

823001

SURFACE DIAMOND DRILLING  
FOR  
KERR ADDISON MINES LIMITED  
RE  
KENA CLAIM, NELSON, B.C.

CAMERON MCCUTCHEON DRILLING LIMITED  
July 30, 1981



# CAMERON McCUTCHEON DRILLING LIMITED

DIAMOND DRILLING CONTRACTORS

## EXHIBIT A

### CORE DRILLING BID SHEET AND JOB SPECIFICATIONS

#### 1. INTRODUCTION

Minimum 3,000 feet No. of drills 1  
Starting date mid August Completion date A.S.A.P.  
Location approximately 5 miles south of Nelson, B.C. then 2 miles  
west from Elevation 2,000 to Elevation 5,000  
Access: all weather road ( ) winter road ( ) aircraft ( )  
Others (specify) All weather 5 miles, 4 x 4 to site

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#### 2. DESCRIPTION OF WORK

The work is to consist of a series of drill holes drilled at locations specified by the Company. A total minimum of 3,000 feet shall be drilled but total may be extended by mutual consent. Holes shall be drilled with BQ tools producing 1 7/16" diameter core. Maximum depth of any hole shall not exceed 1000' and minimum depth shall be 400'. The Contractor will not be called upon to drill any hole at a flatter angle than -60 degrees. Measurement of all holes shall be taken from the top of the casing pipe. If holes of a greater depth than 1000' are desired, such drilling shall be performed only upon such conditions and at such rates as may be agreed upon before commencement of such drilling.

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3. SCHEDULE OF RATES

The Company agrees to pay the Contractor for footage drilled and other services performed as follows:

(a) Coring at Bedrock

Depth intervals	<u>BQ</u> size	<u>size</u>
0 - 500 ft	\$20.50 per foot	
500 - 1000 ft	\$21.25 per foot	

(b) Casing of overburden

Depth interval	
0 - 30'	\$ <u>22.00</u> /per foot
30'+	\$ <u>3(c)</u> /
	\$ _____ /

(c) The following services will be provided on a site cost plus ten percent (10%) basis:

- (1) Casing of overburden in excess of 30'
- (2) Casing operations in bedrock.
- (3) Stabilization of boreholes for cave, loss of circulation, squeezing ground or artesian pressures.
- (4) Delays caused by Company.
- (5) Supplying water to the drill when water supply over 2,000 ft lateral and/or 100 ft vertical lift from borehole collar under non-freezing conditions and N/A lateral and/or N/A vertical lift under freezing conditions.
- (6) Surveying of boreholes (acid dip tests) desired by the Company.

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- (7) Travelling time of crew in excess of N/A minutes per man shift (labour only).

Where site costs are defined as:

Site Costs

- (i) Labour \$25.00 per man hour.
- (ii) Equipment: operating - Drill, pumps and service vehicle \$20.00 per drill hour.
- : non-operating - Drill, pumps and service vehicle \$15.00 per drill hour.
- (iii) Supplies consumed, damaged beyond re-use or lost in boreholes on which work is progressing on a site cost basis would be charged at field replacement cost.

(d) Transportation and moves

1. Mobilization of equipment and crew to truck off loading point near Cotton Lake \$ 12,000.00 lump sum
2. Move from truck off loading point to property, set-up on first hole, move out to the truck-loading point on completion of program as per 3c
3. Between hole moves, set-up and tear down beyond 20 man hours per move as per 3c
4. Demobilization of equipment and crew to truck-loading point near Cotton Lake \$ 1,500.00 lump sum

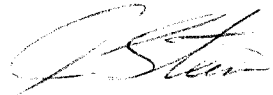
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- (e) • Room and board for Contractor's personnel will be provided by Contractor.
- Contractor will provide meals for up to N/A of Company's representatives at a price of N/A per man day.
- Room and board will be provided by Company to Contractor at N/A per man day.
- (f) Core boxes will be provided by Company. Contractor's rates for core boxes on site are Cost plus 10% (ten percent)
- (g) Special Agreements:
1. Contractor will supply D-4 dozer for use in on site moves. The rates for this dozer is included in the footage rates.
  2. The initial move, final move out, and preparation of drill sites will likely require a larger dozer than a D-4. The larger dozer will be hired locally and will be for the account of Kerr Addison Mines Ltd.
  3. Operating rate for D-4 dozer for initial move in, preparation of set-up, move out or incidental client work for which the unit is suitable.  
D-4 tractor \$13.00 per hour  
Operator - as per 3(c)
  4. All cement and mud mix additives will be charged at supplies invoiced value F.O.B. job site plus 10%.

In response to the Company's request, our bid for the drilling of the project described herein is respectfully submitted.

CAMERON MCCUTCHEON DRILLING LIMITED

  
Mr. J. Stein  
Contract Manager  
Western Canada Drilling Division

