



INTER-OFFICE MEMORANDUM

DATE: July 10, 1996

TO: Derek Condie - Purchasing Supervisor

FROM: Dick Arndt - Superintendent of Exploration Projects

SUBJECT: Tender Documents for 1996 Exploration Drilling Bids

cc: John Fleming Douglas Brownlee

We are presently laying out part of our 1996 Diamond Drilling programme which includes, at present, three projects - The Grum NW Extension; the Faro NW Area and the MM/JJ Claims, located ~ 75 km south of Ross River.

We need to go out for bids for this work, as we did for the Swim Basin drilling last winter. Therefore, I have listed below the parameters we need to be able to evaluate the bids.

The timing would be as follows:

Grum NW Extension - ASAP

13 Holes @ 205 m/hole (average) = 2660 metres

Faro NW Area - sometime after the Grum drilling starts; since we may need time to get assay data from Grum before proceeding with further drilling

8 holes @ 600m/hole = 4800 metres

MM/JJ Claims - late July or early to mid-August (not later than August, as the cold weather moves in early at these elevations)

5 holes @ 600m/hole = 3000 metres

Total Drilling = 26 holes 10,460 metres

Specifications for drilling that we need to analyze and need broken down by the Bidders:

- Core should be NQ in size
- Need footage rates for various hole depths
- Operating rate per hour
- Non-operating rate per hour
- Labour rate
- Mobilization cost
- Demobilization cost

Conditioning DDH
Ream/Case
Delays
Drill moves
Crew travel time
Water lines
Staging DDH
Dip tests
Core boxes
Consumables
Additives
Lost equipment
Dozer time
Fuel

Total cost of drilling:

Cost per metre
Moving
Delay time
Conditioning time
Reaming
Casing
Staging to DDH
Fuel
Consumables
Additives
Lost equipment
Cat (dozer) rental
Core boxes - # and cost

I can come up with a written statement of just what we want to accomplish. I'm not sure if we have all of the information as to hole locations etc. at this time - but we have to get started on this as the season is almost half over.

Dick Arndt

Derek, let's get this on the road - we'll talk on the procedures.

NOTE!

POSSIBLE CONTRACTERS ARE: Advanced Drilling of Vancouver - Caron Drilling of Whitehorse and there is a Kluane Drilling in Whitehorse that should be contacted.