

102

PROPERTY FILE  
93A001-07

BOSS MOUNTAIN EXPANSION PROJECT  
Organization, Practices and Procedures  
May 12th, 1975

BOSS MOUNTAIN EXPANSION ORGANIZATION,  
PRACTICES AND PROCEDURES

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TO: Mr. J. M. Slack

April 23, 1975.

FROM: J. B. Smith

SUBJECT: Boss Mountain, Project Organization

TERMS OF REFERENCE

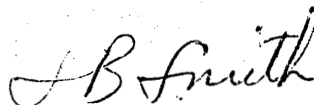
On April 14 and 15th, we reviewed the Boss Mountain "Project Plan" in some detail. Subsequent to these discussions I reviewed the practices and procedures for several other major projects.

This report defines the project objectives, proposed structure, and outlines the basis of a procedural system which should be capable of controlling the project, no matter what its scope.

GENERAL CONCLUSIONS

The ultimate physical size of this project cannot be determined at this point in time. Our program must be closely monitored to review data as it becomes available, to evaluate the effects, and enable us to pursue new directions as necessary.

Our short term plan is to provide sufficient data to justify a large scale test program or feasibility study leading to a production decision.



J. B. Smith,  
Evaluation Engineer,  
Noranda Exploration Co.

PROGRAM OBJECTIVES

OBJECTIVE NO. 1

Prove up the technical feasibility of up-grading the low grade open pit ore by sizing, and determine the optimum method by which it can be achieved.

OBJECTIVE NO. 2

Develop a reliable method of ore reserve determination for low grade ore and using this method, provide the Project with sufficient proven reserves (38,500,000 Tons), to justify production.

OBJECTIVE NO. 3

Establish critical environmental engineering requirements and carry out necessary testing.

OBJECTIVE NO. 4

Develop program that would permit the Boss Mountain operation to convert gradually from an underground operation to an open pit operation with minimum production loss.

OBJECTIVE NO. 5

Monitor research and test results continuously, determine effects on overall program, revise action to suit.

OBJECTIVE NO. 6

Conduct evaluation of a possible Molybdenite Roaster in B. C.

PROGRAM ACTIVITIES

1. Investigate autogenous grinding as a method of size reduction. Check out grinding units other than ball mills, in use in other mines (Asbestos, iron ore).  
Determine what lab scale facilities might be useful.  
( J. E. Murray )
2. Investigate purchase of portable crushing and screening plant. Mine test tonnages from the open pit reserves. Process through portable plant, effecting separation at various sizes.  
( Mining Corp. )
3. Send samples of ball mill feed to various equipment suppliers to test ability to separate the ore at relatively fine mesh (10 to 20) by screens or cyclones. Determine recoveries and capacities of units.  
( J. E. Murray )
4. Determine probable process water requirements for an expanded operation, including wet screening.  
( )
5. Develop procedures for analysis of diamond drill core. Attempt to correlate with old diamond drill results.  
( D. J. Carson  
A. R. Pollmer )
6. Attempt to determine the amount of friable material in the low grade stringer ore.  
( Carson-Pollmer )
7. Lay out diamond drill program on a pattern which will place ore reserves in the proven category in the quantities required.  
( Carson-Pollmer )
8. Plan test excavations to permit visual inspection and detail mapping of stringer mineralization over pit area.  
( Carson-Pollmer )

9. Confirm ore reserve estimates used in studies to date.  
( R. J. Beggs )
10. Compile all data on ore reserves in a way suitable for future computer studies. Develop geostatistical model for estimating ore reserve grade and confidence limits.  
( A. R. Pollmer )
11. Gather background information on water quality of various streams and lakes in the mine vicinity. This would be an on-going study.  
( J. E. Murray )
12. Conduct preliminary surveys for the impoundment of larger amounts of concentrator tailings as well as for disposal areas for waste reject at the pit.  
( Mining Corp. )
13. Control of the spring run-off water must be solved.  
( )
14. Preliminary design for the recirculation of water in the concentrator and screening plant should be carried out to such a point that accurate cost estimates can be produced.  
( )
15. Investigate the diversion of Molybdenite Creek past future open pit.  
( )
16. Investigate possible arrangements to screen and discard oversize in existing mill, and determine maximum rate at which ore can be processed.  
( Mining Corp. )

17. Revised production schedules for the existing underground reserves should be prepared with the following points
- a) Removal of Breccia ore at maximum rate.
  - b) Following a), maximum removal rate for remaining underground stringer ore.
  - c) Maximum rate at which crushed (screened?) muck could be fed to a raise from open pit and out the adit.

( A. Cormie )

18. Batch process stringer ore from open pit through modified concentrator (See ), assuming this can be done at a profitable rate.

( )

19. Design open pit, equipment requirements, possibly using computerized information.

( )

20. Determine requirements to upgrade townsite facilities.

( )

#### PROJECT ORGANIZATION

Initially, at least, the project should be low keyed with much of the work done by the Boss Mountain personnel as is possible.

Whenever the pressures of maintaining daily production prevent participation by Boss personnel, Mining Corporation and outside consultants should be used for both Technical and contract help.

PROJECT ORGANIZATION

(cont'd)

A Project Manager would be appointed, with the following authority and responsibility to the Boss Mountain Open Pit Project.

- a) Provide liaison and direction for all phases.
- b) Provide a central location where all information could be monitored and disseminated.
- c) Act as a direct contact for all Consultants and Contractors.
- d) Initiate action on any given phase.
- e) Produce Progress Reports as necessary.

RELATIONSHIP OF PROJECT MANAGER  
TO VARIOUS PERSONNEL

The Project Manager shall:

- a) Report to the General Manager
- b) Liaison with Mine Manager.
- c) Control and Direct activities of Mining Corporation, outside consultants, other contractors.
- d) Liaison with Company consultants.

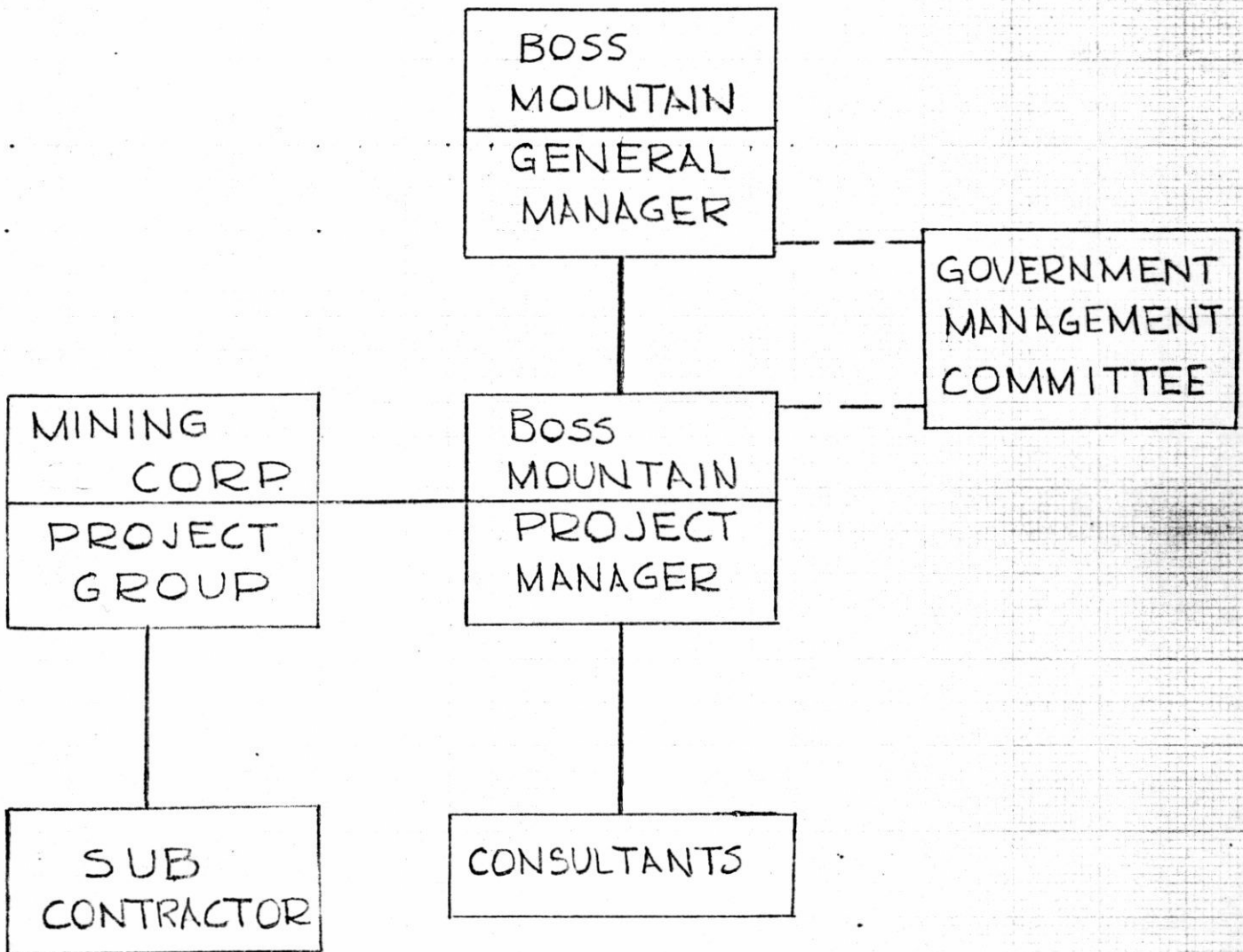
MINING CORPORATION

Mining Corporation will be the primary vehicle for the project, reporting to the Project Manager, and providing the following services.

- a) Design and Engineering.
- b) Accounting, purchasing, expediting.
- c) Labour
- d) Site engineering and supervision.



# PROJECT ORGINIZATION CHART



APRIL 1975

PROJECT CONTROL FUNCTIONS

GENERAL

All activities, correspondence and data pertaining to this project, shall be conducted in the Name of the Project (Boss Mountain Expansion), and clearly referenced using the appropriate file and code numbers.

Copies of all correspondence, drawings and other data, relevant to this project, shall be filed in the Project records.

A numbering system has been developed for the Project and the following data shall be indexed:

- |  |                |
|--|----------------|
| a) Project Cost Code                       | - Appendix 'B' |
| b) Project Drawings                        | - Appendix 'C' |
| c) Correspondence (letter)                 | - Appendix 'D' |
| d) Equipment Ledger                        | - Appendix 'E' |
| e) Purchase Documents                      | - Appendix 'F' |
| f) Specifications and<br>Bills of Material | - Appendix 'G' |

ACCOUNTING

Mining Corporation shall provide accounting service for the Project, including the compilation of all expenditures and production of necessary reports.

PURCHASING, INVOICING

Mining Corporation shall provide purchasing and expediting services.

Purchase orders, work orders, will be approved by Project Manager or certain designated persons.

Copies of all P.O.'s, Work Orders and Contracts should be available at both the Site and Project headquarters.

Invoices from all Contractors and Consultants shall be approved by Project Manager or certain designated persons.

Copies of all invoices, vouchers and stores charges be made available to Project headquarters.

BOSS MOUNTAIN EXPANSION PROJECT  
BUDGET - 1975

1. Administration and General	-	\$ 50,000
2. Engineering and Design (Consultants)	-	150,000
3. Site Supervision	-	20,000
4. Test Labour	-	130,000
5. Test Equipment (Portable plant, conveyors)	-	275,000
6. Test Material (explosives, bits, steel)	-	55,000
7. Diamond Drilling	-	<u>140,000</u>
		\$820,000

AREA CODE NUMBERSGENERAL

The key to the entire indexing system are the area code numbers. The following Area Codes should provide both flexibility and firmness in the ultimate development of the indexing system.

<u>AREA CODE NUMBERS</u>		<u>DESCRIPTION</u>
100 - 199	-	Roaster study
200 - 299	-	Exploration
300 - 399	-	Pit Development (Pre-Production)
400 - 499	-	Crushing, Sizing, Ore Transportation
500 - 599	-	Concentrator Alterations and Expansion
600 - 699	-	Yards, Roads, Plant Site
700 - 799	-	Environmental
800 - 899	-	Townsite
900 - 949	-	General and Administrative
950 - 999	-	Maintenance and Service.

In the initial phases, only the double zero form will be used (except for General and Administrative, Maintenance and Service).

PROJECT COST CODE

(Account Numbers)

GENERAL

Appendix 'A' outlines the Area Code Numbers, which form the basis for the development of the following system of Account Numbers.

- A. Composition of Account Number  
 = Area Code - Cost Class - Cost Source  
 (3 Digits) (2 Digits) (1 Digit)
- B. Area Code System - Digits 1, 2, 3  
 (See Appendix 'A')
- C. Cost Class - Digits 4, 5

<u>NUMBERS</u>	<u>DESCRIPTION</u>
- 00	Used only with 900 Series
- 01	Engineering
- 02	Testwork (Inc. Assaying)
- 03	Excavations (Overburden)
- 04	Foundations
- 05	Buildings
- 06	Equipment purchase
- 07	Mechanical installation
- 08	Electrical installations
- 09	Piping, plumbing, heating, ventilation
- 10	Instrumentation
- 11	Supervision
- 12	
- 13	
- 20	Diamond Drilling
- 21	Excavation - Rock
- 22	Computer Study

D. COST SOURCE - Digit 6

<u>NUMBERS</u>	<u>DESCRIPTION</u>
- 1	Labour (Boss)
- 2	Stores (Boss)
- 3	Purchases (All)
- 4	Other (Including Professional Fees)
- 5	Contracts

APPLICATION OF PROJECT CODE OF  
ACCOUNTS - EXAMPLES

	<u>ACCOUNT NO.</u>
Engineering charges by Mining Corporation for design of temporary conveyor, to test up-grading theory .....	400-01-5
Purchase by Mining Corporation of conveyor for above test purposes .....	400-06-3
Installation by Mining Corporation of conveyor for above test purposes	
- mechanical .....	400-07-5
- electrical .....	400-08-5
Operation of Conveyor during test by Boss personnel .....	400-02-1
Mining Corporation supervisor time distribution while on job for test purposes .....	400-11-5
Same as above but Boss Mountain staff supervisor on job for test purposes .....	400-11-1
Nipples from Boss warehouse for above test purposes .....	400-02-2
Mining Corporation personnel travel expenses .....	906-00-5

APPLICATION OF PROJECT CODE OF  
ACCOUNTS - EXAMPLES  
(cont'd)

	<u>ACCOUNT NO.</u>
Boss project personnel travel expenses .....	906-00-1
Outside consultant travel expenses .....	906-00-4
Consultants services for report on water re-cycling possibilities .....	700-01-4
Costs to layout diamond drill program by Boss geologist .....	200-01-1
Contract costs to do actual diamond drilling .....	210-20-5

ROASTER

		DESCRIPTION
AREA CODE (DIGITS 1,2,3,)	100	Preliminary
CLASS COST (DIGITS 4, 5 )	-01 -02 -03 -04 -05 -06 -07 -08 -09 -10 -11 -12 -13 -14 -15 -20 -21 -22	Engineering Testwork (Assaying) Excavations (Overburden) Foundations Buildings Equipment Purchase Mechanical Installations Electrical Installations Piping Installations Instrumentation Supervision  Diamond Drilling Excavation - (Rock) Computer Studies
SOURCE COST (DIGIT 6)	- 1 - 2 - 3 - 4 - 5	Labour (Boss) Stores (Boss) Purchases Consulting (Fees and Rents) Contracts



## EXPLORATION

		DESCRIPTION
AREA CODE (DIGITS 1,2,3,)	200	Preliminary Investigations
	210	Open Pit Ore Reserve Calculation
CLASS COST (DIGITS 4, 5 )	-01	Engineering
	-02	Testwork (Assaying)
	-03	Excavations (Overburden)
	-04	Foundations
	-05	Buildings
	-06	Equipment Purchase
	-07	Mechanical Installations
	-08	Electrical Installations
	-09	Piping Installations
	-10	Instrumentation
	-11	Supervision
	-12	
	-13	
	-14	
-15		
-20	Diamond Drilling	
-21	Excavation - (Rock)	
-22	Computer Studies	
SOURCE COST (DIGIT 6)	- 1	Labour (Boss)
	- 2	Stores (Boss)
	- 3	Purchases
	- 4	Consulting (Fees and Rents)
	- 5	Contracts

PIT DEVELOPMENT (PRE-PRODUCTION)

		DESCRIPTION
AREA CODE (DIGITS 1,2,3,)	300	Preliminary
CLASS COST (DIGITS 4, 5 )	-01 -02 -03 -04 -05 -06 -07 -08 -09 -10 -11 -12 -13 -14 -15 -20 -21 -22	Engineering Testwork (Assaying) Excavations (Overburden) Foundations Buildings Equipment Purchase Mechanical Installations Electrical Installations Piping Installations Instrumentation Supervision  Diamond Drilling Excavation - (Rock) Computer Studies
SOURCE COST (DIGIT 6)	- 1 - 2 - 3 - 4 - 5	Labour (Boss) Stores (Boss) Purchases Consulting (Fees and Rents) Contracts

CRUSHING, SIZING, ORE TRANSPORT

		DESCRIPTION
AREA CODE (DIGITS 1,2,3,)	400	Preliminary
CLASS COST (DIGITS 4, 5 )	-01 -02 -03 -04 -05 -06 -07 -08 -09 -10 -11 -12 -13 -14 -15 -20 -21 -22	Engineering Testwork (Assaying) Excavations (Overburden) Foundations Buildings Equipment Purchase Mechanical Installations Electrical Installations Piping Installations Instrumentation Supervision  Diamond Drilling Excavation - (Rock) Computer Studies
SOURCE COST (DIGIT 6)	- 1 - 2 - 3 - 4 - 5	Labour (Boss) Stores (Boss) Purchases Consulting (Fees and Rents) Contracts

CONCENTRATOR ALTERATION & EXPANSION

		DESCRIPTION
AREA CODE (DIGITS 1,2,3,)	500	Preliminary
CLASS COST (DIGITS 4, 5 )	-01 -02 -03 -04 -05 -06 -07 -08 -09 -10 -11 -12 -13 -14 -15 -20 -21 -22	Engineering Testwork (Assaying) Excavations (Overburden) Foundations Buildings Equipment Purchase Mechanical Installations Electrical Installations Piping Installations Instrumentation Supervision  Diamond Drilling Excavation - (Rock) Computer Studies
SOURCE COST (DIGIT 6)	- 1 - 2 - 3 - 4 - 5	Labour (Boss) Stores (Boss) Purchases Consulting (Fees and Rents) Contracts

YARDS, ROADS, PLANT BUILDINGS

		DESCRIPTION
AREA CODE (DIGITS 1,2,3,)	600	Preliminary
CLASS COST (DIGITS 4, 5 )	-01 -02 -03 -04 -05 -06 -07 -08 -09 -10 -11 -12 -13 -14 -15 -20 -21 -22	Engineering Testwork (Assaying) Excavations (Overburden) Foundations Buildings Equipment Purchase Mechanical Installations Electrical Installations Piping Installations Instrumentation Supervision  Diamond Drilling Excavation - (Rock) Computer Studies
SOURCE COST (DIGIT 6)	- 1 - 2 - 3 - 4 - 5	Labour (Boss) Stores (Boss) Purchases Consulting (Fees and Rents) Contracts

## ENVIRONMENTAL

		DESCRIPTION
AREA CODE  (DIGITS 1,2,3,)	700	Preliminary
CLASS COST  (DIGITS 4, 5 )	-01 -02 -03 -04 -05 -06 -07 -08 -09 -10 -11 -12 -13 -14 -15 -20 -21 -22	Engineering Testwork (Assaying) Excavations (Overburden) Foundations Buildings Equipment Purchase Mechanical Installations Electrical Installations Piping Installations Instrumentation Supervision  Diamond Drilling Excavation - (Rock) Computer Studies
SOURCE COST  (DIGIT 6)	- 1 - 2 - 3 - 4 - 5	Labour (Boss) Stores (Boss) Purchases Consulting (Fees and Rents) Contracts

## TOWNSITE

		DESCRIPTION
AREA CODE  (DIGITS 1,2,3,)	800	Preliminary
CLASS COST  (DIGITS 4, 5 )	-01 -02 -03 -04 -05 -06 -07 -08 -09 -10 -11 -12 -13 -14 -15 -20 -21 -22	Engineering Testwork (Assaying) Excavations (Overburden) Foundations Buildings Equipment Purchase Mechanical Installations Electrical Installations Piping Installations Instrumentation Supervision  Diamond Drilling Excavation - (Rock) Computer Studies
SOURCE COST  (DIGIT 6)	- 1 - 2 - 3 - 4 - 5	Labour (Boss) Stores (Boss) Purchases Consulting (Fees and Rents) Contracts

GENERAL AND ADMINISTRATIVE

		DESCRIPTION
AREA CODE (DIGITS 1,2,3,)	901	Office and Warehouse
	902	Printing and Stationery
	903	Telephone, Teletype, Telegrams, Postage
	904	Employee's Fringe benefits
	905	Statutory holidays
	906	Travel and Accomodation
	907	Employee recruitment and relocation
	908	Insurance
	909	Legal and Recording Fees
	910	Taxes, Licences, permits
	911	Employee Welfare and Recreation
	912	Public Relations & Visitors' Expenses
	913	Vancouver Office Expense
	914	Toronto Office Expense
	915	Medical Examinations
	916	Fire Protection
	917	Plant Security
	918	Medical/First Aid/Safety
	919	Camp Operation: Dormitories
	920	Camp Operation: Catering Expenses
	921	Townsite: Dwellings and Lots
	922	Plant building Maintenance
	923	Employee Training
	924	Reclamation and Ecology
	925	Minor Freight Expenses
	926	Engineering (Non-assigned)
		.....cont'd.
COST CLASS (DIGITS 4,5)	-00	Always for G & A
COST SOURCE (DIGIT 6)	- 1	Labour (Boss)
	- 2	Stores (Boss)
	- 3	Purchases (All)
	- 4	Consulting (Fees and Rents)
	- 5	Contracts



AREA CODE (DIGITS 1,2,3,)	927 928 929	Miscellaneous Site Control Engineering (Non-assigned) Consulting Fees (Non-assigned)
COST CLASS (DIGITS 4,5)	-00	Always for G & A
COST SOURCE (DIGIT 6)	- 1 - 2 - 3 - 4 - 5	Labour (Boss) Stores (Boss) Purchases (All) Consulting (Fees and Rents) Contracts

MAINTENANCE AND SERVICES

		DESCRIPTION
AREA CODE (DIGITS 1,2,3,)	950	Power, (hydro or generated)
	951	Water Supply
	952	Vehicles, (lease and operating)
	953	Roads, Yards maintenance
	954	Building maintenance
	955	Heating & Fuel
COST CLASS (DIGITS 4,5)	-00	Always for M & S
COST SOURCE (DIGIT 6)	- 1	Labour (Boss)
	- 2	Stores (Boss)
	- 3	Purchases (All)
	- 4	Consulting (Fees and Rents)
	- 5	Contracts

PROJECT DRAWING INDEXGENERAL

Appendix 'A' outlines the Area Code Numbers, which form the basis for the development of the following Drawing Index.

A. Composition of Drawing Index Number

= Area Code - Drawing Class & Chronological Number  
 (3 Digits) (1 Digit) (2 Digits)

B. Area Code System - Digits 1, 2, 3

(See Appendix 'A')

C. Drawing Class - Digit 4

<u>Number</u>	<u>Description</u>
- 1	Preliminary (No Construction)
- 2	General Arrangements
- 3	Structural Steel & Timber
- 4	Foundation Drawings
- 5	Building Drawings
- 6	Ventilation and Heating
- 7	Mechanical Drawings
- 8	Electrical Drawings
- 9	Piping, plumbing

D. Chronological Number - Digits 5,6

From 00 to 99 for each Drawing Class.

PROJECT DATA, CORRESPONDENCE (LETTER) FILEGENERAL

Appendix 'A' outlines the Area Code Numbers, which form the basis for the development of the Letter File System.

A. Composition of Letter File Number

= BO - Area Code - Subject File No.

B. Area Code - Digits 3,4,5

(See Appendix 'A')

C. Subject File Number

<u>CODE NO.</u>	<u>DESCRIPTION</u>
1	- Correspondence
2	- Memos, Telex, Telecons (general only)
3	- Transmittals re drawings, data
4	- Planning and design, calculation, investigations, studies, tests, reports, minutes, time and cost estimates/data, recommendations
5	- Process and operation, tests, data, reports
6	- Site visits, resident engineer, progress
7	- Estimates, cost data, feasibility studies
8	- Accounting data, reports, summaries
9	- Specifications: equipment supply
10	- Specifications: supply, fabrication, construction, installation
11	- Tender documents: separate file for each tender call, including back-up data and correspondence
12	- Requisitions, authorizations and requests for appropriation
13	- Purchase orders, contracts, agreements, field orders, change orders
14	- Inspection and test reports for equipment, concrete, soil, steel, water, etc.
15	- Expediting and receiving reports
16	- Invoices

C. Subject File Number - cont'd.

<u>CODE NO.</u>	<u>DESCRIPTION</u>
17	- Taxation
18	- Insurance, fire prevention
19	- Industrial and labour relations, camp administration, safety, first aid
20	- Properties, mining claims, easements, legal surveys
21	- Pertinent plants, data and reports
22	- Marketing, sales and shipping transportation data
23	- Governing authorities, applications, approvals, correspondence, permits, reports
24	- Acts, codes, laws, regulations, environment, pollution, tailings/residue and related information and data
25	- Organization and procedure, Index filing, Account Codes
26	- Personnel and staff, salaries
27	- Security and miscellaneous confidential
28	- Contracting services
29	- Supply services
30	- Engineering consulting services
31	- Publications, articles, miscellaneous technical and other data
32	- Photographs
33	- Electric power, hydro, diesel, atomic, other Agreements, rates, data
34	- Minutes of Meetings
35	- Equipment Ledger
36	- Scheduling
37	- Administration

PROJECT EQUIPMENT NUMBERS AND LEDGER

GENERAL

Appendix 'A' outlines the Area Code Numbers which form the basis for the development of the following Equipment Number List.

A. Composition of Equipment Number List

= Area Code - Equipment Numbers

B. Area Code System - Digits 1,2,3  
(See Appendix 'A')

C. Equipment Number - Digits 4,5,6,7,8

Select subsequent number in appropriate Series starting with 001 in each Series.

<u>SERIES</u>	<u>DESCRIPTION</u>
50000	- Pumps
51000	-
52000	- Conveyors (Screw, Roto Lift, Screw Feeder)
53000	- Conveyors (Belt, Slingers, Chain, Drag)
54000	- Bucket Elevators
55000	- Feeders (Vibrating, Drag, Pan)
56000	- Bins
57000	- Tanks, Pachucas, Receivers, Traps, Scrubbers, Pressure Vessels
58000	- Pump Boxes, Launderers, Splitters, Feed Boxes
59000	- Crushers (Jaw, Cone)
60000	- Screens & Grizzlies
61000	- Hoists, Cranes, Elevators
62000	- Grinding Mills
63000	- Cyclones
64000	- Agitators & Mixers
65000	- Flotation Cells

C. Equipment Number - Digits 4,5,6,7,8 - cont'd.

<u>SERIES</u>	<u>DESCRIPTION</u>
66000	- Thickeners
67000	- Filters
68000	- Dryers
69000	- Fans (Process)
70000	- Dust Collectors
71000	- Compressors, Vacuum Pumps, Blowers, Boilers
72000	- Instruments
73000	- Mobile Equipment
74000	- Weightometers, Scales
75000	- Special Valves
76000	- Magnets
77000	-
78000	-
79000	- Sampling Devices
80000	- Vibrators
81000	- Water Treatment Equipment
82000	- Heaters and Air Conditioners, Service Fans
83000	- Heat Exchangers, Cooling Towers
84000	-
85000	- Major Electrical Equipment
86000	- Laboratory Equipment
87000	-
88000	-
89000	-
90000	-
91000	- Rod and Ball Handling Equipment
92000	- Motors

PROJECT QUOTATION REQUESTS, PURCHASE  
REQUISITIONS, PURCHASE ORDER NUMBERING SYSTEM

GENERAL

Appendix 'A' outlines the Area Code Numbers, which form the basis for this numbering system.

A. Composition of Purchase Number

= Type of Document      - Area Code      - Sequential Number  
    (2 Digits)              (3 Digits)              (3 Digits)

B. Type of Documents      - Digits 1,2

P. Q. = Request for Quotation  
P. R. = Requisition for Purchase  
P. O. = Purchase Order

C. Area Code                      - Digits 3,4,5

(See Appendix 'A')

D. Sequential Number      - Digits 6,7,8

Numbers will be assigned in order commencing at -001 for each Area Code.



PROJECT SPECIFICATION AND  
BILL OF MATERIAL CODE

GENERAL

Appendix 'A' outlines the Area Code Numbers, which form the basis for this numbering system.

A. Composition of SPEC. or BOM Number

= Type of Document - Area Code - Class and Sequence  
           (3 Digits)           ( 3 Digits)           (4 Digits)

B. Type of Document - Digits 1,2,3

SPE. - Specification  
 BOM - Bill Of Material

C. Area Code - Digits 4,5,6  
 (See Appendix 'A')D. Class and Sequence - Digits 7,8,9,10CLASS

- 3 - Structural Steel and Timber
- 4 - Foundations
- 5 - Building construction
- 6 - Ventilation, Heating
- 7 - Mechanical
- 8 - Electrical
- 9 - Piping, Plumbing

Followed by chronological sequence starting at 001 for each class.

TO: Mr. J. B. Smith

April 29th, 1975.

Mr. J. W. Ivany

FROM: W. G. Cooper

SUBJECT: Basis for Mining Corporation Fees and Charges re  
Proposed Boss Mountain Stringer Zone Project

In reply to your request for an outline of fees and charges by Mining Corporation to the Boss Mountain project, I suggest the following outline:

1. Mining Corporation will furnish all personnel to manage, engineer, construct, purchase and perform any task in respect of the project whether those personnel are direct employees or sub contractors of Mining Corporation. All purchases and services will, in turn, be transacted through the facilities of Mining Corporation.
2. All labour charges including accounting, construction, drafting, engineering, management and mining, etc. will be on a direct-charge basis (i.e. cost to Mining Corporation).  
Labour rates will be at current British Columbia scales for the construction trades. Staff rates will be as above or at current Timmins scales.
3. Fringe benefits will be charged directly to the project as follows:  
Hourly rated labour and tradesmen: 25% of the labour cost.  
Supervisory, accounting, engineering staff: 30% of the labour cost.
4. Travelling and basic living expenses (i.e. room & board) will be charged directly to the project.
5. Housing subsidies paid to any staff employee will be charged on a per diem basis.
6. All purchases made in the name of the project will be charged directly with no mark-ups by Mining Corporation.

7. Equipment rented by Mining Corporation to the project will be at current rental rates. A list of such equipment and rates will be supplied when required.
8. Accounting, engineering and management charges will be allocated to the Boss Mountain project daily and invoiced monthly. No charge will be made for less than a full days' pay.

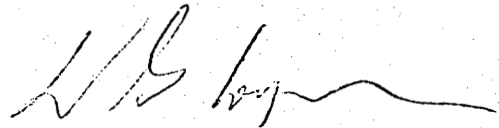
In exchange for providing the above services, Mining Corporation will receive a management fee, charged on a monthly basis. This fee will be on a sliding scale as follows:

<u>Total Project Cost Per Month*</u>	<u>Mining Corp. Monthly Fee</u>
\$ 0 - 5,000	15%
5,000 - 10,000	\$ 750 + 10% of 2nd 5,000
10,000 - 20,000	1,250 + 10% of 2nd 10,000
20,000 - 40,000	2,250 + 8% of 2nd 20,000
40,000 - 80,000	3,850 + 6% of 2nd 40,000
80,000 - 160,000	6,250 + 5% of 2nd 80,000
Over - 160,000	10,250 + 5% of above 160,000

\* Including all purchases of materials and services.

Trusting the above is satisfactory, I remain,

Yours truly,



W. G. Cooper,  
Manager.

WGC/ae