

Bill:

Last recording date = Apr. 7/89

Date B/s re #3498 = Apr. 5/89

800007

~~Don Makon~~

October 13, 1988

For discussion purposes  
R.

Apr 6/89

Highwater Resources Ltd.  
870-885 Dunsmuir Street  
Vancouver, B.C.  
V6C 1N8

Attention: William E. Kleinhout

Seismographic Costs

Dear Bill:

Seismic Refraction Survey  
Manson Creek Property  
Omineca Mining Division, British Columbia

WEL

As per your request at our meeting on October 6th, this is an estimate in carrying out the above-named program.

It is understood that the purpose is to trace Tertiary channels within bedrock which carries placer gold. It is proposed to use a geophone spacing of 5- and 10-m (15 and 30 feet) so that each 24-channel spread length will be 190-m long. Since the channels are expected to be up to 80-m (250 feet) wide and up to 25-m (80 feet) deep (that is, from rim rock to bottom of channel) in the area is expected to up to 6-m (20 feet) deep, it is proposed to run 24-channel spreads with a geophone spacing of 5-m at the ends and 10-m along the spread to give a spread length of 190-m (623 feet). The purpose of the 5-m geophone spacing is to give a more accurate overburden velocity. Seven shots will be fired for each spread, - one off each end, one at each end, and three along the spread.

However, it may be found that smaller spreads should be used for the purpose of greater detail. Also, it may be found that the channels are canyon-type and therefore they can be located by firing only two off-end shots. Therefore, the survey parameters will change as the results dictate.

EM

The instrument used will be a 24-channel signal enhancement seismograph with state-of-the-art capabilities. Explosives will be the energy source which will be fired using radios (for versatility and safety reasons).

For a 2-man crew, the cost estimate on a per day basis, assuming that High Water is supplying the room and board as well as two men, is as follows:

2 men, 10 hrs @ \$70/hr	\$ 700
Truck rental and gas	100
Explosives	100
Seismocaps	100
Instrument rental	250
	<u>250</u>
	\$ 1,250

Therefore, total cost would be:

Mob-demob	\$ 2,300
20 days @ \$1,250/day	25,000
Data reduction, interpretation and report	15,500
	<u>15,500</u>
	\$42,800

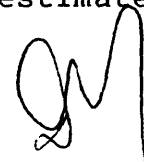
For a 3-man crew, the cost estimate on a per day basis, assuming that High Water is supplying the room and board and the 4th man, the cost estimate is as follows:

3-men, 10 hrs @ \$85/hr	\$ 850
Truck rental and gas	100
Explosives	100
Seismocaps	100
Instrument rental	250
	<u>250</u>
	\$ 1,400

Therefore, the total cost estimate would be:

Mob-demob	\$ 2,900
20 days @ \$1,250/day	28,000
Data reduction, interpretation and report	15,500
	<u>15,500</u>
	\$46,400

For a 4-man crew, the cost estimate on a per day basis, assuming that High Water is supplying the room and board, the cost estimate is as follows:



4-men, 10 hrs @ \$95/hr	\$ 950
Truck rental and gas	100
Explosives	100
Seismocaps	100
Instrument rental	<u>250</u>
	\$ 1,500

Therefore, total cost would be:

Mob-demob	\$ 3,500
20 days @ \$1,250/day	30,000
Data reduction, interpretation and report	<u>15,500</u>
	\$49,000

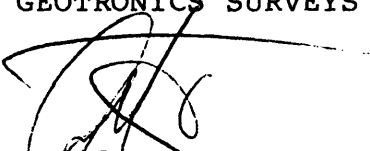
If there is any standby time due to adverse weather conditions or any other cause not the fault of Geotronics, High Water Resources will be charged at cost. This usually is only truck rental and room and board, since after the first day, there is always data reduction to be done. Otherwise the crew cost will be based on an 8-hour day. It is not often that standby time has to be charged, but sometimes wind can be a problem.

The following is our payment schedule.

- 1) 60% advance on the estimated cost of the project (say \$46,400) which is \$27,840.
- 2) Payment of invoice on completion of field work less the advance.
- 3) Payment of invoice on data reduction or final report when it is submitted.
- 4) Please note that interest will be charged at 24% per annum compounded monthly on accounts overdue 30 days from date of invoice.

Thank you for inviting us to participate with you on this project. We trust it will be of mutual benefit.

Sincerely yours,  
GEOTRONICS SURVEYS LTD.

  
David G. Mark,  
Geophysicist

