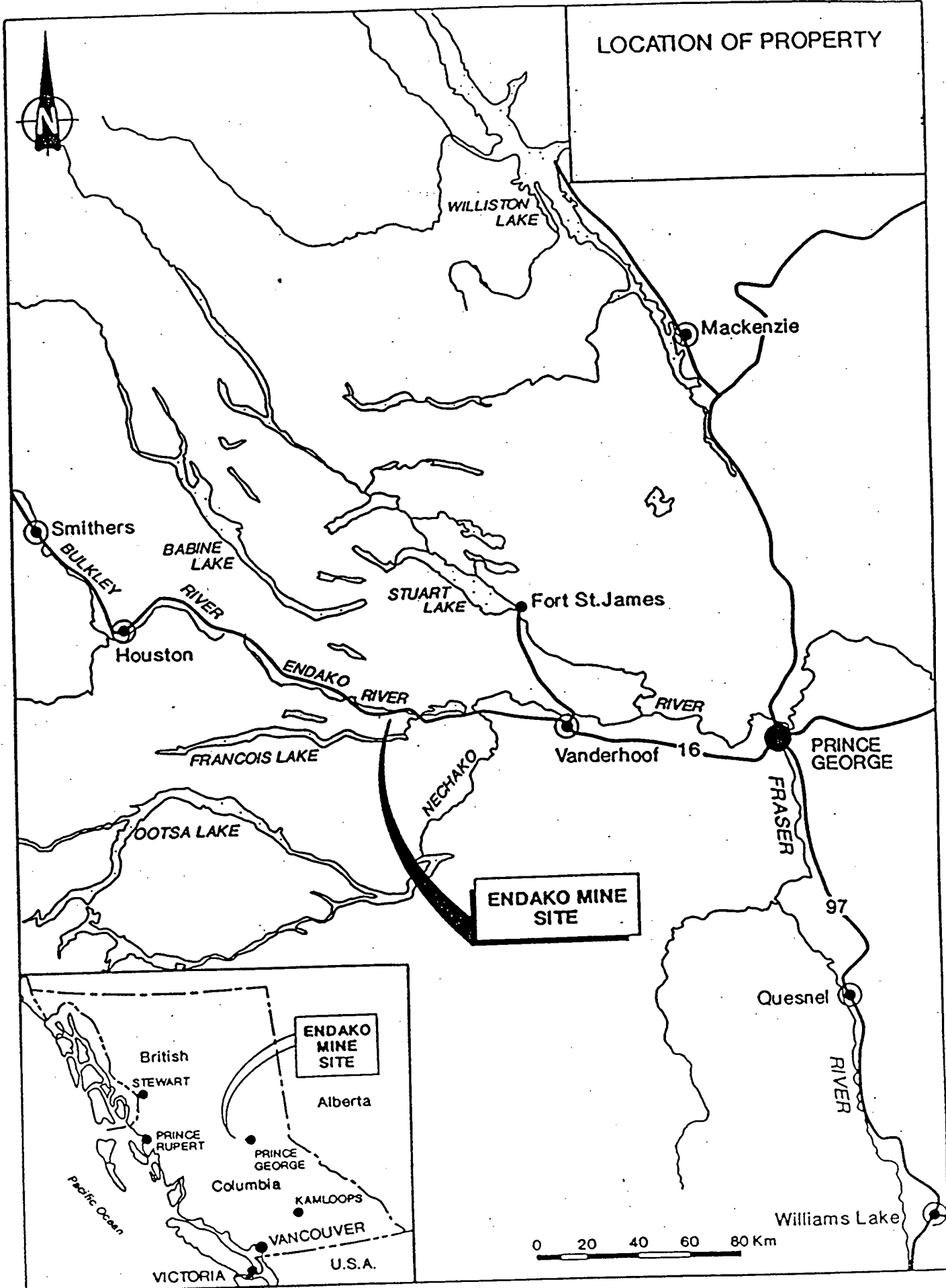
L.D.S. Diamond Drilling Ltd. of Site 5, Comp.13, R.R. #2, Kamloops B.C., was awarded the contracts for diamond drilling in 1992 and 1993.

The contracts under which these holes were drilled are appended.



Scale 1:50,000  
 93K13E

LOCATION OF PROPERTY



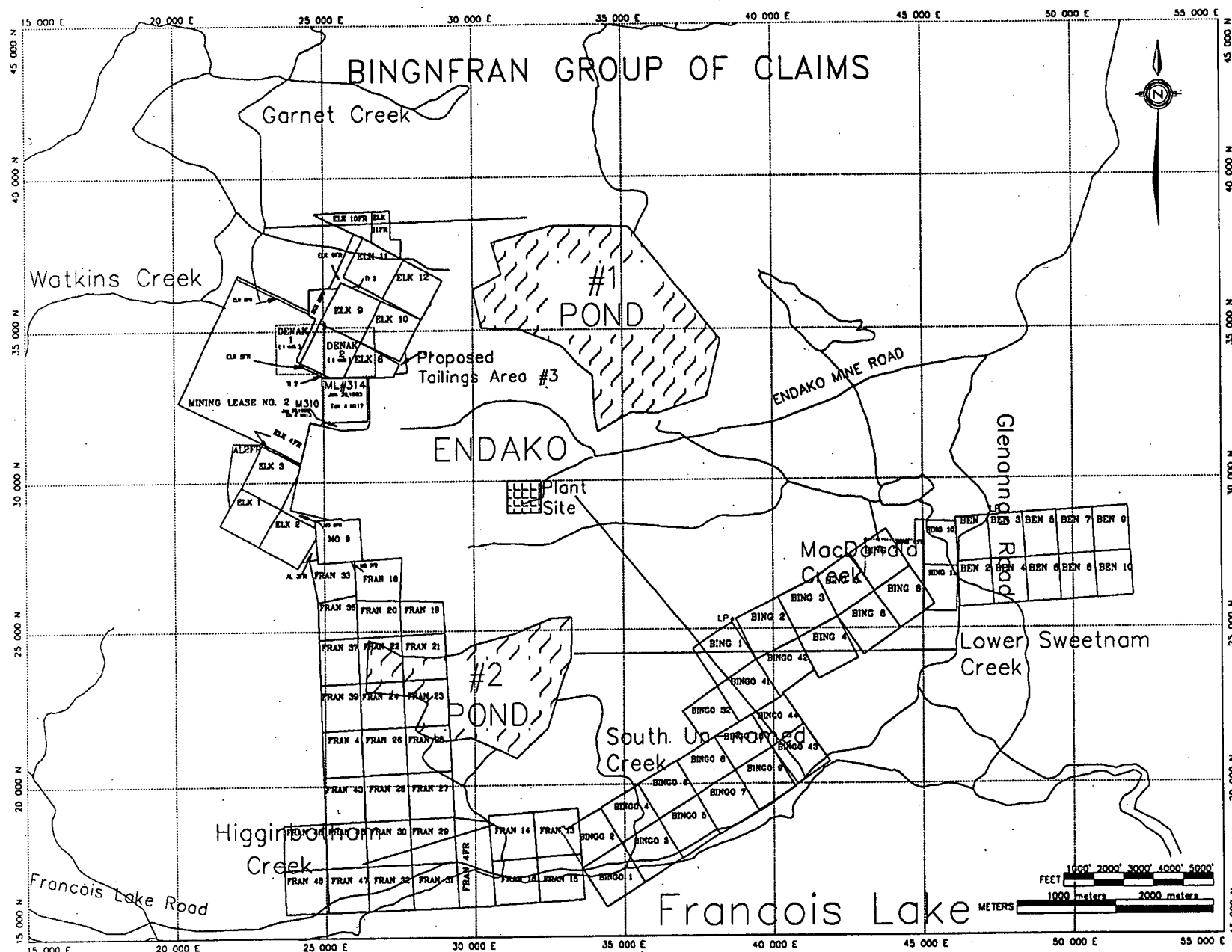


Figure 3



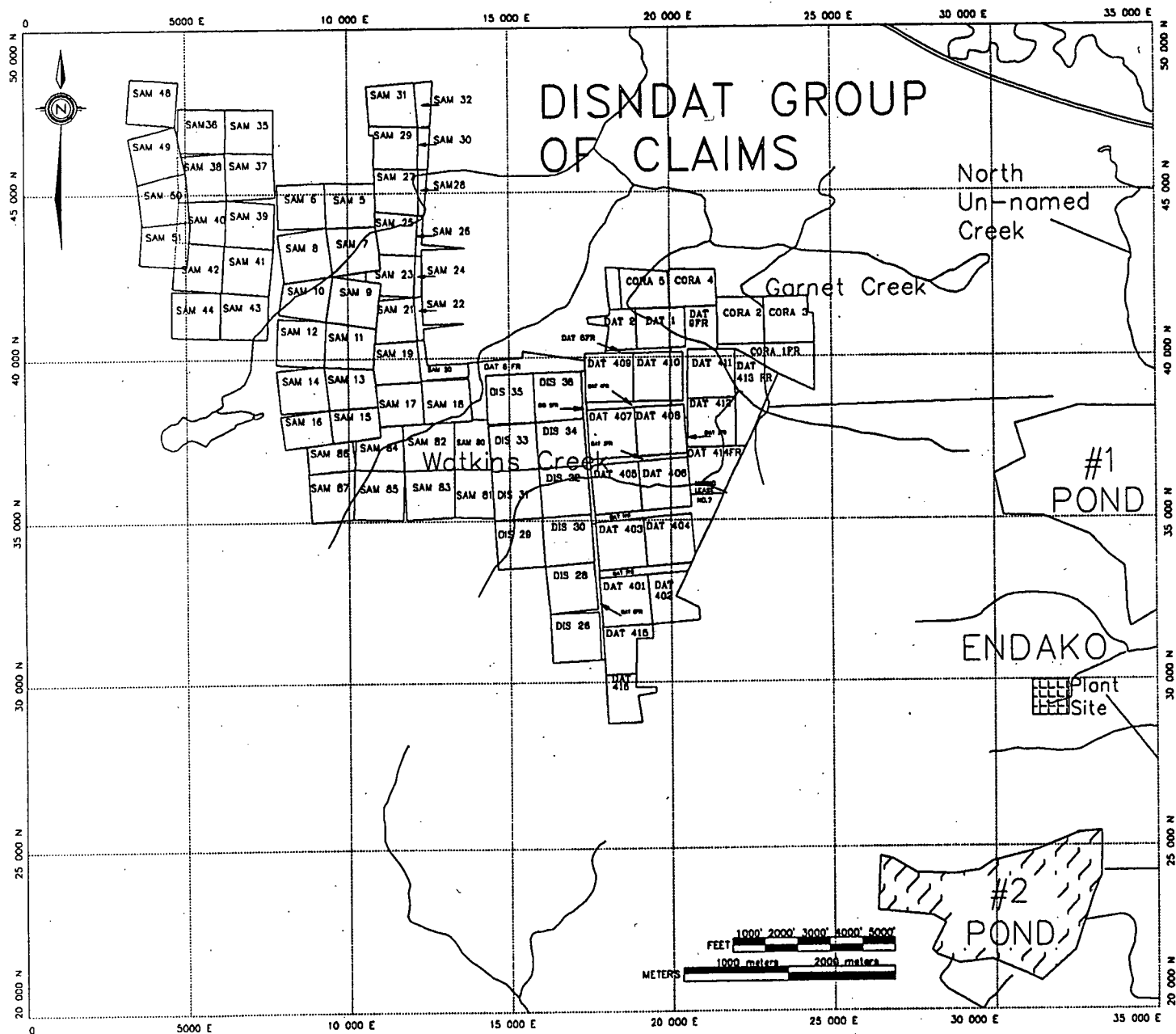


Figure 4

### 3.2 Diamond Drilling

Twenty-two NQ wireline diamond drill holes (S701 - S722) totalling 2861.46 meters were drilled on Mining Leases #2 and #7 of the Bingnfran and Disndat Claim Groups.

Mining Lease #2:	S723, S724, S725, S726, S727, S728, S729, S731, S732, S733, S734, S735, S736, S737, S738, S739, S740, S741, S742, S743, S744, S747, S748, S749, S762, S763, S764, S765, S766	= 62.89% of drill program
Mining Lease #7:	S730, S745, S746, S750, S751, S752, S753, S754, S755, S756, S757, S758, S759, S760, S761	= 37.11% of drill program

Diamond drill hole locations relative to the respective Claim Groups and their associated mining leases follow.

### 3.3 Core Logging

Drill core was geologically logged on 1" = 10 ft (2.54 cm = 3.05 m) graphic log and sampled in corresponding ten foot (approximately three meter) intervals for assaying. Few ore grade samples of core resulted from the sampling.

Diamond drill logs with assay results are appended.

### 3.4 Sampling and Analyses

Entire core of ten foot intervals were submitted as individual samples for assay. All samples were assayed for %MoS<sub>2</sub> content at Endako Mines Assay Laboratory on-site. The analytical procedures and techniques are documented along with analytical accuracy and precision in Appendix IV.

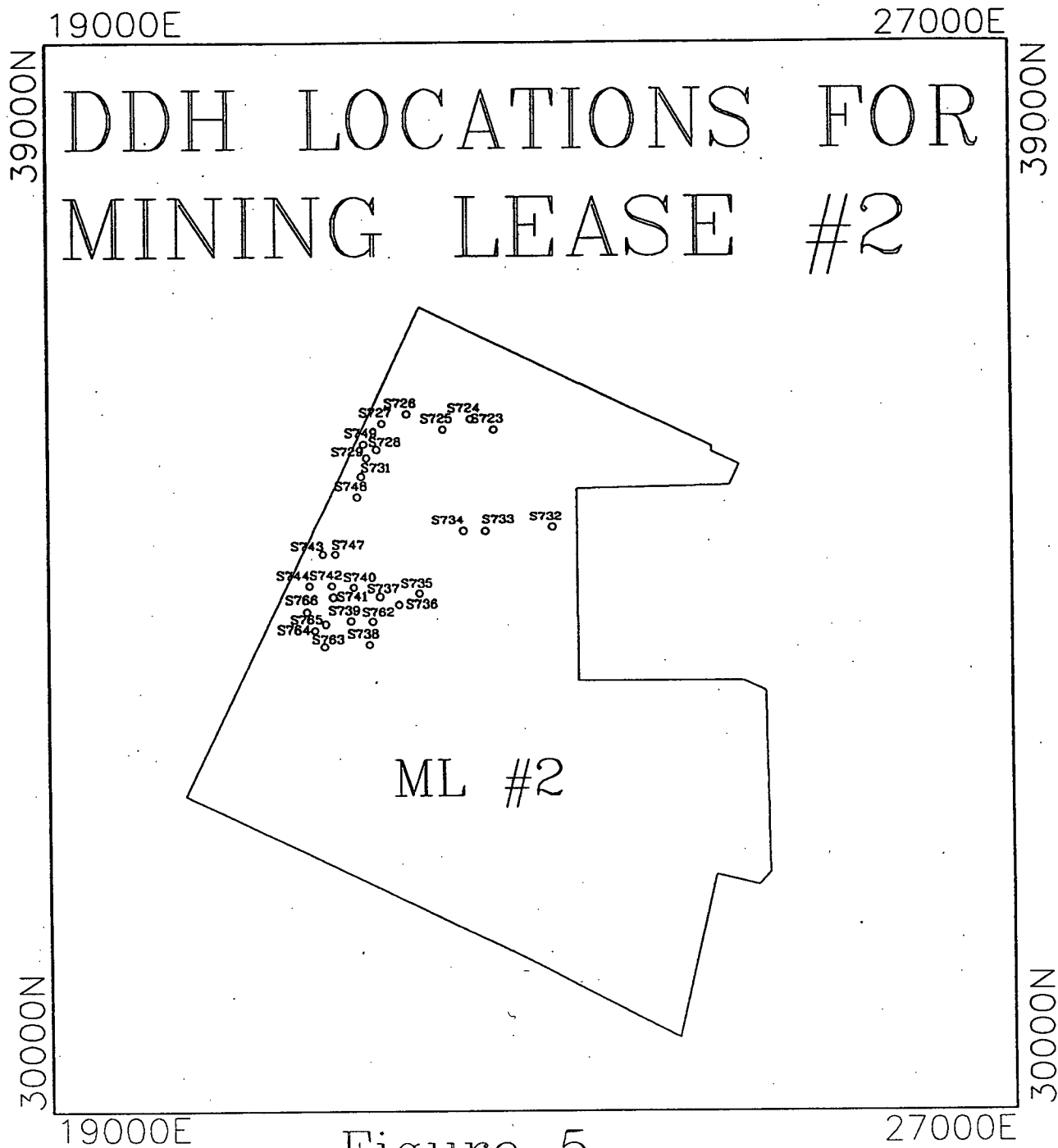


Figure 5

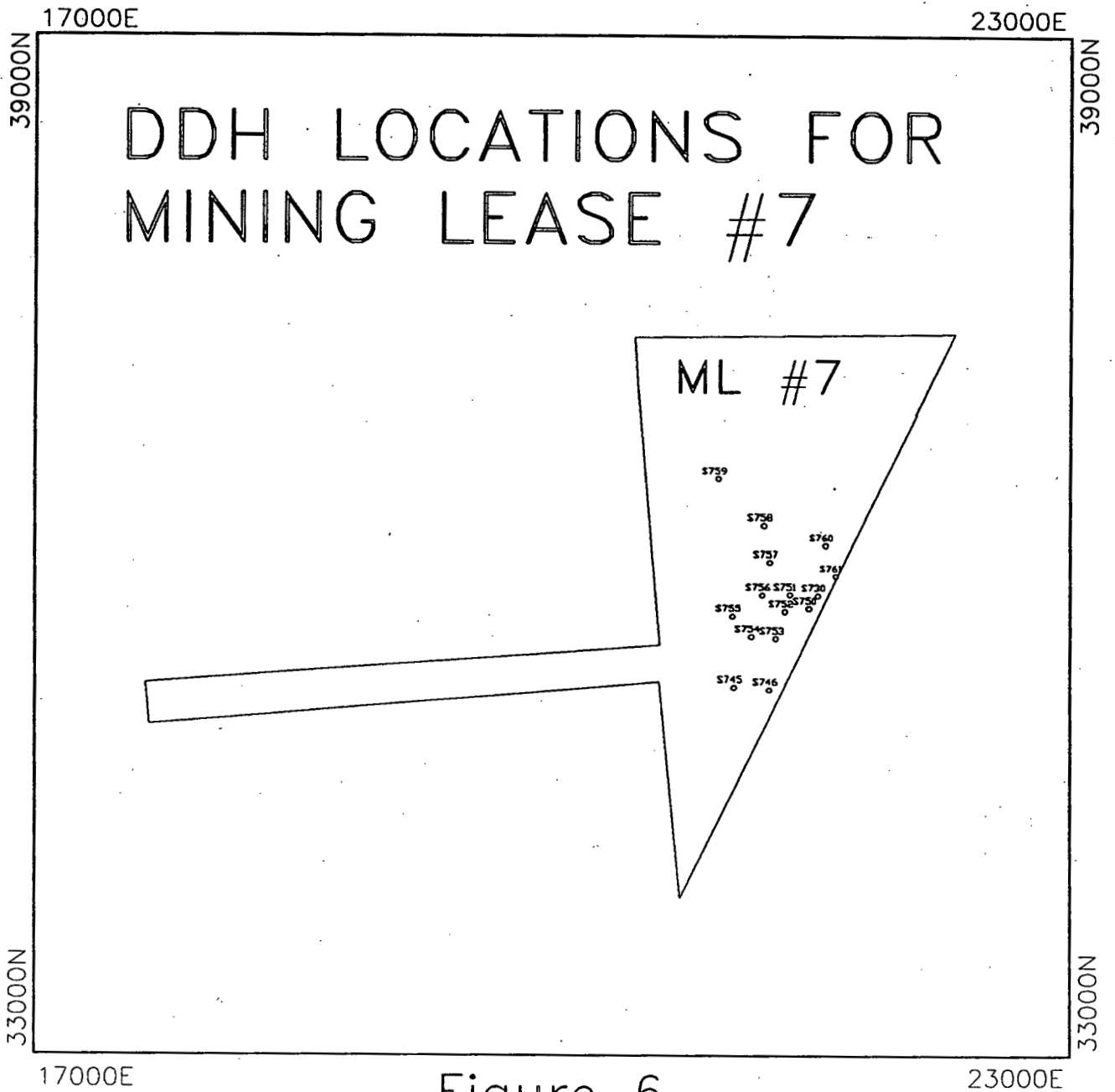


Figure 6

#### 4.0 GEOLOGICAL INTERPRETATION

Drilling encountered Endako Quartz Monzonite, a generally equigranular (3-4 mm) locally subporphyritic member of the Francois Lake Intrusions. The rock is readily recognized by its characteristic pink to bright orange-pink K-feldspar. It is kaolinized in varying degrees. The colour of altered rock varies initially from pale greenish grey to dark green or bleached creamy white for highly altered varieties.

The Endako Quartz Monzonite is intruded by pre-mineral aplite, andesite, porphyritic granite and quartz-feldspar porphyry and post-mineral basalt dykes. Post sulphide mineralization consists of molybdenite, pyrite, and magnetite, with minor amounts of chalcopyrite.

Quartz-molybdenite and associated ore minerals occur in randomly oriented fractures in a stockwork adjacent to and surrounding quartz-molybdenite veins which are 15 cm to 1/2 m wide. The occurrence of such quartz-molybdenite veins was rare and the associated stockwork was weak to non-existent.

No major faulting was encountered. Pre-mineral aplite, andesite, and quartz-feldspar porphyry dyke was intersected and noted in the drill logs.

## 5.0 STATEMENT OF EXPENDITURES

The following expenditures were incurred by Placer Dome Inc., Endako Mines Division for 44 diamond drill holes (S723 - S766) totalling 6181.95 m (20,282.00 ft):

### A. PERSONNEL EXPENSES:

Employee	Employment Period		No. of Days	Rate	Cost
	Start	End			
G. Wong	08/24/92	10/02/92	36	\$250.00	\$9,000.00
M. Habsburg	08/24/92	09/25/92	25	\$140.00	\$3,500.00
G. Wong	09/13/93	12/10/93	28	\$250.00	\$7,000.00
G. Kienholz	09/14/93	12/08/93	53	\$250.00	\$13,250.00
M. Habsburg	09/20/93	12/10/93	53	\$150.00	\$7,950.00

PERSONNEL COST	1992	\$12,500.00	
	1993	\$28,200.00	
	<b>TOTAL</b>		<b>\$40,700.00</b>

Unit Personnel Cost (1992) =	\$1.90 per foot
	\$6.24 per meter
Unit Personnel Cost (1993) =	\$2.06 per foot
	\$6.75 per meter

### B. REPORT PREPARATION:

Computer charges only

<b>TOTAL</b>	<b>\$2,000.00</b>
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Unit Report Cost =	\$0.10 per foot
	\$0.32 per meter

### C. DIAMOND DRILLING COSTS:

Contractor: L.D.S. Diamond Drilling Ltd., Kamloops, B.C.

Drilling Charges (1992)	\$65,003.50
Drilling Charges (1993)	\$127,177.23

<b>TOTAL</b>	<b>\$192,180.73</b>
--------------	---------------------

Unit Drilling Cost (1992) =	\$9.89 per foot
	\$32.45 per meter
Unit Drilling Cost (1993) =	\$9.28 per foot
	\$30.44 per meter

### D. ASSAYING COSTS:

650 (1992) samples for % MoS <sub>2</sub> @	\$8.50 per sample =	\$5,525.00
1259 (1993) samples for % MoS <sub>2</sub> @	\$8.50 per sample =	\$10,701.50

<b>TOTAL</b>	<b>\$16,226.50</b>
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### E. MISCELLANEOUS COSTS:

1992 Consumables, core boxes, supplies, etc	\$17.61
1993 Consumables, core boxes, supplies, etc	\$1,694.03

<b>TOTAL</b>	<b>\$1,711.64</b>
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**TOTAL PROJECT COSTS**

**TOTAL 1993 PROJECT COSTS**

<b>\$252,818.87</b>
<b>\$195,972.76</b>

**6.0 DISTRIBUTION OF EXPENSES AMONG THE CLAIM GROUPS (1993)**

**A. ML #2 - BINGNFRAN GROUP**

6640 ft. of drilling  
2023.87 m of drilling  
48.44% of drill program

**TOTAL EXPENSES**

**\$94,920.06**

**B. ML #7 - DISNDAT GROUP**

7069 ft. of drilling  
2154.63 m of drilling  
51.56% of drill program

**TOTAL EXPENSES**

**\$101,052.70**

**TOTAL DISTRIBUTION OF EXPENSES**

**\$195,972.76**

## 7.0 CONCLUSIONS

Forty-four NQ wireline diamond drill holes (S723 - S766) totalling 6181.95 meters were drilled at an average project cost of \$55.62 per meter or \$16.95 per foot on Mining Leases #2 and #7 of the Bingnfran and Disndat Claim Groups. The molybdenite mineralization encountered at depth was predominantly narrow/confined and sub-economic.

Submitted by,

Placer Dome Canada Limited  
Endako Mines Division



(Gary) Y.Y. Wong, P.Eng.  
Mine Geologist



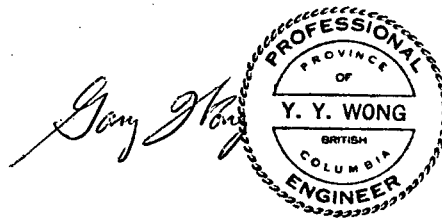
**APPENDICES**

**APPENDIX I**  
**STATEMENT OF QUALIFICATIONS**

(GARY) YEE YUEN WONG

I, (Gary) Yee Yuen Wong, of Placer Dome Canada Limited, Endako Mines Division, Endako, B.C., do hereby certify that:

1. I am a graduate of the University of British Columbia with a B.A.Sc. in Geological Engineering in 1987.
2. I am a member in good standing with the Association of Professional Engineers of Saskatchewan (No right to practice, Member No. 6347), the Association of Professional Engineers of British Columbia (Member No. 19528), the Canadian Institute of Mining, Metallurgy and Petroleum, the Society for Mining, Metallurgy, and Exploration, Inc., and the Cordilleran Section of the Geological Association of Canada.
3. I have continuously practiced exploration geology and economic evaluations in British Columbia, Northern Saskatchewan, Manitoba, and Tanzania, East Africa from 1987 to December of 1991. I have been engaged in an open pit mining operation in British Columbia since December of 1991.
4. I have compiled and submitted of the results of this report.



(Gary) Y.Y. Wong, P.Eng.

**APPENDIX II**  
**DIAMOND DRILLING CONTRACTS**  
**BETWEEN**  
**L.D.S. DIAMOND DRILLING LTD.**  
**AND**  
**PLACER DOME CANADA LIMITED**  
**ENDAKO MINES DIVISION**



PLACER DOME INC.

ENDAKO, B.C.  
CANADA  
V0J 1H0  
TEL: (604) 699-6211  
FAX: (604) 699-7775

ENDAKO  
MINES  
DIVISION



**THIS AGREEMENT** made the 10th day of September, 1993.

**BETWEEN: L.D.S. DIAMOND DRILLING LTD.,**  
a company duly incorporated under the laws of the Province of British Columbia  
and having an office at Site 5, Comp. 13, R.R.#2, Kamloops, British Columbia.  
V2C 2J3.

(hereinafter referred to as the "Contractor")

**OF THE FIRST PART**

**AND: PLACER DOME INC.,**  
**Endako Mines Division,**  
a body corporate with offices at 1600 - 1055 Dunsmuir Street, Vancouver, British  
Columbia, V7X 1P1

(hereinafter referred to as "Endako")

**OF THE SECOND PART**

**WHEREAS:**

- A. Endako is the holder of certain mineral claims on which the proposed diamond drill holes, which are shown on the map annexed hereto as Schedule "A", will be located;
- B. Endako is desirous of having performed certain diamond drilling on its mineral claims;
- C. The Contractor, in consideration of the payments hereinafter provided, has agreed to carry out the said diamond drilling.

**NOW THEREFORE THIS AGREEMENT WITNESSETH** that in consideration of the premises and the mutual covenants herein contained, the parties hereto covenant and agree as follows:

**1. PROJECT:**

The Contractor agrees to find and supply all labour, materials, transportation,

machinery, equipment and workmanship necessary to carry out a diamond drilling program as shown on the map annexed hereto as Schedule "A" in accordance with the terms of this Agreement and the General Conditions hereto annexed as Schedule "B" and at the prices herein specified.

**2. GUARANTEED FOOTAGE**

Endako guarantees a minimum of fourteen thousand (14,000) feet of diamond drilling in a series of vertical and inclined holes. All measurements to be taken from top of casing.

**3. CORE SIZE, SCHEDULE AND EQUIPMENT:**

The Contractor guarantees to bore by diamond drill, the specified minimum footage and additional footage if requested, recovering NQ wireline core, approximately 1 7/8 inches in diameter, and to supply forthwith one (1) drill outfit, a tractor and operator suitable for moving the drill, along with the necessary associated equipment, industrial diamonds and labour to commence the work on the 20th day of September, 1993 and to complete on or about the 22nd day of October, 1993.

**4. PRICE:**

The price of the work described herein shall be as follows:

**(a) CORE DRILLING (NQ)**

Footage	Price per foot
0 - 1000	\$ 8.75

**5.** The Contractor agrees that all its labour, diamond wear and loss, and all other operating expenses, except as hereinafter provided, shall be at its own cost and expense and for its own account. The Contractor agrees to provide all diesel fuel required for the operation of the drill, and equipment at no cost to Endako.

**6. PENETRATION OF OVERBURDEN:**

Whenever overburden or broken rock is encountered on a set-up, it is agreed that

the Contractor's charge for penetrating such overburden or broken rock shall be at the following rates:

Footage	Price per foot
0 - 1000	\$ 8.75

**7. FIELD COST:**

It is agreed that Field Cost shall be interpreted here and hereinafter to mean that Labour of a two-man crew at the rate of Twenty-Five Dollars (\$27.00) per hour per man; Drill rate of Fifty Dollars (\$50.00) per hour; Tractor at no charge per hour; pipe and casing lost or left in holes; diamond loss and setting charges; materials and supplies consumed in the work at delivered cost plus ten percent (10%).

**8. CAVES:**

In the event that cavities or loose and caving material are encountered of such a nature as to prevent the successful completion of any hole, the Contractor does not, under such conditions, guarantee to drill to a predetermined depth, and in the event that it becomes necessary to abandon the hole, Endako agrees to pay for such uncompleted holes at the rates herein specified for all footage completed. If required to continue on such holes on specific orders and approval from Endako's resident Engineer or representative, then the Contractor shall have the option to revert to drilling at Field Cost, plus all required materials, supplies and equipment at delivered cost plus ten percent (10%).

Should faults be encountered, the Contractor will pay for the first four (4) man-hours required for hole stabilization.

**9.** Whenever pipe, casing or other equipment is lost or is left in a hole on the instructions of Endako's Engineer, Endako agrees to pay the Contractor for such pipe, casing or other equipment at their depreciated value, f.o.b. drill site. Endako 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. The Contractor shall supply all man hours necessary to perform the attempted recovery of materials.

**10. WEDGING:**

It is mutually agreed that directional drilling and wedging operations to maintain the angle of a drill hole shall not be part of this agreement.

11. WATER:

Water for drilling purposes shall be pumped by the Contractor, at his own expense, up to a distance of 3000 feet horizontally and up to 150 feet of vertical lift. Should the distances ever be greater, then the supplying of water shall be pro-rated; the above distances to the Contractor's account, and costs over and above the specified distances to be paid by Endako on a Field Cost rate. Endako will provide a water truck, at no charge to the Contractor, approximate capacity 7,000 gallons, only for specified holes if Endako's Engineer or representative deems it necessary.

12. MOVES:

(a) It is agreed that the mobilization of drill and camp equipment, supplies and personnel from the Contractor's warehouse to Endako's property, and return to Contractor's warehouse shall be at no charge to Endako.

(b) It is agreed that moving the drill crew, drill equipment and supplies from the truck unload point, which shall be located as close as practicable to the drilling area, to the first drill site, and from the last drill site to the truck unload point, shall be for the Contractor's account.

(c) It is agreed that moves between drill sites shall be for the Contractor's account.

(d) Moving shall be interpreted to include tearing down, dismantling machinery, moving, securing timber, transportation, and setting up.

(e) The contractor agrees to supply a tractor for the purpose of moving drills and associated equipment between holes.

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

(g) Endako will provide suitable access roads and drilling sites in advance of the drilling operation at no cost to the Contractor, and the Contractor will inspect all drilling sites prior to commencement of any drilling.

13. STANDBY RATES:

It is understood and agreed that time lost waiting for orders from Endako's resident Engineer or representative, waiting for cement to set, delays for logging the hole, shall be charged to Endako at the following rates:

Labour:



(max. 8 hours/man/shift) \$27.00 per man hour

Drill:

(max. 8 hours/shift) \$50.00 per hour

14. TRAVEL:

The contractor will provide transportation for its personnel to and from the drill sites. Transportation costs shall be for the Contractor's account.

15. CORE:

The drilling shall be conducted so as to produce maximum core recovery with reasonable precaution taken to prevent crushing, wearing or grinding the core. To ensure maximum core recovery, the Contractor will supply experienced wireline operators. All cores recovered by the Contractor shall be carefully marked and placed in receptacles to be furnished by Endako. Endako will be responsible for the transportation of the core from the drill site.

16. SUPPLIES:

The Contractor will supply drill mud and additive required for drilling. The Contractor will not use molybdenum based grease on rods or on any part of the drill where contamination of sludge and core may occur. Endako agrees to pay mud charges at cost plus ten percent (10%). There will be no charge for mixing mud and stabilizing the hole.

17. TESTS:

The Contractor, whenever instructed, agrees to take acid dip tests at whatever depth Endako wishes at no cost per test to Endako, if taken at the end of shift. If tests are taken during coring shift, such tests will be at operating field costs for drill and labour.

18. SECURITY:

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

19. BOARD & LODGING:

The Contractor will supply room and board for his employees at no cost to

Endako.

**20. DISCIPLINE:**

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 employees of the Contractor who are objectionable or unsatisfactory to Endako, shall be removed from the work and replaced by an employee satisfactory to Endako.

**21. INSURANCE:**

The Contractor at its own expense and cost shall insure and keep insured during the term of this contract with an insurer acceptable to and approved by Endako the following liability insurances:

(a) Comprehensive General Liability Insurance which shall include all Operations, Contractor's Protective, Contractual Products and Completed Operations, and non-owned Automobile Liability, with a bodily injury and/or death limit of not less than Two Million Dollars (\$2,000,000.00) for each occurrence and a property damage limit of not less than Two Million Dollars (\$2,000,000.00) per occurrence, and in the aggregate with respect to products and completed operations liability. Endako shall be added as an additional named insured under this section. This policy shall also contain a clause reading as follows:

"Cross Liability: The insurance afforded under 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."

(b) Automobile (owned). The insurer's limit of liability shall not be less than the following:

\$2,000,000.00 per bodily injury and/or death for each occurrence, and not less than \$2,000,000.00 per occurrence for property damage.

(c) A certificate of insurance certifying that the Contractor has insurance as required under Section 23 (a) and (b) shall be filed with Endako upon acceptance of the contract terms.

(d) The Contractor and/or Sub-contractor shall also insure and keep insured while this contract is in force with an insurance company or companies acceptable to and approved by Endako at the Contractor's and/or Sub-contractor's own expense and cost, insurance on all equipment owned and/or hired and/or used by them in connection with the work. This insurance shall provide coverage on the basis customarily known as Inland Marine Named Perils coverage. Endako shall be added as an additional named insured under this insurance. The

policy shall also contain a waiver of subrogation against Endako.

(e) The Contractor shall arrange that such insurance shall not be cancelled without sixty (60) days prior written notice to Endako by the insurers.

22. The Contractor shall be responsible for and will pay promptly all dues and assessments payable under any Worker's Compensation Act or other similar Act, whether provincial or federal, in respect of its employees.

23. **ENVIRONMENT:**

During the course of the work, the Contractor shall at all times keep Endako's premises free from accumulation of waste material or rubbish and upon completion of the work, will remove all tools, scaffoldings, surplus materials and rubbish, and leave the premises in a clean condition. The Contractor shall observe and comply with all applicable Federal and Provincial laws, regulations and orders relating to prevention of forest fires and sanitation in the bush.

Endako will be responsible for procuring and maintaining applicable permits for land, timber and water usage. Endako will hold the Contractor harmless for any liability claims which may arise from normal activity related to this Agreement, including pollution of ground water or surrounding land from discharge of drill water and waste save if the Contractor's employees act in an irresponsible manner.

24. **PAYMENT FOR WORK:**

(a) Endako agrees to pay the Contractor, in lawful money of Canada, at rates hereinbefore specified. Invoices shall be rendered for all work done from the 1st to the 15th day of the month inclusive, and for all work done from the 16th to the last day of the month inclusive. Such invoices shall be submitted promptly to Endako. After approval of an invoice by the Engineer, Endako shall within 15 days following receipt of the said invoice make, or cause to be made, payment for 90% of the value of the completed work as shown on the said invoice.

(b) Such payment for any portion of work shall in no degree release or relieve the Contractor from liability for any loss, injury or damage which may result from the use of improper materials or workmanship, or omissions or defects in the work which may have escaped the notice of the Engineer.

(c) The amount remaining due to the Contractor shall be retained by Endako until the expiration of 40 days after completion, final testing and acceptance of the work by the Engineer. At such time, the Contractor shall submit an invoice for the amount of 10% holdback

monies and any other monies which may be due to the Contractor pursuant to the terms of this Agreement. Subject to approval of such invoice by the Engineer, the amount remaining due shall be paid by Endako to the Contractor provided that:

(i) there are no mechanics', repairers', builders', labourers', materialsman's', and/or similar liens filed with respect to the work; and

(ii) the Contractor has furnished Endako with evidence of the release of all claims arising hereunder, including the appropriate sworn statements to show that no such liens have been or may be attached to the work or to the real and personal property of Endako, and evidence in writing from the British Columbia Workers' Compensation Board that the Contractor is registered as an employer with such Board and has paid all and any sums which it may be required as an employer to contribute to the Accident Fund under the British Columbia Workers' Compensation Act from commencement of the work to its completion.

**25. MANNER OF PERFORMING WORK:**

The Contractor shall perform his work in such a manner as to not interfere with or hold up the normal operations of Endako.

**26. SAFETY:**

The Contractor will abide by all provisions of the Mining Regulation Act that pertain to safety and such other matters relevant to this Agreement.

The Contractor's equipment shall meet all Workers' Compensation Board and Department of Mines Regulations.

**27. ENGINEER:**

Endako's Engineer or representative referred to herein and in General Conditions of the Contract shall be the Mine Manager, Placer Dome Inc., Endako Mines Division, or such other person as he may nominate in writing as his representative.

**28. NOTICES:**

All communications in writing between the parties shall be deemed to have been received by the addressee if delivered to the individual or to a member of the firm or to an officer of the corporation for whom they are intended, or sent by post or telegram addressed as follows:

The Contractor: Mr. Leo Shaw  
L.D.S. Diamond Drilling Ltd.  
Site 5, Comp. 13, R.R. #2,  
Kamloops, B.C.  
V2C 2J3

Endako: The Secretary  
Placer Dome Inc.  
Endako Mines Division,  
P.O. Box 49330, Bentall Postal Station,  
1600-1055 Dunsmuir Street,  
Vancouver, British Columbia  
V7X 1P1

The Engineer: Mine Manager  
Placer Dome Inc.  
Endako Mines Division  
Endako, British Columbia  
V0J 1L0

**29. GENERAL**

Whenever in this Agreement it is stipulated that anything will be done or be performed by either of the parties hereto, it shall be assumed that such Party does enter into a covenant with the other Party to do or perform the same.

**30.** All grants, covenants, privileges and liabilities contained in this Agreement shall be read and held as made by and with and granted to and imposed upon the respective parties hereto and their respective successors and assigns, in the same manner as if the words "Successors" and "Assigns" had been inscribed in all proper and necessary places, and in the event of more than one person being the Contractor, the said grants, covenants, provisos and liabilities, shall be construed and held to be several as well as joint.

**31.** Whenever the singular or masculine is used throughout this Agreement, the same will be construed meaning plural or feminine or body corporate, as the context of the Parties so require.

**32.** Any condoning, excusing or overlooking by Endako of any breach, or non-performance by the Contractor at any time or times in respect to any covenant, term, condition and proviso contained in this Agreement shall not operate as a waiver of Endako's right in respect of any continuing or subsequent default, breach or non-performance.

33.

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

34.

Time is of the essence in this Agreement.

IN WITNESS WHEREOF the parties hereto have caused these presents to be executed as of the day and year first above written.

PLACER DOME INC. )  
ENDAKO MINES DIVISION )

BY: )



Gil Clausen, Mine Manager )

SIGNED, SEALED and DELIVERED by: )

Name: Leo Shaw )



Address: Site 5, Comp. 13, R.R #2 )

Kamloops, B.C. V2C 2J3 )

Occupation: President )

GYWENDAKODDH93

# Health, Safety and Reclamation Code for Mines in British Columbia



Resource Management Branch  
Ministry of Energy, Mines  
and Petroleum Resources  
Vancouver, British Columbia  
Her Majesty the Queen in Right of British Columbia

Health, Safety and Reclamation Code for Mines in British Columbia





(4) Notice of the debt in the prescribed form may be registered as a charge in the land title office or in the office of the chief gold commissioner, and no transfer of title or other dealing with the mine shall take place until the debt is paid and the notice cancelled.

(5) The minister may, with or without payment and on conditions he may impose, cancel the notice registered under subsection (4) and, on that happening, the mine may be transferred or otherwise dealt with.

Engineering Report

18. An inspector may order the owner, agent, or manager to provide at the owner's expense an independent study prepared by an engineer or other licensed professional acceptable to the inspector

- (a) respecting health and safety at the mine or safety of its equipment, buildings, workings, or structures, or
- (b) in connection with an accident or a dangerous occurrence that the inspector is investigating.

Immunities

19. (1) No action for damages because of anything done or omitted to be done in good faith

- (a) in the performance or intended performance of any duty, or
- (b) in the exercise or intended exercise of any power

under this Act, the regulations, or the code shall be brought against the chief inspector or an inspector.

(2) Subsection (1) does not absolve the Crown from vicarious liability for an act or omission of the chief inspector or an inspector for which act or omission the Crown would be vicariously liable if this section were not in force.

Designation Under Coroners Act

20. For the purpose of section 37 (1) of the Coroners Act, an inspector or a person designated by an inspector shall be deemed a person whose interests may be affected by evidence likely to be adduced at an inquest.

Appointment of Manager

21. An owner or agent shall

- (a) before work commences, appoint a manager and ensure that there is a person acting in that capacity at all times,
- (b) immediately after each appointment, notify the district inspector in writing, of the name of the manager, and
- (c) provide the manager or his designate with every facility for conducting the operation of the mine in accordance with the requirements of this Act, the regulations, and the code.

Manager's Qualifications and Responsibility

22. Each manager and designate shall possess qualifications established by the regulations or the code, and the manager or his designate shall attend daily at an operating mine.

Manager's Absence

23. Each manager shall appoint a qualified person to be responsible during his absence to ensure compliance with this Act, the regulations, and the code.

Compliance

24. The owner, agent, or manager shall take all reasonable measures to ensure compliance with this Act, orders issued under it, the regulations, and the code, and every supervisor and employee shall take all reasonable measures to ensure that the requirements of this Act, the regulations, the code, and orders applicable to the work they perform or over which they have supervision are followed.

Contractors

25. Where work in, on, or about a mine is let to a contractor, the contractor and the contractor's manager, as well as the owner, agent, and manager of the mine shall take all reasonable measures to ensure compliance with the provisions of this Act, the regulations, the code, and orders under this Act pertaining to the work over which they have control and, in a case of non-compliance, the contractor and the contractor's manager commit an offence that is punishable in the same manner as if the contractor and contractor's manager were the owner, agent, or manager of the mine.

### Definitions

"designated area" means an area of the Province that

- (1) is subject to mineral tenure under the *Mineral Tenure Act* referred to in Schedule A, or
- (2) is within a circle with a radius described in Schedule A.1.

"designated site" means a site in the Province referred to in a notice sent to the chief inspector under section 11.4.1 of the code.

"exploration" means the search for coal, minerals, rock, limestone, earth, clay, sand or gravel by drilling, trenching, excavation, blasting, disturbance of the ground by mechanical means, or prescribed geophysical equipment, including underground work.

"prescribed geophysical equipment" means exposed electrodes used on induced polarization surveys.

### Notice and Approval to Work

#### Notice

11.1.1 The owner, agent, or manager shall make application in writing on the prescribed form pursuant to section 10 of the *Mines Act* to the district inspector at least 30 days prior to intended commencement of exploration work, and the application shall be acknowledged within 15 days and an indication given to the applicant as to the earliest start date.

#### Approval

11.1.2 Surface work on an exploration property subject to the application in section 11.1.1. shall not commence without the approval of the district inspector.

### First Aid, Communication and Training

#### First Aid Requirements

11.2.1 *Minimum* first aid requirements on an exploration site shall be in accordance with Workers Compensation Board regulations.

## Supplies

11.2.2 All active exploration drill sites shall be equipped with a minimum #2 first aid kit, a stretcher, an audible emergency signal device, and some form of radio communication acceptable to the inspector.

11.2.3 At exploration drill sites, all members of the drill crew shall have a valid St. John's "Standard" first aid certificate unless the drill site is *accessible in all weather conditions* within 5 minutes of the main camp *or other facility* where there is a qualified first aid attendant.

## Communication

11.2.4 Isolated camps shall have a means of communication for obtaining emergency transportation to a hospital or clinic.

## Training

11.2.5 The manager shall ensure that any persons employed for the first time at an exploration site have been adequately instructed in any potential hazards in the region and how to protect themselves; such instruction shall include advice on protection from attacks by wild animals, the wearing of appropriate clothing, protective gear, the need for suitable equipment to avoid becoming lost, and safety procedures to be adopted for aircraft operations (section 11.6), and boat handling.

## Transportation of Persons

11.2.6 No person shall be transported in the box of a pickup truck, and no person shall ride in a standing position in a crew vehicle (bus).

## Electrical Surveying Systems

## Electrical Surveying

11.3.1 Where an induced polarization geophysical system is being operated

(1) all energized wires shall be sufficiently insulated to prevent an electric shock when the system is being operated at its maximum rated voltage,

(2) the induced polarization electrodes shall have visible warning stickers stating "Danger — High Voltage"

- (3) the person in charge of the survey shall ensure that
- signs shall be posted at the entrances to the area where induced polarization surveys are being carried out to warn other persons who may enter the area,
  - radio communication is provided to a member of the crew whose movements are out of sight and sound of the other crew members, and
  - all signs are removed on completion of the survey and no wires used during the survey are left on the site after the survey is completed, and
  - electric blasting activities are coordinated with active induced polarization and active electromagnetic survey work.

## Uranium/Thorium Exploration

## Designated Site

11.4.1 (1) Where a person intends

- to commence exploration or cause exploration to be commenced for uranium, thorium or both, or
- to commence exploration or cause exploration to be commenced in a designated area

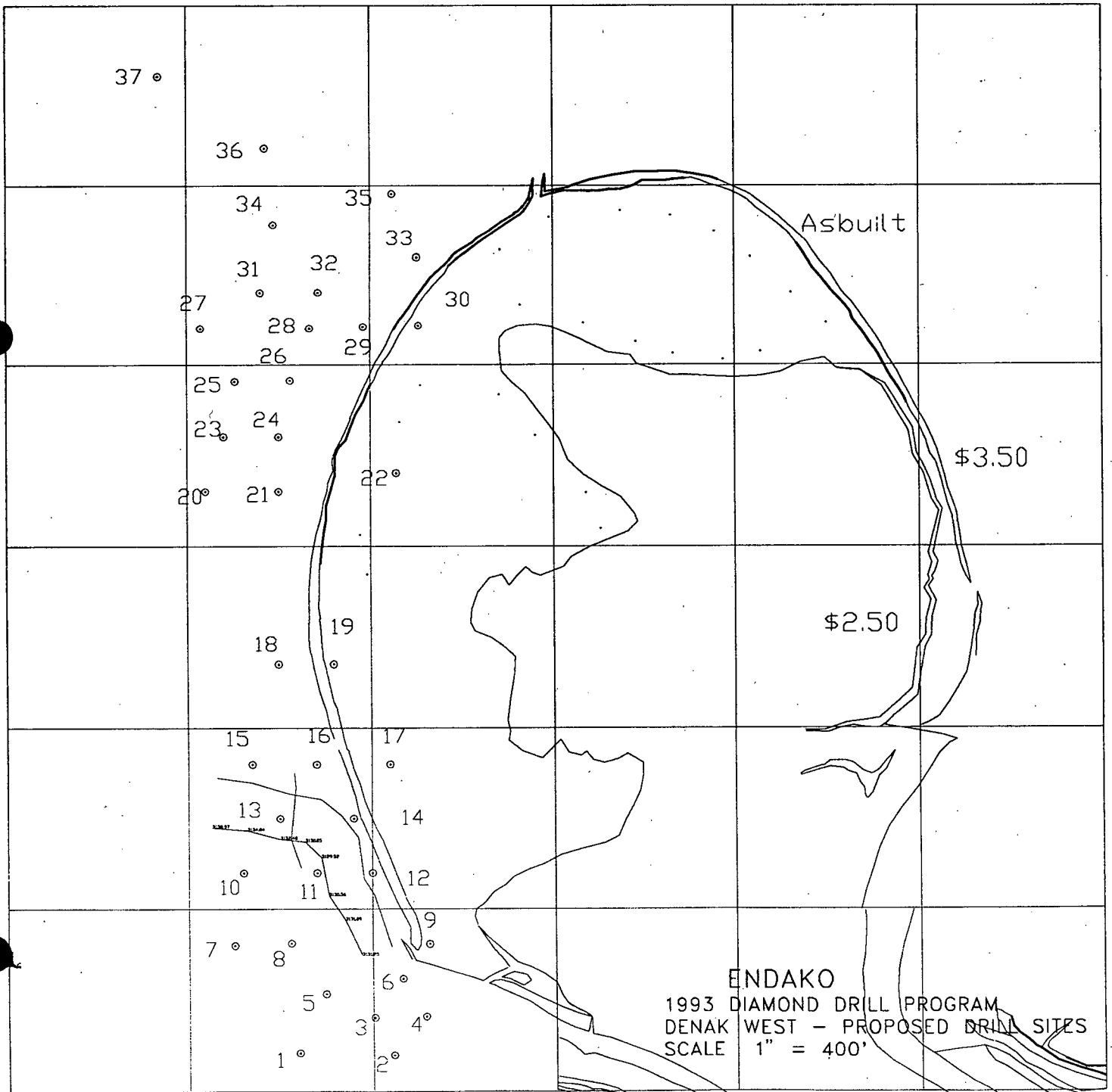
he shall notify the chief inspector and the district inspector of his intention by filing on the prescribed form, obtainable from the district inspector, at least 30 days before commencing exploration.

(2) A person who notifies the chief inspector and the district inspector under subsection (1) shall forthwith after filing that information with the chief inspector and the district inspector, cause a notice of the location of the intended exploration to be published in the Gazette and in a newspaper that circulates the area close to the designated site.

## Baseline Survey

11.4.2 In addition to all the requirements of the *Mines Act*, the regulations and the code, no person shall commence exploration or cause exploration to be commenced at a designated site until

Schedule "A"



Revised July, 1986.

Schedule "B"

GENERAL CONDITIONS

<u>ARTICLE</u>	<u>HEADING</u>
1	Definitions and Representations of Parties
2	Execution, Intent and Interpretation of Documents
3	Drawings and Specifications of the Work
4	Contractor's Understanding
5	Work to be Performed
6	Method and Manner of Performance
7	Status and Decisions of Engineer
9	Order of Completion
9	Inspection
10	Assistance to Engineer by Contractor
11	Protection of Life, Property and Public Utilities
12	Contractor's Warranty
13	Workers Compensation Act
14	Insurance
15	Indemnification and Save Harmless
16	Surveys, Permits, Licences, Compliance with Laws and Regulations
17	Temporary Conveniences, Shelter and Transportation
18	Subcontracts
19	Method of Payment
20	Payments Withheld
21	Deductions for Uncompleted Work
22	Correction of Work before Final Payment
23	Materials
24	Records
25	Delays, Extensions and Stand-By Time
26	Suspension of Work
27	Changes in the Work
28	Owner's Right to Terminate Contract
29	Contractor's Right to Stop Work or to Terminate Contract
30	Owner's Right to Take Over
31	Removal of Equipment
32	Use of Completed Portions
33	Work of Other Contractors
34	Rights of Various Interests
35	Expediting Completion
36	Liens
37	Clean Up
38	Guarantee and Period of Maintenance of Work Executed
39	Final Acceptance
40	Arbitration

ARTICLE 1. DEFINITIONS AND REPRESENTATIONS OF PARTIES:

- (a) The "Contract Documents" consist of the Tender Documents and the Tender of the Contractor as accepted by the Owner, the Minutes of all Pre-Award meetings, the executed Agreement, the Plans and all Drawings and Specifications further detailing, explaining or modifying the Work when issued or approved by the Engineer, and all Schedules attached thereto, whether produced before or after the date of the award of the Contract.
- (b) The "Owner" and the "Engineer" are those mentioned as such in the Agreement. They are treated throughout the Contract as if each were of the singular and masculine gender. Wherever in this Contract the word "Engineer" is used it shall be understood to refer to the Engineer of the Owner.
- (c) The "Contractor" shall mean the person or persons, firm or firms, company or companies to whom the Contract has been awarded and shall include his or their heirs, executors, administrators, successors or assigns.
- (d) The "Superintendent" shall mean the person appointed by the Contractor to represent the Contractor on the job site.
- (e) The term "Subcontractor" as used herein includes only those having a direct contract with the Contractor and it includes those who furnish materials worked to a special design according to the Plans and Specifications, but does not include those who merely furnish material not so worked.
- (f) The "Tender Documents" consist of the Invitation to Tender, the Instructions and Information for Tenderers, the Tender Forms, the General Conditions, the Special Conditions, the Form of Agreement, the Specifications, the Tender Drawings and the Addenda.
- (g) The term "Work" shall mean all or any part of the work to be executed under the Contract, and shall include all transportation, labour, materials, transportation, workmanship, tools, machinery of every description and everything which is necessary to be done, performed or provided by the Contractor or Subcontractors in order to complete the Contract.
- (h) All times stated in the Contract are of the essence of the Contract.

ARTICLE 2. EXECUTION, INTENT AND INTERPRETATION OF CONTRACT DOCUMENTS:

The Contract Documents shall be signed in triplicate by the Owner and the Contractor.

The Contract Documents are complementary and indivisible, and what is called for by any one shall be as binding as if called for by all. The intention of the Contract is that it shall call for the Contractor to provide all labour, equipment and transportation necessary to properly execute the Work, and to provide all materials necessary to properly execute the Work unless specified herein as being supplied by the Owner. Should any labour, materials, equipment,

transportation or service not mentioned specifically in the Contract be required, it shall nevertheless be the responsibility of the Contractor to furnish the same without claim for additional compensation.

Materials or Work described in words which, so applied, have a well known technical or trade meaning shall be held to refer to such recognized standards.

It shall be the responsibility of the Contractor to ensure that his supervisory personnel are thoroughly familiar with contents of the Specifications and extra copies of the Specifications will be made available to the Contractor on his request therefor.

Where discrepancies occur between the scale affixed to any Drawings and the figured dimensions thereon, the figured dimensions shall be held to be correct, and where discrepancies occur between Drawings of different scales, the larger scale Drawing shall be held to be correct.

The Plans, Drawings and Specifications, and all additional Drawings and instructions as may from time to time be furnished by the Engineer for the more particular and detailed description of the various parts of the Work, shall be strictly adhered to by the Contractor unless any deviations therefrom shall be authorized by the written instructions of the Engineer.

#### ARTICLE 3. PLANS, DRAWINGS AND SPECIFICATIONS OF THE WORK:

All Plans, Drawings, Specifications and copies thereof furnished by the Owner are the property of the Owner. They are not to be used on other projects, and with the exception of the signed Contract set are to be returned by the Contractor to the Engineer at the completion of the Work.

#### ARTICLE 4. CONTRACTOR'S UNDERSTANDING:

It is understood and agreed that the Contractor, as a result of careful examination, has satisfied himself as to the nature, extent and location of the Work, the conformation of the ground, the character, quality and quantity of the surface or sub-surface materials and structures to be encountered, the character of equipment and facilities needed preliminary to and during the prosecution of the Work, availability of labour, water, power, road and uncertainties of weather, conditions pertaining to transportation, disposal, handling and storage of materials, the general and local conditions and all other matters which may affect the Work under the Contract.

Any failure by the Contractor so to do shall not affect or modify any of the terms or obligations herein contained.

ARTICLE 5. WORK TO BE PERFORMED:

The Contractor agrees to furnish the materials called for by the Contract except those which may be specified as being furnished by the Owner. All materials shall be new, and both workmanship and materials shall be of a good quality and are subject to the approval of the Engineer.

The Contractor shall furnish and pay for all supervision, labour, tools, supplies, equipment, light, power and all construction materials and facilities necessary for the performance of the Work, excepting only those materials which may be specified as being furnished by the Owner.

The Contractor shall give proper supervision to the Work using his best skill and attention. The Contractor shall provide and employ on the site only such superintendents and assistants who are skilled, experienced and competent to give proper supervision to the Work they are required to supervise.

The Contractor shall operate modern equipment in good condition and maintain such to the satisfaction of the Engineer.

The Contractor shall, at his own expense, temporarily relocate any power, telephone and telegraph services requiring to be relocated to facilitate the execution of the Work, or have such services relocated by those authorities having jurisdiction over same, at his own expense.

The Contractor shall provide a qualified and competent surveyor to lay out the Work and run lines and levels for all the Work. The Contractor shall be responsible for all measurements necessary for completion of the Work as shown on the Drawings.

ARTICLE 6. METHOD AND MANNER OF PERFORMANCE:

The Contractor shall employ only such persons as are competent, skilled and experienced in their respective trades and callings. The Contractor shall at all times endorse discipline and good order among his employees, and shall not employ any person who engages in improper conduct.

The Contractor shall forthwith appoint a Superintendent of full and proper qualifications, who is acceptable to the Owner, to represent him on the site. The Superintendent shall be fully authorized to represent the Contractor and to receive on behalf of the Contractor decisions, instructions and interpretations from the Engineer. Any such decisions, instructions and interpretations, and any notices hereunder, given to the Superintendent shall be deemed given to the Contractor.

The Superintendent shall not be changed except at the request or with the consent of the Engineer, unless such Superintendent proves to be unsatisfactory to the Contractor or ceases to be in his employ.



ARTICLE 7. STATUS AND DECISIONS OF ENGINEER:

The Engineer shall have general supervision and direction of the Work. He shall have the authority to stop or delay the start of the Work whenever such stoppage or delay may be necessary for the proper execution of the Contract. He shall also have the authority to reject all Work and materials which do not conform to the Contract and to decide all questions which arise in the execution of the Work.

The presence of the authorized representative of the Engineer or the Engineer on the job does not relieve the Contractor from providing continuous superintendence for the detailed direction of the Work. The Engineer shall, within a reasonable time of their presentation to him, make decisions in writing on all claims of the Contractor and all matters pertaining to the execution and progress of the Work or to the interpretation of the Contract.

ARTICLE 8. ORDER OF COMPLETION:

The Contractor shall submit, at such times as may be requested by the Engineer, schedules which shall show the order in which the Contractor proposes to carry on the Work, with dates on which the Contractor will start the several parts of the Work and the estimated completion dates of the several parts, and Work shown thereon shall not be started until such schedules have been approved by the Engineer. The Engineer shall have full power to direct which portion of the Work is to be completed at any particular time.

ARTICLE 9. INSPECTION:

All Work performed and materials furnished by the Contractor shall be subject to inspection by the Engineer and his representatives to determine compliance or non-compliance with the Specifications.

The Engineer and his representatives shall at all times have access to the Work wherever it is in preparation or progress and the Contractor shall provide proper facilities and every reasonable assistance for such access and for inspections, even to the extent of dismantling portions of the Work. If any Work should be covered up without approval or consent of the Engineer it must, if required by the Engineer, be uncovered for examination at the expense of the Contractor. If any Work performed by the Contractor or materials furnished by him hereunder are determined by the Engineer to be defective, or fail to comply with the Specifications, then the Contractor shall, at his own expense, immediately repair, re-do or replace the Work or materials so found to be defective so that such Work or materials will comply with the Specifications as interpreted by the Engineer.

If the Contractor, after reasonable notice, fails to replace any defective Work or materials furnished by the Contractor, the Engineer may cause such defective Work or materials to be repaired or replaced by others, and the cost thereof shall be a charge to the Contractor.

Failure on the part of the Engineer to discover or reject Work and materials furnished by the Contractor which are not in accordance with the Specifications shall not be construed to imply an acceptance of such Work or materials. Also, payment or partial payment and/or entire or partial occupancy of the Work by the Owner shall not be construed to be an acceptance of the Work or materials (so as to relieve the Contractor from his obligations hereunder).

ARTICLE 10. ASSISTANCE TO ENGINEER BY CONTRACTOR:

The Contractor shall, at his own expense, furnish the Engineer with labour to assist him when necessary to measure up Work for progress payments.

ARTICLE 11. PROTECTION OF LIFE, PROPERTY AND PUBLIC UTILITIES:

The Contractor is fully responsible for taking all reasonable safety precautions during the performance of the Work. The Contractor shall protect all property from damage or losses resulting from the performance of the Work and shall minimize the disturbance and inconvenience to the public. When, in the opinion of the Engineer or local authorities, or when required by law, barricades, passage-ways, lights and other facilities, fences or guard rails are necessary, the Contractor shall provide same immediately at no additional charge to the Owner, and the Contractor shall indemnify the Owner from any and all liability or claims arising from blasting by the Contractor.

The Contractor shall, at his own expense, promptly repair or have repaired to the satisfaction of the Engineer and any public officials or representatives having jurisdiction over same, all bridges, culverts, dykes, private roads, fences, poles, buildings or other property damaged or destroyed as a result of the Work herein to be performed.

Should the Contractor require to blast in order to perform the Work he shall, before commencing the blasting operation, ascertain if there is in the vicinity of his operations any surface or underground structure which is in danger of being broken or damaged and, if so, he shall notify the Engineer of such structure and when and where he intends blasting. The Owner shall hold the Contractor entirely responsible for all claims for damages arising from the blasting. All blasting is to be carried out by fully qualified and licensed personnel and the Contractor shall obtain all necessary municipal or other permits prior to undertaking any blasting.

The Contractor, while on the property of the Owner, shall comply with all rules and regulations that are or may be established by the Owner regarding safety and the manner in which the Work shall be performed.

The Contractor shall support and protect by timbers or otherwise all water or sewer pipes, conduits, poles, wires or other apparatus which may in any way be affected by the Work and do everything necessary to support, sustain and protect same.

In the event that said water or sewer pipes, conduits, poles, wires or other apparatus shall be damaged, they shall be repaired by the authorities having control of same or by the Owner and the expense of such repairs shall be deducted from the amounts due to the Contractor.

In the case of an emergency arising during the execution of the Work affecting or threatening the safety of life, or of the Work, or of adjoining or other property, the Contractor may, unless directed to the contrary by the Engineer, at his discretion take such steps as he deems proper to prevent or lessen any such effect or threat provided, however, that in case of such emergency the Contractor shall forthwith follow any directions given to him by the Engineer.

ARTICLE 12. CONTRACTOR'S WARRANTY:

The Contractor shall not be deemed to have discharged his covenants hereunder by any certificate or payment in full or in part. The Contractor hereby warrants for himself and all Subcontractors that the Work, including labour and materials, is and will be free from defects of workmanship or quality whether supplied by the Contractor or any Subcontractors for a period of one (1) year following the date of final acceptance.

ARTICLE 13. WORKERS COMPENSATION ACT:

The Contractor shall be registered as an employer with the Workers' Compensation Board and shall pay all and any sums which he may be required to contribute to the Accident Fund under the "Workers Compensation Act".

ARTICLE 14. INSURANCE:

A. The Contractor at his own expense shall arrange and keep in force during the term of the Contract, with an insurer acceptable to and approved by the Owner, the following liability insurance:

- (1) Comprehensive General Liability Insurance which shall include but not be limited to Operations, Contractor's Protective, Contractual, Products, Completed Operations (coverage to be effective for twelve (12) months following completion of the Work), and Non-Owned Automobile Liability, with a bodily injury and/or death limit of not less than \$2,000,000 for each occurrence and a property damage limit (including loss of use of property) of not less than \$2,000,000 for each occurrence, and in the aggregate for Products and Completed Operations Liability. The Owner shall be named as an additional insured under such policy, and the policy shall contain a clause reading as follows:  
"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) Owned Automobile Liability Insurance with a bodily injury and/or death limit of not less than \$2,000,000 for each occurrence and a property damage limit (including loss of use of property) of not less than \$2,000,000 for each occurrence.
- B. The Contractor and/or Subcontractors shall also arrange and keep in force during the term of the Contract, with an insurer acceptable to and approved by the Owner, at the Contractor's and/or Subcontractors' own expense and cost, insurance on all equipment owned, hired or used by them in connection with the Work. The Owner shall be named as an additional insured under this policy.
- C. A certificate of insurance certifying that the Contractor has insurance as required under Articles 14(A) and 14(B) hereof shall be delivered to the Owner upon acceptance of the Contract.
- D. The Contractor and/or Subcontractors shall arrange that any insurance required pursuant to this Article 14 shall not be cancelled unless 60 days prior written notice has been given to the Owner by the insurer.
- E. It is understood that no liability assumed by the Contractor by contract or other arrangements with third parties shall operate to render the Owner liable for loss of or damage to construction equipment used in connection with the Work.

ARTICLE 15. INDEMNIFICATION AND SAVE HARMLESS:

The Contractor shall be solely liable for all injuries to and/or death of any and all persons and for all damage to, loss and/or destruction of property, and all increased cost suffered or incurred by the Owner, arising out of or connected in any manner with the performance or purported performance of the Work.

The Contractor shall indemnify and hold harmless respectively the Owner and the Owner's directors, officers, agents and servants from and against any and all claims, losses, damages, costs or expenses, whether direct or indirect and whether to person or property, including the Work specified herein, to which such party may be put or subjected by reason of any act or omission on the part of the Contractor or any of his directors, officers, agents or servants or any of his Subcontractors or any of such Subcontractor's directors, officers, agents or servants.

ARTICLE 16. SURVEYS, PERMITS, LICENCES, COMPLIANCE WITH LAWS AND REGULATIONS:

The Owner shall furnish all land and legal surveys unless otherwise specified, but the Contractor shall lay out the Work from base lines and bench marks supplied by the Engineer.

All permits and licences of a temporary nature necessary for the prosecution of the Work shall be secured and paid for by the Contractor unless otherwise specified. The Contractor shall obtain all permits and licences necessary for him to operate and do business in any jurisdiction required in the performance of the Work, and all permits and licences necessary for moving all construction equipment, tools, supplies, materials and men across railroads and highways, across public and private lands off the Work site, and along public and private roads. During the performance of the Work the Contractor shall fully comply with all applicable by-laws, rules, regulations and orders made or promulgated by any government, government agency or department, municipality, board, commission or other regulatory body, and shall give all stipulations and certificates of compliance therewith as may be required by such applicable laws, by-laws, rules, regulations or orders. Further, the Contractor shall comply with all rules and regulations that are or may be established by the Owner regarding safety or the manner in which the Work shall be performed.

The Contractor shall be fully responsible for complying with all federal, provincial and municipal laws, regulations and orders pertaining to fire and fire hazards.

The Contractor assumes full responsibility for the payment of all contribution and payroll taxes, whether federal, provincial, municipal or otherwise, as to its employees, servants or agents engaged in the performance of the Work specified in this Contract, including payroll deductions for income tax and unemployment insurance. Further, the Contractor shall make all contributions to pension funds that may be required to be made on behalf of its employees, servants or agents under any collective agreement to which they are subject, and shall indemnify and hold the Owner harmless from any claims arising as a result of its failure to do so.

The Contractor shall pay all taxes applicable to his operations as imposed by government authority, at no additional cost to the Owner.

The Contractor shall require any Subcontractor to whom any portion of the Work to be performed hereunder may be sublet to make like compliance and, in this connection, the Contractor agrees to save and hold the Owner harmless from any and all penalties, actions, causes of action, damages, claims and demands whatsoever arising out of, or occasioned by, failure of the Contractor or the Subcontractor to fully and properly comply with said by-laws, rules, regulations, laws and orders as herein set forth.

The Contractor shall pay all royalties and licence fees and shall save the Owner harmless from all suits or patents in force at the time of signing the Contract.

ARTICLE 17. TEMPORARY CONVENIENCES, SHELTER AND TRANSPORTATION:

The Contractor shall provide and maintain earth closets or other such temporary conveniences as may be required for the use of all workmen employed in the execution of the Work.

The Owner will not be responsible for providing food, water, shelter, medical attention or transportation for employees of the Contractor.

The Contractor shall supply any shelter required for materials to be provided either by the Owner or the Contractor for incorporation in building structures.

ARTICLE 18. SUBCONTRACTS:

The Contractor shall not assign or sublet the Work or any portion or portions of the Work covered by the Specifications without the written consent of the Engineer. The Engineer reserves the right to refuse to permit any person or organization to participate in the Work covered by the Specifications. The subcontracting of any such Work shall not relieve the Contractor of any of his liability and responsibility hereunder and the Contractor agrees that he is as fully responsible to the Owner for the acts and omissions of his Subcontractors, and of persons employed by them as he is for the acts and omissions of persons directly employed by him.

The Subcontractors shall be responsible to the Contractor and nothing contained in the Contract shall create a contractual relationship between any Subcontractor and the Owner. However, the Engineer shall have the same rights and privileges with respect to the inspection or supervision of the Work as provided for in the Specifications governing the Work of the Contractor, and the Contractor shall enforce as against the Subcontractors any decision of the Engineer hereunder.

Subcontractors shall meet all insurance requirements as set out herein and shall be liable for all injuries to persons or damage to property occasioned by the acts or neglect of the Subcontractors, their agents and employees. Subcontractors shall bear the same responsibility as the Contractor hereunder with respect to builders' liens. The Owner shall be indemnified by the Contractor against all actions, causes of actions, claims and demands, either in law or in equity, arising from the acts, omissions or employment of Subcontractors within the same limits as those prescribed for the Contractor.

Before they submit tenders subcontractors must be notified by the Contractor of the General Conditions, the detailed Specifications and the form of the Contract.

ARTICLE 19. METHOD OF PAYMENT:

The Owner agrees to pay or cause to be paid to the Contractor, in lawful money of Canada, the Contract price in the following manner:

(1) Progress Payments

Once in each calendar month the Contractor shall submit an invoice for the Work completed up to and including the last day of the previous calendar month. After approval of the invoice by the Engineer, the Owner shall within thirty (30) days following receipt of the said invoice make, or cause to be made, payment for ninety (90%) percent of the value of the completed Work as shown on the said invoice. Such progress payments for any portion of the Work shall in no degree release or relieve the Contractor from liability for any loss, injury or damage which may result from the use of improper materials or workmanship, or omissions or defects in the Work which may have escaped the notice of the Engineer.

(11) Final Payment

The amount remaining due to the Contractor shall be retained by the Owner until the expiration of seventy (70) days after completion, final testing and acceptance of the Work by the Engineer. At such time, the Contractor shall submit an invoice for the amount of the ten (10%) percent holdback monies and any other monies which may be due to the Contractor under the Contract. Subject to approval of such Invoice by the Engineer, the amount remaining due shall be paid by the Owner to the Contractor provided that:

- (a) there are no mechanics', repairers', builders', labourers', materialmans' and/or similar liens filed with respect to the Work; and
- (b) the Contractor has furnished the Owner with evidence of the release of all claims arising hereunder, including appropriate sworn statements to show that no such liens have been or may be attached to the Work or to the real and personal property of the Owner, and evidence in writing from the Workers' Compensation Board that the Contractor is registered as an employer with such Board and has paid all and any sums which it may be required to contribute to the "Accident Fund" under the Workers' Compensation Act from commencement of the Work to its completion.

ARTICLE 20. PAYMENTS WITHHELD:

Notwithstanding that payment may have been made in respect of any portion of the Work based on certification thereof by the Engineer as aforesaid, the Owner may deduct from any amount subsequently shown to be owing to the Contractor a sum sufficient to protect himself from loss (in respect of the Work for which payment has been made) arising from:

- (i) defective Work not remedied;
- (ii) claims filed or reasonable evidence indicating probable filing of claims;
- (iii) failure of the Contractor to make payments properly to Subcontractors, or for material or labour;
- (iv) damage to another contractor.

When the above grounds for withholding payments are removed payments shall be made for amounts withheld because of them; provided that the Owner shall not be obligated to pay any interest on amounts withheld pursuant to this Article.

ARTICLE 21. DEDUCTIONS FOR UNCOMPLETED WORK:

If, in the opinion of the Engineer, it is inexpedient to correct Work damaged or done not in accordance with the Contract, an equitable deduction shall be made from the Contract price therefor.

ARTICLE 22. CORRECTION OF WORK BEFORE FINAL PAYMENT:

The Contractor shall promptly remove from the premises all material condemned by the Engineer or his representatives as failing to conform to the Specifications, whether incorporated in the Work or not, and he shall promptly replace and re-execute the Work in accordance with the Contract and without expense to the Owner, and shall bear the expense of making good all work of other contractors destroyed or damaged by such removal or replacement.

ARTICLE 23. MATERIALS:

Upon completion of the Work the Contractor shall, to the satisfaction of the Engineer, account for all materials furnished by the Owner, and shall return to the Owner in good condition any unused materials furnished or paid for by the Owner.

ARTICLE 24. RECORDS:

At all times the Contractor shall keep full and complete records of expenditures made or indebtedness incurred by him, with respect to which he may be entitled to payment or reimbursement by the Owner. Such records shall at all reasonable times and at the site of the Work be open to inspection and audit by the Owner.

ARTICLE 25. DELAYS, EXTENSIONS AND STAND-BY TIME:

If the Contractor be delayed at any time in the progress of the Work due to any neglect of the Owner or of his employees or by any other contractor employed by the Owner, or by changes ordered in the Work, or by unavoidable casualties or other causes beyond the reasonable control of the Contractor, or by any cause which the Engineer shall decide justifies the delay, then the time of completion of the Work shall be extended for such reasonable time as the Engineer or the Owner may decide. However, no such extension of time shall be considered for delay occurring more than seven (7) days before claim therefor is made in writing to the Engineer. In the case of continuing cause of delay, only one claim is necessary.

Claims for stand-by time, including all claims of third parties, arising out of the Contractor's failure to properly perform any of his duties or obligations under this Contract, or from other causes reasonably within the control of the Contractor, shall be for the Contractor's account. Claims for stand-by time arising from other causes shall be for the Owner's account, provided that, with respect to the Contractor's claims, the Contractor submits them daily to the Company and the Company approves them.



ARTICLE 26. SUSPENSION OF WORK:

Should it appear that construction will be delayed for any reason the Engineer may, at his discretion, suspend at any time the performance of all or any portion of the Work by notice in writing to the Contractor. In the event of such suspension of Work, the Owner shall negotiate with the Contractor for a stand-by charge to be paid to the Contractor during such period of suspension of Work. Before resumption of Work after any suspension of Work, the Owner or the Engineer will agree with the Contractor upon a revised completion date for the Work.

ARTICLE 27. CHANGES IN THE WORK:

The Owner, without invalidating the Contract, may make changes by altering, adding to, or deducting from the Work, the contract sum being adjusted accordingly. All such Work shall be executed under the conditions of the Contract except that any claim for extension or reduction of time caused thereby shall be adjusted at the time of ordering such change. No change shall be made unless authorized in writing by the Owner. The Contractor shall not claim for loss of profits or anticipated profits or damages at any time due to any decision to reduce or delete any part of the Work, provided that the Contractor will be compensated for any materials brought to the site and Work partially completed prior to the order requesting the deletion or reduction.

The value of any change shall be determined in one or more of the following ways, as the Owner shall elect:

- (a) by unit prices agreed upon,
- (b) by estimate and acceptance in a lump sum,
- (c) by cost plus a fixed fee,
- (d) by cost plus a percentage.

When additional Work is performed on a cost plus percentage or cost plus fixed fee basis, the Contractor shall submit to the Owner at the end of each day a detailed report in duplicate showing the names, occupations, and times of all personnel employed on such Work during that day, and a complete bill of materials supplied and installed in the Work during that day. The value of this Work shall consist of:

- (1) the direct wages and salaries of workmen, equipment operators, foremen, clerks and other personnel, all as specifically approved by the Owner, employed directly on the extra Work at the site, plus the actual Workers Compensation, Unemployment Insurance, Vacation Pay and similar statutory or union benefits and assessments applicable to the above direct wages and salaries,

provided that the salary, benefits and assessments for the Superintendent or equivalent representative of the Contractor shall be included only if no firm price Work remains to be completed;

- (ii) applicable living and travelling allowances provided to the personnel referred to above;
- (iii) cost of materials installed in or used directly in connection with the extra Work (excepting materials paid for under other provisions or supplied by the Owner);
- (iv) rentals of construction plant and equipment employed on the extra work at the rates forming part of the Tender or otherwise previously agreed upon, or in accordance with rental agreements approved by the Owner for items not covered by the Tender or otherwise previously agreed upon; and transportation to and from the site, assembling and dismantling as required, provided that the said equipment must be brought to the site for the extra Work only;
- (v) payments to Subcontractors, determined as set out above plus a fee as stipulated in Item (vi) or by unit prices or lump sum prices approved by the Owner;
- (vi) a percentage (fee) applicable to Items (i) to (v) inclusive above, which shall be 15 per cent of Item (i), 5 percent of Items (ii), (iii), and (v), and 15 percent of the transportation, assembly and dismantling costs if applicable in Item (iv), and which shall be full compensation for all other costs including, but not limited to, office and office furnishings, small tools and expendable supplies, overheads and profits. Alternately, at the Owner's discretion, a fixed fee in lieu of these percentages may be agreed upon before the Work commences.

The various costs in Items (i), (ii), and (iii), and where applicable Item (iv), above shall not exceed the costs to the Contractor for comparable costs on the firm price part of the Work.

Compensation to the Contractor for materials no longer required due to any decision to reduce or delete any part of the Work shall be limited to the actual costs to the Contractor of returning the materials to the supplier, as evidenced by billings or note of credit from the supplier, unless the Owner at his own discretion elects to accept and pay the costs of these materials.

ARTICLE 28. OWNER'S RIGHT TO TERMINATE CONTRACT:

The Owner may, at his option, at any time and for any reason he may deem advisable, cancel and terminate the Contract, in which event the Contractor

shall be entitled to receive compensation as follows:

- (a) For Lump Sum Items: The Contractor and Engineer shall agree on the percentage completion of such items based on their dollar value and the Contractor shall be compensated to the amounts of these percentages based on the Lump Sum Prices listed in the Agreement.
- (b) For Unit Price Items: The Contractor and Engineer shall measure up and agree on the exact quantities of Work done up to the time of the termination of the Contract and the Contractor shall be compensated for the full amounts of Work done based on the unit costs listed in the Agreement.
- (c) Demobilization: The Contractor shall be paid such an amount as in the opinion of the Engineer will adequately compensate the Contractor for moving his men, equipment, tools, supplies and materials off the site.
- (d) Additional Compensation: The Contractor shall be paid an additional amount to compensate the Contractor for any inconvenience incurred by him due to the termination of the Contract by the Owner. Such compensation shall amount to not more than ten (10%) percent of the value of uncompleted Work at the time of termination of the Contract, and shall not include any loss of anticipated profits.

The provisions of this Article do not apply to terminations or cancellations which occur pursuant to Article 30 hereof.

ARTICLE 29. CONTRACTOR'S RIGHT TO STOP WORK OR TO TERMINATE CONTRACT:

Should the Work be stopped under an order of any Court or other public authority for a period of three (3) months, through no act or fault of the Contractor or of anyone employed by him, or if the Owner should fail to pay the Contractor within thirty (30) days of the dates specified in the Agreement any sum certified by the Engineer, then the Contractor may, upon furnishing ten (10) days written notice to the Owner and the Engineer, stop the Work and terminate this Contract and recover payment from the Owner for all Work executed.

ARTICLE 30. OWNER'S RIGHT TO TAKE OVER:

If the Contractor shall be adjudged a bankrupt, or if he should make a general assignment for the benefit of his creditors, or if a receiver should be appointed on account of his insolvency, or if he should refuse or should fail to make prompt payment to Subcontractors for labour or materials, or should refuse or delay to appoint a suitable Superintendent or otherwise fail to comply with Article 6 hereof, or disregard laws or ordinances, or fail to carry out any part of the Work covered by these Specifications in an efficient, workmanlike, skillful and careful manner in accordance with this Contract, or in the event of the failure of the Contractor to comply with any of the requirements of the

Contract and Specifications, the Engineer may give written notice to the Contractor stating the respect or respects in which the Contractor is failing to comply with the terms of the Contract and the Specifications, or to satisfy the Owner and if the Contractor does not remedy such failure within such time as is required by the Engineer, the Owner may, at his option, and regardless of the stage of completion of the Contract, terminate the right of the Contractor to proceed with the Work without prejudice to any right, remedy or claim which the Owner may have hereunder, and may award all or any part of the said remaining Work to another contractor or contractors, or perform all or any part of the said remaining Work himself. In the event of such termination the Owner, for the purpose of completing the Work, shall have the right to take possession of and use all or any part of the Contractor's materials, plant, tools, equipment (including appliances thereon), supplies and property of any and every kind provided by the Contractor, and may finish the Work by whatever method he may deem expedient, including the hiring of any contractor or contractors under such form of contract as the Owner may deem desirable. In such case the Contractor shall not be entitled to receive any further payment until the Work is finished. If the unpaid balance of the payment to be paid on this Contract shall exceed the expense of finishing the Work, including compensation for additional managerial or administrative services and such other costs and damages as the Owner may suffer, such excess shall be paid to the Contractor. If such expenses, compensations, costs and damages shall exceed such unpaid balance, the Contractor and his sureties, if any, shall be liable for and shall pay the difference to the Owner.

ARTICLE 31. REMOVAL OF EQUIPMENT:

In the case of termination of this Contract before completion from any cause whatsoever, the Contractor, if notified to do so by the Owner, shall promptly remove any part or all of his equipment and supplies from the property of the Owner, failing which the Owner shall have the right to remove such equipment and supplies at the expense of the Contractor.

ARTICLE 32. USE OF COMPLETED PORTIONS:

The Owner shall have the right to take possession of and use any completed or partially completed portions of the Work, notwithstanding the time for completing the entire Work or portions of the Work may not have expired. Such taking possession and making use shall not be deemed an acceptance of any Work not completed in accordance with the Contract.

ARTICLE 33. WORK OF OTHER CONTRACTORS:

The Owner reserves the right to have other contractors working at the job site during the term of this Contract. In such case the Contractor shall afford other contractors reasonable opportunity for the delivery and storage of their materials and the execution of their work. The Contractor shall, when required, schedule his Work to meet the commitments of the Owner to other contractors working at the job site. The Owner shall give the Contractor advance notice of such commitments in order that the Contractor may schedule his Work accordingly. With the cooperation of the Engineer the Contractor shall properly correct and co-ordinate his Work with the work to be done by other contractors at the job site.

ARTICLE 34. RIGHTS OF VARIOUS INTERESTS:

Wherever work being done by the Owner's forces or by other contractors is contiguous to the Work, the respective rights of the various interests involved shall be determined by the Engineer to ensure the completion of the various portions of the Work in general harmony.

ARTICLE 35. EXPEDITING COMPLETION:

If at any time it appears to the Engineer that the Work will not be completed by the completion date specified, then regardless of whether or not delayed completion is, or would be, excusable on the part of the Contractor and without prejudice to any other right or remedies which the Owner may have under the General Conditions, the Owner may, at his option, cause the Work to be completed on or before the said completion date by either or both of the following methods:

- (a) The Owner may require the Contractor to place on the job such additional men and equipment as will, in the opinion of the Engineer, be necessary to complete the Work on or before the said completion date. In such event the Owner shall reimburse the Contractor for the entire cost of mobilization, move-on and move-off of such additional men and equipment and in addition an amount, if any, determined by the Engineer, to cover any unusual increased costs occasioned by the Contractor under the circumstances.
- (b) The Owner may require the Contractor to subcontract to a Subcontractor approved by the Engineer such portion of the Work as the Engineer deems necessary in order to effect completion of all Work on or before the said completion date. In such event the Owner will reimburse the Contractor for mobilization, move-on and move-off costs paid to the Subcontractor, and in addition an amount determined by the Engineer to cover any other increased costs and/or loss of profit occasioned by the Contractor by reason of performance of such Work by the Subcontractor.

The Contractor agrees to use his best efforts with such additional men and equipment or by subcontracting to complete the Work on or before the completion date specified.

ARTICLE 36. LIENS:

The Contractor undertakes and agrees to take all necessary and proper steps to ensure that no claims for liens hereunder will be filed against the Work or the property of the Owner. If, notwithstanding the foregoing undertaking, any claim for a lien shall be filed, and so often as the same shall happen, the Contractor agrees that he shall, at his own expense, within fifteen (15) days of the filing

thereof, procure the same to be cancelled and removed. The Contractor further agrees to indemnify the Owner against all loss, costs, charges and expenses occasioned by, resulting from, or in any way arising out of such claims.

As part of the consideration for the execution of this Contract by the Owner, the Contractor agrees, to the full extent permitted by law, that no mechanics', repairers', builders', labourers', materialmans' or other lien or claim shall be filed or maintained by the Contractor against the real property where the Work is to be performed or the structures or equipment which are to be erected or constructed, or against any personal property of the Owner for or on account of any labour or materials furnished under the Contract, or under any supplemental instruction, arrangement or agreement for change in the Work or for extra Work or otherwise.

ARTICLE 37. CLEAN UP:

The Contractor shall at all times keep the premises free from accumulation of waste material or rubbish caused by his employees or the Work, and at completion of the Work he shall, as directed by the Engineer, remove from the Owner's property all temporary structures, rubbish, tools, scaffolding and waste materials and shall leave the Work in a clean state unless more exactly specified. In case of dispute the Owner may remove the rubbish and charge the expense incurred to the Contractor.

ARTICLE 38. GUARANTEE AND PERIOD OF MAINTENANCE OF WORK EXECUTED:

The Contractor shall guarantee the stability and sufficiency of the materials and workmanship supplied and the whole Work performed by him and shall be responsible for and make good all defects in the same at his own expense, and further, without restricting the generality of the foregoing, the Contractor guarantees to uphold and maintain the same to the entire satisfaction of the Engineer for the period of one (1) year after the date on which the said Work shall be finally accepted by the Owner.

ARTICLE 39. FINAL ACCEPTANCE:

Upon satisfactory completion of all the Work contracted hereunder and after any final tests, the Owner shall notify the Contractor in writing of final acceptance of the Work, but the Contractor shall not thereby be deemed to have discharged his covenants herein and in particular under Articles 12 and 37.

Failure or neglect on the part of the Owner to condemn or reject inferior Work or materials shall not be construed to imply an acceptance of such Work and materials.

The Contractor shall, until the Work has been fully and satisfactorily tested to the satisfaction of the Owner, and until the date of upholding and maintaining the Work has expired, have a crew available to make repairs to any part of the Work under this Contract and shall be required to correct all defects which become evident before this time. The cost of all such repairs, both materials and labour, shall be borne by the Contractor when defects are found to be caused by his poor workmanship or materials.

ARTICLE 40. ARBITRATION:

Subject to the Contractor's duty to follow directions and accept decisions of the Engineer, if any dispute arises between the parties to the Contract relating to matters in connection with the interpretation or construction of the provisions of same without satisfactory solution, if the parties mutually agree such dispute shall be settled by arbitration in the following manner:

Any party desiring arbitration pursuant to this Article shall make a written demand for same and within thirty (30) days after such written demand is received by the other party, the parties hereto shall agree upon and appoint a single arbitrator. In the event the parties shall fail to agree upon and appoint a single arbitrator within the time period set forth herein, each party shall within 7 days thereafter designate an arbitrator and both arbitrators shall, within thirty (30) days after their designation, jointly designate a third arbitrator satisfactory to them who shall be chairman of the arbitration panel.

The expenses of the arbitrators shall be paid as the arbitrators shall decide in their award. All arbitration proceedings shall be conducted in the City of Vancouver, in the Province of British Columbia, Canada, or elsewhere as the arbitrators shall decide.

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