

351-2-31 Vol. 1

351-2-31

CLOSED

Vol.

25

SUBJECT:

MARIAN LAKE TO SHERMAN LAKE AND TO AREA NORTH
OF FORT RAE (RAYROCK MINES LTD.) ROAD

B. F. C.

IND

FOR INSTRUCTIONS RE USE OF FILE COVER SEE BACK COVER

2. 8

REFERENCE

DISPOSAL

[illegible]

RELATED FILES

File No.	Subject
351-2-33	Marian Lake to Chico Lake Road (Consolidated Northland Mines Ltd.)

[illegible]

IMPORTANT

The REGISTRY is established to serve you but satisfactory service is largely dependent upon your prompt return of files. This file is charged to you and you are responsible for its return; unless you notify the Registry to transfer the charge to another person, the file will remain charged to you until it is returned.

If action cannot be taken within 48 hours B.F. FILE.

Particulars Re Use of File Cover

- Column 1—Shows the office or name of the person to whom the file is routed.
- 2—Shows the reasons for the routing, or the date and identification number of the letter on file requiring your attention.
- 3—Shows the date on which the file is routed to the user.
- 4—Provides for initials of the person routing or rerouting a file.
- 5—Provides space for the user to enter the date of P.A.—OR the letter “T” when the user transfers the file to another person.
- 6—Provides space for the user to write the “BF date”, the date the user wishes the file to be brought back to him.
- 7—Provides space for the user to initial the entry when a file is to be P.A.’d, B.F.’d, or “T” transferred.
- 8—Provides space for the Registry to enter the date on which the file is returned to the Registry.

YOUR COMPLIANCE WITH FILING PROCEDURES WILL HELP THE REGISTRY TO HELP YOU

351-2-31

REFERENCE

Vol. 1

DISPOSAL

REFERRED TO	REMARKS	DATE	INITIALS	P.A. DATE OR T.	B.F. DATE	INITIALS	REGISTRY INSPECTION
M.F.H.	BF 18/11/55 # 27	24/11	Sh		28/xi	mm	mmc
M.F.H.	BF 10/11/55 # 58	24/11	Sh	24/xi		mm	mmc
M.F.H.	18-11-55 # 27 BF	25-11-55	Sh		11/xi	mm	mmc
Wen	Per request	28-11-55	MM	1/12		Wen	mmc
B-1	" "	30/11	Sh	T		Wen	mmc
K-1	per request	2/xii	mm	T		Wen	mmc
B-1	" "	"	"	T		Wen	mmc
B-1	29-11-55 # 8056	5-12	mmc	T		Wen	mmc
NO	per request	5/xii		5-12-55		Wen	mmc
M.F.H.	1-12-55 # 21 BF	5-12	mmc	T		Wen	mmc
NO	memo	12/xii	Wen	T		Wen	mmc
B-1	for action	13. 12	Wen	14/xii	19/xii	Wen	mmc
W.F.H.	1-12-55 # 21 BF	19-12	mmc		4 Jan	W.F.H.	mmc
W.F.H.	14-12-55 # 33 BF	19-12	mmc	19-12	4 Jan	W.F.H.	mmc
W.F.H.	14-12-55 # 53 BF	4-1-56	Sh	4-1		W.F.H.	mmc
W.F.H.	1-12-55 # 21 BF	4-1-56	Sh	4-1	18-1-56	W.F.H.	mmc
W.F.H.	1-12-55 # 21 BF	18-1	mmc		23-1-56	W.F.H.	mmc
Mr Wen	request	18/1/56	San	23/1		Wen	mmc
DO	request	3-4-56	Wen	3-1		Wen	mmc
DO	request	1-2-56	Wen	T		Wen	mmc
K-1 Mr Parker	for action	2-2-56	Wen	T		Wen	mmc
D.O.	Signature	13 Feb	Wen	T		Wen	mmc
K-1 Mr Parker	requested	24 Feb	Wen	T		Wen	mmc
D.O.	Signature	24 Feb	Wen	27-2		Wen	mmc
W.F.H.	request	29-2-56	Wen		7-3	Wen	mmc
F.H.	for BF	7/3	Wen	7-3		Wen	mmc
W.F.H.	request	29-3	Wen	6 Apr		Wen	mmc
Lachaine	request	3-8	Wen	7/8		Wen	mmc
DO	ref	27/9	Wen	1-10-56		Wen	mmc
Mr Wen	request	18-2	Wen	20-2		Wen	mmc
Christie	ref	2/4	Wen	1/4		Wen	mmc

RELATED FILES

File No.	Subject
351-2-33	Marian Lake to Chico Lake Road (Consolidated Northland Mines Ltd.)

E. & C 4-500 pads-12-49

SECRET

From 1954

To: December/1955

DEPARTMENT OF RESOURCES AND DEVELOPMENT
NORTHERN ADMINISTRATION AND LANDS BRANCH

FILE No. E351-2-31

Vol. 1

SUBJECT:

ROAD FROM MARIAN LAKE TO SHERMAN LAKE AND
TO AREA NORTH OF FORT RAE
(RAYROCK MINES LTD.)

*Combined
5/1/56
J.C.*

FILE KEPT BY K-1

REFERENCE				DISPOSAL			
REFERRED TO	REMARKS	DATE	INITIALS	P.A. DATE OR T.	B.F. DATE	INITIALS	REGISTRY INSPECTION
<i>Wen</i>	<i>Reg</i>	<i>30/11</i>	<i>Wen</i>	<i>30/12</i>		<i>Wen</i>	002507
	<i>X: 11/12</i>	<i>11/12</i>	<i>Wen</i>	<i>11/12</i>		<i>Wen</i>	

WGB/IH

351-2-31



North Admin. & Lands Br.	
File No.	351-2-31
Refer To	

Ottawa, 28 December, 1955.

MEMORANDUM FOR MR. NASON

AGREEMENT WITH RAYROCK MINES LIMITED

I agree with the views expressed in your memorandum of the 21st of December that a new Submission to Council is not necessary but that merely an amendment to the Order-in-Council P.C. 1955-29/1342 will suffice.

2. As suggested, I have prepared the Submission in final form for the signature of the Minister and enclose the same herein.

W.G. Brown,
Chief - Territorial Division.

Precis for the Clerk of the Privy Council

Requesting authority to amend Order-in-Council P.C.
1955-29/1342 to authorize the amendment to an Agreement with
Rayrock Mines Limited to include expenditures made on road
construction made since the 1st of February, 1955.

002509

29 December, 1955.

TO HIS EXCELLENCY

THE GOVERNOR GENERAL IN COUNCIL:

The undersigned has the honour to report:

THAT Your Excellency did by Order-in-Council P.C. 1955-29/1342 dated the 9th of September, 1955, authorize the undersigned to enter into an Agreement with Rayrock Mines Limited whereby the federal government would contribute fifty per cent of the cost of construction of a winter truck and tractor road of approximately thirty miles from Marian Lake to an area in which mineral discoveries have been made, or the sum of six thousand dollars, whichever is the lesser;

THAT Rayrock Mines Limited commenced the construction of such road in February, 1955, and have reported expenditures of five thousand five hundred and sixty-one dollars and thirteen cents in respect of such construction; and

THAT it is justifiable for the federal government to share in the costs incurred by the Company on and after the 1st day of February, 1955;

The undersigned, therefore, has the honour to recommend that Order-in-Council P.C. 1955-29/1342, dated the 9th day of September, 1955, be amended to authorize the undersigned to enter into an agreement with Rayrock Mines Limited for the construction of the said road, such agreement to be substantially in the form attached to such order except that it will provide for a contribution by the federal government of fifty per cent of the cost of construction of the road incurred on and after the 1st day of February, 1955, or the sum of six thousand dollars, whichever is the lesser, the funds required therefor to be chargeable to Vote No. 315 of the Appropriation for 1955-56 of the Northern Administration and Lands Branch of the Department of Northern Affairs and National Resources for the operation and maintenance of the Northwest Territories, including Wood Buffalo Park and Eskimo affairs, and on the understanding that the cost of maintaining the road will be borne by the mining companies concerned.

Respectfully submitted,

Minister of Northern Affairs
and National Resources.

*Passed by Treasury Board
on Jan. 23rd - Coming
before Council this week
G.M.
31-1-56*



CANADA

ADMINISTRATION BRANCH

DEPARTMENT

OF

RESOURCES AND DEVELOPMENT

NORTHERN AFFAIRS AND NATIONAL RESOURCES

LEGAL DIVISION

Ottawa, December 21, 1955

MEMORANDUM FOR MR. W. G. BROWN,
CHIEF, TERRITORIAL DIVISION.

AGREEMENT WITH RAYROCK MINES LIMITED

It is not clear from your report to Council whether you wish to have the Order in Council P.C. 1955-29/1342 dated the 9th September, 1955, amended to permit contributions in respect of expenditures incurred by Rayrock since the 1st February, 1955, or whether you wish to accomplish this by a new order in council without reference to the existing order in council.

A draft of the agreement to be entered into was attached to Order in Council P.C. 1955-29/1342 and, as the purpose of the submission is merely to permit contributions in respect of payments made since the 1st February, it seems unnecessary to submit further copies of the draft agreement. I would suggest, therefore, that it is sufficient in this instance to request an amendment to the existing order to provide authority for contributions in respect of the expenditures incurred by Rayrock since the 1st February, 1955, or such earlier date as may be indicated in the circumstances.

I have prepared a draft recommendation to Council to accomplish this and, if you approve, I suggest that it be prepared in final form for the signature of the Minister.

I also attach a list of suggested changes to the agreement which I believe will meet our requirements.

W. G. Brown
for
W. Nason,
Legal Adviser.

002511

SUGGESTED REVISIONS TO AGREEMENT TO BE
ENTERED INTO WITH RAYROCK MINES LIMITED.

1. That the last two paragraphs of the preamble be deleted and the following substituted therefor:

"WHEREAS the Company did commence construction of the said road in February, 1955;

WHEREAS Her Majesty considers that the Company should be granted assistance toward the construction costs of the road incurred on and after the first day of February, 1955;

WHEREAS His Excellency the Governor in Council has by Order in Council P.C. 1955-29/1342 of the 9th day of September, 1955, as amended by Order in Council P.C. 1955- of the day of , 1955, authorized the Minister to execute this agreement for the purpose of sharing the said costs, and the Company has authorized its proper officers to execute this agreement on behalf of the Company;"

2. Delete section 1 (b) and substitute therefor the following:

"1.

- (b) that it will complete the Road on or before the 31st day of March, 1956;"

3. Section 2 should be revised to read:

"2. Subject to funds being appropriated by Parliament, Her Majesty agrees in respect of that portion of the cost of the construction of the Road incurred by the Company on and after the 1st day of February, 1955, which in the opinion of the Minister meets the requirements of this agreement,

(a)

(b)

etc. "

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TO

HIS EXCELLENCY THE GOVERNOR IN COUNCIL:

The undersigned has the honour to report:

That
WHEREAS Your Excellency did by Order in Council P.C. 1955-29/1342 dated the 9th day of September, 1955, authorize the undersigned to enter into an agreement with Rayrock Mines Limited whereby the federal government would contribute fifty per cent of the cost of construction of a winter truck and tractor road of approximately thirty miles from Marian Lake to an area in which mineral discoveries have been made, or the sum of six thousand dollars, whichever is the lesser;

That
WHEREAS Rayrock Mines Limited commenced the construction of such road in February, 1955, and have reported expenditures of five thousand five hundred and sixty-one dollars and thirteen cents in respect of such construction; and

That
WHEREAS it is justifiable for the federal government to share in the costs incurred by the Company on and after the 1st day of February, 1955;

have
The undersigned, therefore, have the honour to recommend that Order in Council P.C. 1955-29/1342 dated the 9th day of September, 1955, be amended to authorize the undersigned to enter into an agreement with Rayrock Mines Limited for the construction of the said road, such agreement to be substantially in the form attached to such order except that it will provide for a contribution by the federal government of fifty per cent of the cost of construction of the road incurred on and after the 1st day of February, 1955, or the sum of six thousand dollars, whichever is the lesser, the funds required therefor to be chargeable to Vote No. 315 of the Appropriation for 1955-56 of the Northern Administration and Lands Branch of the Department of Northern Affairs and National Resources for the operation and maintenance of the Northwest Territories, including Wood Buffalo Park and Eskimo affairs, and on the understanding that the cost of maintaining the road will be borne by the mining companies concerned.

Respectfully submitted,

Minister of Northern Affairs
and National Resources.

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TO

HIS EXCELLENCY THE GOVERNOR IN COUNCIL:

The undersigned has the honour to report:

WHEREAS Your Excellency did by Order in Council P.C. 1955-29/1342 dated the 9th day of September, 1955, authorize the undersigned to enter into an agreement with Rayrock Mines Limited whereby the federal government would contribute fifty per cent of the cost of construction of a winter truck and tractor road of approximately thirty miles from Marian Lake to an area in which mineral discoveries have been made, or the sum of six thousand dollars, whichever is the lesser;

WHEREAS Rayrock Mines Limited commenced the construction of such road in February, 1955, and have reported expenditures of five thousand five hundred and sixty-one dollars and thirteen cents in respect of such construction; and

WHEREAS it is justifiable for the federal government to share in the costs incurred by the Company on and after the 1st day of February, 1955;

The undersigned, therefore, have the honour to recommend that Order in Council P.C. 1955-29/1342 dated the 9th day of September, 1955, be amended to authorize the undersigned to enter into an agreement with Rayrock Mines Limited for the construction of the said road, such agreement to be substantially in the form attached to such order except that it will provide for a contribution by the federal government of fifty per cent of the cost of construction of the road incurred on and after the 1st day of February, 1955, or the sum of six thousand dollars, whichever is the lesser, the funds required therefor to be chargeable to Vote No. 315 of the Appropriation for 1955-56 of the Northern Administration and Lands Branch of the Department of Northern Affairs and National Resources for the operation and maintenance of the Northwest Territories, including Wood Buffalo Park and Eskimo affairs, and on the understanding that the cost of maintaining the road will be borne by the mining companies concerned.

Respectfully submitted,

Minister of Northern Affairs
and National Resources.

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WHEREAS Rayrock Mines Limited commenced the construction of such road in February, 1955, and have reported expenditures of five thousand five hundred and sixty-one dollars and thirteen cents in respect of such construction; and

WHEREAS it is justifiable for the federal government to share in the costs incurred by the Company on and after the 1st day of February, 1955;

The undersigned, therefore, have the honour to recommend that Order in Council P.C. 1955-29/1342 dated the 9th day of September, 1955, be amended to authorize the undersigned to enter into an agreement with Rayrock Mines Limited for the construction of the said road, such agreement to be substantially in the form attached to such order except that it will provide for a contribution by the federal government of fifty per cent of the cost of construction of the road incurred on and after the 1st day of February, 1955, or the sum of six thousand dollars, whichever is the lesser, the funds required therefor to be chargeable to Vote No. 315 of the Appropriation for 1955-56 of the Northern Administration and Lands Branch of the Department of Northern Affairs and National Resources for the operation and maintenance of the Northwest Territories, including Wood Buffalo Park and Eskimo affairs, and on the understanding that the cost of maintaining the road will be borne by the mining companies concerned.

Respectfully submitted,

Minister of Northern Affairs
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WHEREAS Rayrock Mines Limited commenced the construction of such road in February, 1955, and have reported expenditures of five thousand five hundred and sixty-one dollars and thirteen cents in respect of such construction; and

WHEREAS it is justifiable for the federal government to share in the costs incurred by the Company on and after the 1st day of February, 1955;

The undersigned, therefore, have the honour to recommend that Order in Council P.C. 1955-29/1342 dated the 9th day of September, 1955, be amended to authorize the undersigned to enter into an agreement with Rayrock Mines Limited for the construction of the said road, such agreement to be substantially in the form attached to such order except that it will provide for a contribution by the federal government of fifty per cent of the cost of construction of the road incurred on and after the 1st day of February, 1955, or the sum of six thousand dollars, whichever is the lesser, the funds required therefor to be chargeable to Vote No. 315 of the Appropriation for 1955-56 of the Northern Administration and Lands Branch of the Department of Northern Affairs and National Resources for the operation and maintenance of the Northwest Territories, including Wood Buffalo Park and Eskimo affairs, and on the understanding that the cost of maintaining the road will be borne by the mining companies concerned.

Respectfully submitted,

Minister of Northern Affairs
and National Resources.



CANADA

DEPARTMENT
OF
NORTHERN AFFAIRS AND NATIONAL RESOURCES

OTTAWA, 16 December, 1955.

TO HIS EXCELLENCY

THE GOVERNOR GENERAL IN COUNCIL

The undersigned has the honour to report:

THAT there has been a discovery of radio active ores in the Marian River area north of Rae in the Mackenzie District of the Northwest Territories;

THAT there is a possible transportation route from Yellowknife to Marian Lake by following the surface of Great Slave Lake and connecting waterways;

THAT it has been found necessary to construct a winter truck and tractor road from Marian Lake to the general area where the mineral discoveries have been made in order to permit the transportation of mining equipment which will be used in exploration and development of the properties;

THAT the Rayrock Mines Limited have offered, on behalf of all other mining interests in the area, to construct such a road at a cost which is estimated at approximately \$12,000 and has, during the months of February and March, 1955, expended a total amount of \$5,561.13 towards the construction of this road;

THAT the said winter truck and tractor road has definite resource development aspects as it would permit the development and exploration of radio active ores; and

THAT in these circumstances it would be justifiable for the federal government to bear one-half of the cost of constructing such a road; and

THAT Order in Council P.C. 1955-29/1342 dated 9th September, 1955, granted authority to enter into an agreement with Rayrock Mines Limited for this purpose, but did not authorize expendi-

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tures made by the Company in February and March, 1955, to be included in the total cost of the road for the purposes of such an agreement;

The undersigned, therefore, has the honour to recommend that he be authorized to enter into an agreement with Rayrock Mines Limited substantially in the form hereto annexed to provide for a federal contribution of 50% of the cost of the road, or \$6,000, whichever is the lesser, the cost of the road to include expenditures made to date, the funds required therefor to be chargeable to Vote Number 315 of the Appropriation for 1955-56 of the Northern Administration and Lands Branch of the Department of Northern Affairs and National Resources for the operation and maintenance of the Northwest Territories, including Wood Buffalo Park and Eskimo affairs, and on the understanding that the cost of maintaining the road would be borne by the mining companies concerned.

Respectfully submitted,

Minister of Northern Affairs and
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16 December, 1955.

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THAT there is a possible transportation route from Yellowknife to Marian Lake by following the surface of Great Slave Lake and connecting waterways;

THAT it has been found necessary to construct a winter truck and tractor road from Marian Lake to the general area where the mineral discoveries have been made in order to permit the transportation of mining equipment which will be used in exploration and development of the properties;

THAT the Rayrock Mines Limited have offered, on behalf of all other mining interests in the area, to construct such a road at a cost which is estimated at approximately \$12,000 and has, during the months of February and March, 1955, expended a total amount of \$5,561.13 towards the construction of this road;

THAT the said winter truck and tractor road has definite resource development aspects as it would permit the development and exploration of radio active ores; and

THAT in these circumstances it would be justifiable for the federal government to bear one-half of the cost of constructing such a road; and

THAT Order in Council P.C. 1955-29/1342 dated 9th September, 1955, granted authority to enter into an agreement with Rayrock Mines Limited for this purpose, but did not authorize expendi-

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tures made by the Company in February and March, 1955, to be included in the total cost of the road for the purposes of such an agreement;

The undersigned, therefore, has the honour to recommend that he be authorized to enter into an agreement with Rayrock Mines Limited substantially in the form hereto annexed to provide for a federal contribution of 50% of the cost of the road, or \$6,000, whichever is the lesser, the cost of the road to include expenditures made to date, the funds required therefor to be chargeable to Vote Number 315 of the Appropriation for 1955-56 of the Northern Administration and Lands Branch of the Department of Northern Affairs and National Resources for the operation and maintenance of the Northwest Territories, including Wood Buffalo Park and Eskimo affairs, and on the understanding that the cost of maintaining the road would be borne by the mining companies concerned.

Respectfully submitted,

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16 December, 1955.

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THAT there is a possible transportation route from Yellowknife to Marian Lake by following the surface of Great Slave Lake and connecting waterways;

THAT it has been found necessary to construct a winter truck and tractor road from Marian Lake to the general area where the mineral discoveries have been made in order to permit the transportation of mining equipment which will be used in exploration and development of the properties;

THAT the Rayrock Mines Limited have offered, on behalf of all other mining interests in the area, to construct such a road at a cost which is estimated at approximately \$12,000 and has, during the months of February and March, 1955, expended a total amount of \$5,561.13 towards the construction of this road;

THAT the said winter truck and tractor road has definite resource development aspects as it would permit the development and exploration of radio active ores; and

THAT in these circumstances it would be justifiable for the federal government to bear one-half of the cost of constructing such a road; and

THAT Order in Council P.C. 1955-29/1342 dated 9th September, 1955, granted authority to enter into an agreement with Rayrock Mines Limited for this purpose, but did not authorize expendi-

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tures made by the Company in February and March, 1955, to be included in the total cost of the road for the purposes of such an agreement;

The undersigned, therefore, has the honour to recommend that he be authorized to enter into an agreement with Rayrock Mines Limited substantially in the form hereto annexed to provide for a federal contribution of 50% of the cost of the road, or \$6,000, whichever is the lesser, the cost of the road to include expenditures made to date, the funds required therefor to be chargeable to Vote Number 315 of the Appropriation for 1955-56 of the Northern Administration and Lands Branch of the Department of Northern Affairs and National Resources for the operation and maintenance of the Northwest Territories, including Wood Buffalo Park and Eskimo affairs, and on the understanding that the cost of maintaining the road would be borne by the mining companies concerned.

Respectfully submitted,

Minister of Northern Affairs and
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16 December, 1955.

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THAT there is a possible transportation route from Yellowknife to Marian Lake by following the surface of Great Slave Lake and connecting waterways;

THAT it has been found necessary to construct a winter truck and tractor road from Marian Lake to the general area where the mineral discoveries have been made in order to permit the transportation of mining equipment which will be used in exploration and development of the properties;

THAT the Rayrock Mines Limited have offered, on behalf of all other mining interests in the area, to construct such a road at a cost which is estimated at approximately \$12,000 and has, during the months of February and March, 1955, expended a total amount of \$5,561.13 towards the construction of this road;

THAT the said winter truck and tractor road has definite resource development aspects as it would permit the development and exploration of radio active ores; and

THAT in these circumstances it would be justifiable for the federal government to bear one-half of the cost of constructing such a road; and

THAT Order in Council P.C. 1955-29/1342 dated 9th September, 1955, granted authority to enter into an agreement with Rayrock Mines Limited for this purpose, but did not authorize expendi-

-2-

tures made by the Company in February and March, 1955, to be included in the total cost of the road for the purposes of such an agreement;

The undersigned, therefore, has the honour to recommend that he be authorized to enter into an agreement with Rayrock Mines Limited substantially in the form hereto annexed to provide for a federal contribution of 50% of the cost of the road, or \$6,000, whichever is the lesser, the cost of the road to include expenditures made to date, the funds required therefor to be chargeable to Vote Number 315 of the Appropriation for 1955-56 of the Northern Administration and Lands Branch of the Department of Northern Affairs and National Resources for the operation and maintenance of the Northwest Territories, including Wood Buffalo Park and Eskimo affairs, and on the understanding that the cost of maintaining the road would be borne by the mining companies concerned.

Respectfully submitted,

Minister of Northern Affairs and
National Resources.

16 December, 1955.

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THE GOVERNOR GENERAL IN COUNCIL

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THAT there is a possible transportation route from Yellowknife to Marian Lake by following the surface of Great Slave Lake and connecting waterways;

THAT it has been found necessary to construct a winter truck and tractor road from Marian Lake to the general area where the mineral discoveries have been made in order to permit the transportation of mining equipment which will be used in exploration and development of the properties;

THAT the Rayrock Mines Limited have offered, on behalf of all other mining interests in the area, to construct such a road at a cost which is estimated at approximately \$12,000 and has, during the months of February and March, 1955, expended a total amount of \$5,561.13 towards the construction of this road;

THAT the said winter truck and tractor road has definite resource development aspects as it would permit the development and exploration of radio active ores; and

THAT in these circumstances it would be justifiable for the federal government to bear one-half of the cost of constructing such a road; and

THAT Order in Council P.C. 1955-29/1342 dated 9th September, 1955, granted authority to enter into an agreement with Rayrock Mines Limited for this purpose, but did not authorize expendi-

-2-

tures made by the Company in February and March, 1955, to be included in the total cost of the road for the purposes of such an agreement;

The undersigned, therefore, has the honour to recommend that he be authorized to enter into an agreement with Rayrock Mines Limited substantially in the form hereto annexed to provide for a federal contribution of 50% of the cost of the road, or \$6,000, whichever is the lesser, the cost of the road to include expenditures made to date, the funds required therefor to be chargeable to Vote Number 315 of the Appropriation for 1955-56 of the Northern Administration and Lands Branch of the Department of Northern Affairs and National Resources for the operation and maintenance of the Northwest Territories, including Wood Buffalo Park and Eskimo affairs, and on the understanding that the cost of maintaining the road would be borne by the mining companies concerned.

Respectfully submitted,

Minister of Northern Affairs and
National Resources.



CANADA

PLEASE QUOTE

FILE 351-2-31

NORTHERN ADMINISTRATION
AND LANDS BRANCH

DEPARTMENT
OF
NORTHERN AFFAIRS AND NATIONAL RESOURCES

OFFICE OF THE DIRECTOR

Ottawa, 16 December, 1955.

MEMORANDUM FOR THE DEPUTY MINISTER

RAYROCK MINES LIMITED - AGREEMENT
WINTER ROAD

On July 6th, 1955, application was made to His Excellency, the Governor General in Council, for approval to enter into an agreement with Rayrock Mines Limited for the construction of a winter road from Marian Lake to the general area of Marian River where mineral discoveries had been made, whereby the Federal Government would make a contribution of 50% of the cost of the road, with a maximum contribution of \$6,000.

Under date of September 9th, 1955, authority was granted to enter into such an agreement under P.C. 1955-29/1342.

Rayrock Mines Limited proceeded with this project in the early spring of 1955 and during the months of February and March expended a total sum of \$5,561.13 towards the construction of this road which is to be completed during the coming winter months.

On reviewing the contract authorized under the Order, we are advised by the Legal Adviser that the contract is so worded as to exclude expenditures made by the Company prior to the execution of the agreement. It was not the intention of this Department to exclude such expenditures as the construction of the road is, in fact, a project requiring work to be done during two successive winter periods and

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-- because of this fact a re-submission has been prepared which is enclosed for your approval. This will permit expenditures made to date by Rayrock Mines Limited to be included in the total cost for the purposes of this agreement.

F.J.G. Cunningham,
Director.

351-2-31

Ottawa, 16 December, 1955.

MEMORANDUM FOR THE DEPUTY MINISTER

RAYROCK MINES LIMITED - AGREEMENT
WINTER ROAD

On July 6th, 1955, application was made to His Excellency, the Governor General in Council, for approval to enter into an agreement with Rayrock Mines Limited for the construction of a winter road from Marian Lake to the general area of Marian River where mineral discoveries had been made, whereby the Federal Government would make a contribution of 50% of the cost of the road, with a maximum contribution of \$6,000.

Under date of September 9th, 1955, authority was granted to enter into such an agreement under P.C. 1955-29/1342.

Rayrock Mines Limited proceeded with this project in the early spring of 1955 and during the months of February and March expended a total sum of \$5,561.13 towards the construction of this road which is to be completed during the coming winter months.

On reviewing the contract authorized under the Order, we are advised by the Legal Adviser that the contract is so worded as to exclude expenditures made by the Company prior to the execution of the agreement. It was not the intention of this Department to exclude such expenditures as the construction of the road is, in fact, a project requiring work to be done during two successive winter periods and

..2

-2-

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Director.

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F.J.G. Cunningham,
Director.

351-2-31

Ottawa, 16 December, 1955.

MEMORANDUM FOR THE DEPUTY MINISTER

RAYROCK MINES LIMITED - AGREEMENT
WINTER ROAD

North Admin. & Lands Br.

DEC 15 1955

File No. 351-2-31

Refer To

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-2-

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F.J.G. Cunningham,
Director.

16 December, 1955.

TO HIS EXCELLENCY

THE GOVERNOR GENERAL IN COUNCIL

The undersigned has the honour to report:

THAT there has been a discovery of radio active ores in the Marian River area north of Rae in the Mackenzie District of the Northwest Territories;

THAT there is a possible transportation route from Yellowknife to Marian Lake by following the surface of Great Slave Lake and connecting waterways;

THAT it has been found necessary to construct a winter truck and tractor road from Marian Lake to the general area where the mineral discoveries have been made in order to permit the transportation of mining equipment which will be used in exploration and development of the properties;

THAT the Rayrock Mines Limited have offered, on behalf of all other mining interests in the area, to construct such a road at a cost which is estimated at approximately \$12,000 and has, during the months of February and March, 1955, expended a total amount of \$5,561.13 towards the construction of this road;

THAT the said winter truck and tractor road has definite resource development aspects as it would permit the development and exploration of radio active ores; and

THAT in these circumstances it would be justifiable for the federal government to bear one-half of the cost of constructing such a road; and

THAT Order in Council P.C. 1955-29/1342 dated 9th September, 1955, granted authority to enter into an agreement with Rayrock Mines Limited for this purpose, but did not authorize expendi-

-2-

tures made by the Company in February and March, 1955, to be included in the total cost of the road for the purposes of such an agreement;

The undersigned, therefore, has the honour to recommend that he be authorized to enter into an agreement with Rayrock Mines Limited substantially in the form hereto annexed to provide for a federal contribution of 50% of the cost of the road, or \$6,000, whichever is the lesser, the cost of the road to include expenditures made to date, the funds required therefor to be chargeable to Vote Number 315 of the Appropriation for 1955-56 of the Northern Administration and Lands Branch of the Department of Northern Affairs and National Resources for the operation and maintenance of the Northwest Territories, including Wood Buffalo Park and Eskimo affairs, and on the understanding that the cost of maintaining the road would be borne by the mining companies concerned.

Respectfully submitted,

Minister of Northern Affairs and
National Resources.

MEMORANDUM OF AGREEMENT entered into this day
of , 1955,

BETWEEN:

HER MAJESTY THE QUEEN (hereinafter called
"Her Majesty"), represented by the Honourable
the Minister of Northern Affairs and National
Resources (hereinafter called "the Minister")

OF THE FIRST PART

AND:

RAYROCK MINES LIMITED a body corporate having
its head office at the City of Toronto in the
Province of Ontario (hereinafter called
"the Company")

OF THE SECOND PART.

WHEREAS in the summer season of the year 1954 new discoveries
of radio-active ores were made in an area lying along the Marian River
which is located north of the Settlement of Fort Rae in the Mackenzie
District in the Northwest Territories;

WHEREAS the Company has represented to Her Majesty that for
further development and operation of radio-active ores in the said
Marian River area it is necessary to construct a winter truck-tractor
road from Marian Lake to the mineral claims which have been located
at a distance of approximately thirty miles;

WHEREAS the Company has represented that the construction of
such a road will also facilitate the various exploration programs
under way to provide access to mineral claims belonging to a number
of other companies and assist in the exploration and development of
the area;

WHEREAS the Company has made a survey and laid out a proposed
route for the said truck-tractor road of approximately thirty miles

-2-

in length and has estimated the cost of construction to be Twelve Thousand Dollars (\$12,000.00);

WHEREAS the Company has agreed to act on behalf of all the mining companies concerned and to be responsible for the supervision and construction of the road if Her Majesty will contribute an amount equal to Fifty per cent (50%) of the construction costs or the amount of Six Thousand Dollars (\$6,000.00), whichever amount is the lesser;

WHEREAS Her Majesty considers that the Company should be granted the assistance toward the construction costs of such a road; and

WHEREAS His Excellency the Governor-in-Council has by Order in Council P.C. 1955-29/1342 of the 9th day of September, 1955, authorized the Minister to execute this agreement on behalf of Her Majesty, and the Company has authorized its proper officers to execute this agreement on behalf of the Company;

NOW, THIS AGREEMENT WITNESSETH that in consideration of the premises and the terms and conditions hereinafter set out:

1. The Company agrees

- (a) that it will at its expense, subject to payment by Her Majesty as hereinafter provided, construct a winter-truck tractor resources road of approximately thirty miles in length from Marian Lake to Marian River in the Settlement of Fort Rae in the Mackenzie District in the Northwest Territories (hereinafter called "the Road") according to specifications satisfactory to the Minister;
- (b) that it will construct the road during the period January 1st, 1955 and March 31st, 1956;

-3-

- (c) that where land required for the right-of-way for the Road is not owned by Her Majesty, it will arrange for and carry out all necessary right-of-way surveys to acquire title to such right-of-way and transfer such title to Her Majesty;
- (d) that before entering into any contract for the construction of the Road it will submit the contract to the Minister for approval;
- (e) that it will not rent any equipment owned by it to any contractor engaged on construction of the Road without the prior approval of the Minister;
- (f) that it will maintain adequate records of all expenditures made pursuant to this agreement supported by proper documents and vouchers and will make any or all such records, documents and vouchers available to the Minister for examination upon request and will furnish any or all information required in relation thereto;
- (g) that it will indemnify and save harmless Her Majesty from and against any and all claims of whatsoever nature arising from or out of the said construction;
- (h) that it will at its own expense following completion of the Road carry out reasonable and adequate maintenance thereof until such time as in the opinion of the Minister it ceases to be a road for the exploitation of the mineral resources adjacent to the Road;
- (i) that it will not enter into any contract for the construction of the road with
 - (i) a corporation unless such corporation was established and operating in Canada prior to the first day of July, 1952; or
 - (ii) any person unless such person was resident in Canada prior to the first day of July, 1952;

-4-

- (j) that it will not employ or permit a contractor to employ on the construction of the Road
 - (i) any person who is not a resident of Canada; or
 - (ii) any person who is not a local resident unless insufficient qualified local residents are unobtainable;
 - (k) that it will not discriminate against or permit a contractor to discriminate against any person seeking employment on the construction of the Road because of such person's race, religious views or political affiliations;
 - (l) that it will ensure that the living conditions of all persons employed on the construction of the Road are as good as may be provided in the circumstances;
 - (m) that where necessary it will arrange for proper housing, dining, medical and mail facilities for persons employed on the construction of the Road;
 - (n) that it will use only goods and material of Canadian manufacture and production if available and of suitable quality and price;
 - (o) that it will ensure that fair wages are paid to all persons employed on the construction of the Road;
 - (p) that it will ensure that the hours of work observed in the construction of the Road are those prevailing for similar work undertaken in the district;
 - (q) that it will not admit nor permit the admission of any member of the House of Commons or any member of the Council of the Northwest Territories to any share or benefit arising from the construction of the Road;
- and

-5-

(r) that it will submit progress statements of accounts monthly to the Minister.

2. Subject to funds for such purpose being appropriated by Parliament, Her Majesty agrees in respect of that portion of the cost of construction which is made pursuant to this agreement,

- (a) to pay upon receipt of progress statements of expenditure Forty-five per cent (45%) of the amounts expended by the Company as evidenced by such statement; and
- (b) to pay in addition upon completion of the Road to the satisfaction of the Minister Five per cent (5%) of the amounts expended by the Company as evidenced by the progress statements submitted;

but the total of all payments by Her Majesty will not exceed a sum equal to Fifty per cent (50%) of the cost of construction or the sum of Six thousand dollars (\$6,000.00) whichever sum is the lesser.

3. It is agreed

- (a) that the general route of the Road and its final location will be subject to the approval of the Minister;
- (b) that the Company may enter into an agreement with a contractor for the construction of the Road or use day labour in the construction of the Road;
- (c) that where the Road or any portion thereof is constructed by day labour the cost of such construction may include
 - (i) the wages and salaries of employees actually engaged in the construction of the Road on the site;
 - (ii) the cost of material incorporated in the Road including off the site costs of labour and transportation in respect of such material;
 - (iii) the cost of consumable supplies and materials

-6-

- used for constructional operations;
- (iv) the cost of engineering charges and field supervision during construction;
 - (v) the costs of operating construction equipment exclusive of repairs;
 - (vi) the costs of depreciation of equipment owned by the Company at rates agreed upon by the Minister and the Company;
 - (vii) such other necessary expenditures incurred on the actual construction of the Road, but excluding costs incurred in the purchase of tools or construction equipment and general administrative costs off the site;
- (d) that where the Road or any part of the Road is constructed under contract with a third party, the cost of construction will be the contract price plus such expenditures as are with the approval of the Minister made in respect of day labour;
- (e) that the Minister may appoint a representative or representatives to inspect and report on the execution of the work to be performed in accordance with this agreement and the Company will afford such representative or representatives every facility for the purpose and will assist such representative or representatives in the execution of such inspection;
- (f) that the Minister's decision with respect to items to be included as costs of construction is final and binding on both parties;
- (g) that all payments of contributions by Canada under this agreement are hereby excepted from the operation

-7-

of section 5 of the Fair Wages and Hours of
Labour Act.

IN WITNESS WHEREOF the Honourable Jean Lesage, Minister
of Northern Affairs and National Resources, has hereunto set
his hand and seal on behalf of Her Majesty, and Rayrock Mines
Limited has hereunto affixed its corporate seal attested by
its proper officers on that behalf.

SIGNED on behalf of Canada by)
the Honourable Jean Lesage,)
Minister of Northern Affairs)
and National Resources in)
the presence of)
_____)

Jean Lesage
Minister of Northern Affairs
and National Resources

RAYROCK MINES LIMITED

351-2-31



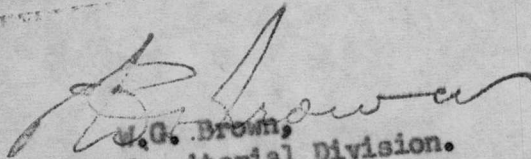
Ottawa, 14 December, 1955. Admin. & Lands Br.

DEC 15 1955
File No. 351-2-31MEMORANDUM FOR MR. W. NASONRAYROCK MINES LIMITED - AGREEMENT
WINTER ROAD

Further to our recent exchange of correspondence on this subject I now enclose the following:

- (a) Revised Submission to Council,
- (b) Revised Agreement between the Minister and the Company.

Also attached is a memorandum for the Deputy Minister from the Director. If you approve, will you please pass the same to Mr. Cunningham for signature. This memorandum explains the reasons for the resubmission.



W.G. Brown,
Chief - Territorial Division.



CANADA

NORTHERN ADMINISTRATION
AND LANDS BRANCH

DEPARTMENT
OF
NORTHERN AFFAIRS AND NATIONAL RESOURCES

OFFICE OF THE DIRECTOR

PLEASE QUOTE

FILE 351-2-51

Ottawa, 12 December, 1955.

MEMORANDUM FOR THE DIRECTOR

RAYROCK MINES LIMITED - AGREEMENT

WINTER ROAD

North Admin. & Lands Br.

DEC 15 1955

351-2-51

Refer To

An Order-in-Council was issued under date of the 9th of September, 1955, authorizing a contribution by the Federal Government to the above winter road to the extent of 50% of the cost, or \$6,000.00 maximum.

A draft Agreement has now been prepared for the Rayrock Mines Limited to execute but before submitting the same to the Company I questioned the Legal Advisor as to the ability to pay the Rayrock Mines Limited for a proportion of the money expended last spring. Mr. Nason has advised that this Agreement will permit payment only for expenditures made after the same is executed.

In February and March, 1955, a winter road was constructed at a total cost of \$5,561.13 and it is expected that further work will be done this winter. As the work done February and March this year, and the further work to be done this winter, is all part of the one project, I suggest an amendment to the Agreement. It is apparently not possible to cover expenditures made to date unless the matter is re-submitted for a revised Order-in-Council. Before taking this special action, will you please let me have your views on the matter.

W.G. Brown,
Chief - Territorial Division.

*I think we must
get a revised order in
Council. Be prepared
8 memo to Don giving
reasons. 13.12*

002545

351-2-51

Ottawa, 12 December, 1955.

MEMORANDUM FOR THE DIRECTOR

RAYROCK MINES LIMITED - AGREEMENT

WINTER ROAD

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W.G. Brown,
Chief - Territorial Division.

DEPARTMENT OF NORTHERN AFFAIRS AND
NATIONAL RESOURCES

Northern Administration and Lands Branch.

Date: 6-12-55

TO: Mr. Brown

For Action: ✓

For Direct Reply:

For Preparation of Reply:

For Reply for Director's Signature:

For Comment:

For Approval:

To Note and File:

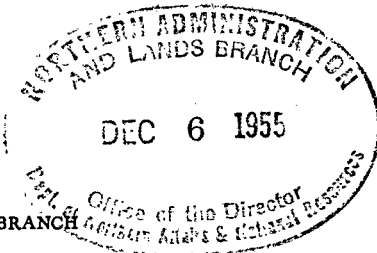
For Discussion With Undersigned:

For Signature:

For Information:

Re: Telephone Conversation:

6



CANADA

DEPARTMENT
OF

RESOURCES AND DEVELOPMENT

NORTHERN AFFAIRS AND NATIONAL RESOURCES

DEC 7 1955
351-2-31

LEGAL DIVISION

B1

Ottawa, December 6, 1955.

MEMORANDUM FOR THE DIRECTOR,
NORTHERN ADMINISTRATION AND LANDS BRANCH

8241

RAYROCK MINES LIMITED - AGREEMENT
File 351-2-31

Order in Council P.C. 1955-29/1342 of the 9th
September, 1955, authorized entering into an agreement with
Rayrock Mines Limited substantially in the form hereto attached. X

I am of the opinion, therefore, that the agreement
could not be amended in the manner suggested by you. The
present authority does not contemplate retroactive payments
and is, I suggest, only authority for the sharing in expendi-
tures incurred after the date the agreement is executed. If
you wish to share in expenditures incurred prior to the date
the agreement was executed, I suggest that it is necessary to
have the Order in Council amended to authorize retroactive
payments.

*There was
no form
"hereto attached".*

for
W. Nason,
Legal Adviser.

*x Mr. Clovelly says
this is the form?
agreement we sent
him on Nov 18.
He may file*

NORTHERN ADMINISTRATION & LANDS BRANCH
TEMPORARY FILE

FILE NO. VOL. NO. 351-2-31 T342
SUBJECT

Rd. from Marian Lake to Serman Lake and Area North of
Ft. Rae

MAIN FILE IS CHARGED TO

8-12

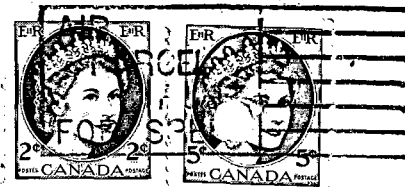
MFH.

REFERENCE				DISPOSAL			
REFERRED TO	REMARKS	DATE	INITIALS	DATE OF P.A. OR T.	DATE OF B.F.	INITIALS	REGISTRY INSPECTION
K-1	6/12 # 8248	8-12	AG	J		AG	mmc
B-1	" "	8/12	BMS	17/xii		AG	mmc

Memo from J. C. Byrne

RAYROCK MINES LIMITED

SUITE 509-25 ADELAIDE ST. W.
TORONTO 1, CANADA



Mr. F. J. G. Cunningham,
Director,
Department of Northern Affairs and
National Resources,
OTTAWA, Ontario.

**BY AIR MAIL
PAR AVION**

002551

TELEPHONE
EMPIRE 4-5588



8248

Toronto, Ontario,
December 6, 1955.

Hon. Jean LeSage,
Minister of Northern Affairs and
National Resources,
OTTAWA, Ontario.

381-2-31
K-1

Dear Mr. LeSage:

Referring to our request for a fifty per cent contribution by the Government in the amount of \$140,000 towards construction of a 35 mile all-weather road for heavy duty trucks between Marian Lake and our property, we submit herewith a review of mine development to date and future planning. We are also enclosing a letter report from J. L. Ward, Professional Engineer, which outlines ore reserves developed and indicated, plus potentialities at Rayrock and in the Marian River District.

We have expended some \$850,000 and will expend an additional \$2,200,000 to bring the property into production. The Company has \$2,250,000 on hand. A very substantial diamond drilling programme and underground development on two levels at 125' and 225' has established a highgrade uranium orebody in No. 6 Zone that can be mined at a profit. The orebody under development is wide open at depth, with some of our best drill holes below the bottom level. There are several known ore occurrences on the property, some of which have been diamond drilled and some have only been tapped as yet underground.

Underground development just got underway in April of this year and we have already outlined some 90,000 tons grading .40 per cent U3O8, valued at \$7,200,000 with uranium oxide at \$10.00 per pound. A production size plant is in Yellowknife awaiting delivery to the property by tractor train. We will at least double - probably triple - the amount of underground work next year including the sinking of a 3-compartment shaft to 600 feet. This work will include lateral development of other zones on the present levels, as well as development work at deeper horizons.

note
Boro

- 2 -

Our production objective is April 1957. This is a tight schedule which demands the provision of a truck road from Marian Lake to bring in construction materials and equipment for camp and plant buildings to cost \$380,000, a complete milling plant to cost \$1,350,000 and material for the construction of a 22 mile hydro-electric power line from Rayrock to the Government-owned plant at Big Spruce Lake. Freightage by tractor train this winter will include equipment and supplies, now at Yellowknife, to carry out the expanded mining programme outlined above, plus a start on the construction and installation programme.

Consolidated Northland Mines is also operating in the area and will be serviced by the first nine miles of this road which is already in use as an all-weather tractor road. This company has expended some \$650,000 to date in diamond drilling, shaft sinking and construction of plant and camp buildings. Shaft sinking to a depth of 300 feet is complete with driving underway at two levels. Provision can be made in the milling plant at Rayrock to treat ore from both properties. The Marian River Area has other known deposits with mine-making potentialities once roads and hydro power are made available.

We respectfully request your immediate and fullest co-operation in the matter of Government assistance to the extent of \$140,000 to cover fifty per cent of the estimated cost of road construction. The contractor must deliver road building equipment to the area this winter; therefore, we must be assured of financial assistance before February 1st.

Yours very truly,

RAYROCK MINES LIMITED

J. C. Byrne
President

Enc.
JCB:mle

cc: Mr. F. J. G. Cunningham
Mr. R. G. Robertson

P.S. We are forwarding under separate cover three Plans - AYKB-32, RRB-24, RRB-04 - which should be studied in conjunction with J. L. Ward's letter report.

TELEPHONE
EMPIRE 4-5588

Suite 509
25 Adelaide St. W.
Toronto 1, Canada

~~851-2-31~~
December 6, 1955.

C. V. EWEIR

Mr. J. C. Byrne,
President,
Rayrock Mines Limited,
Suite 509 - 25 Adelaide St. West,
TORONTO, Ontario.

Dear Sir:

At your request I am presenting herewith information on ore reserves at the Marian River property of Rayrock Mines Limited. Certain conclusions affecting the duration of operations in the district have been drawn from a study of the situation.

Included here are three prints described as follows:

- COPY
- (1) AYKB32 is a geological plan showing the main radioactive zones as they appear on surface. Traced on this sheet is an outline of the development workings on the adit level, 225 feet below the surface. As can be seen, development work has been confined to only two of the known zones, namely the No. 1 and the No. 6.
 - (2) RRB24 is a plan of sampling of the adit level workings. A more recent plan is not available at this time but this should serve to give some idea of the high grade value of the ore and the widths over which it occurs.
 - (3) RRBO4 is a vertical cross-section taken along the adit tunnel and shows the elevation of the workings with respect to the surface and the location of the ore zones.

The workings on the adit level have by now clearly outlined 2 years ore at a daily milling rate of 125 tons. As these workings advance more ore is being added along the No. 1 and No. 6 zones and additional ore can be expected from the other zones. This will eventually outline a sizeable block of ore between the surface and the adit level.

Surface drilling has shown the ore to continue strongly to depth, and in fact the best intersections were cut below the adit level. When

r. J. C. Byrne

- 2 -

December 6, 1955.

the necessary sinking plant arrives at the property, expected February, 1956, a three compartment shaft will be started and sunk to an initial depth of 600 feet below surface. Three levels will be established and from these headings will be driven to develop the ore zones. This work should produce 5 years ore well before it is completed. Long term plans are to maintain development work sufficiently far ahead of production so as to maintain a reserve of 5 years ore.

The work of putting the mine into production and the work of mining the ore now outlined above the adit level and that indicated below the level would extend over a period of at least 5 years. An all weather road into the property is necessary to carry out this programme. In view of the foregoing it is my opinion that such a road now has a minimum assured life of six years. This life would be extended ofcourse, by developments at Rayrock and other mines in the district.

In developing their property at Chico Lake, Consolidated Northland Mines Limited has built and is effectivel using a 9 mile all weather road from deep water at Marian Lake. Development work at the property included 15000 feet of diamond drilling which has indicated a number of good grade ore sections down to a maximum depth of 400 feet. A 300 foot shaft has been sunk on the richest of these sections and cross-cuts are advancing towards the ore on two levels. It is too early to make any production plans but there is a distinct possibility that ore from Northland would be hauled for treatment at Rayrock over the proposed road extension. In this way Northland, as well as other future producers in the district would serve not only to add to the expected life of such a road but would also increase the degree of use of the road.

I trust that this adequately covers the situation.

Yours very truly,

JLW:hw

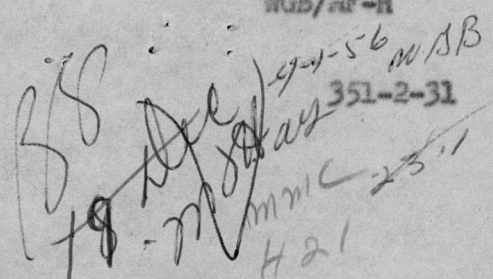
J. L. Ward, P. Eng.

NORTHERN ADMINISTRATION & LANDS BRANCH
B.F. NOTIFICATION MEMO

<i>W S B</i>		DATE <i>23-1</i>
FILE NO. <i>357-2-31</i>	VOL. NO. <i>172#21</i>	
SUBJECT <i>road from Marwan Lake to Shuman Lake</i>		
THE FILE NOTED ABOVE WHICH WAS B.F.'D FOR THIS DATE IS NOW CHARGED TO: <div style="border: 1px solid black; padding: 10px; text-align: center;"><i>Was 18-1</i></div>		
PLEASE INDICATE ACTION REQUIRED ON LOWER PORTION OF THIS FORM AND RETURN IT TO THE REGISTRY		
<i>[Signature]</i> BRANCH REGISTRY		

TO BRANCH REGISTRY	
<input type="checkbox"/> CANCEL B.F.	<input checked="" type="checkbox"/> B.F. AT <i>12 Feb.</i> DATE
OTHER INSTRUCTIONS _____ _____ _____ _____ DATE _____ SIGNATURE <i>[Signature]</i>	

002556



North Admin. & Lands Br.
DEC 2 1955
File No. 351-2-31
Refer To. —

RAYROCK MINES LIMITED - AGREEMENT

BF
3-1-56
18-1-56
ms B
mm

The above provision does not seem to be inconsistent with the Cabinet authority under P.C. 1955-29/1342 of September 9th, 1955.

002558

OFFICE OF THE CHIEF
Branch Engineering
~~ENGINEERING AND CONSTRUCTION SERVICE~~

MEMORANDUM FOR FILE.

December 1, 1955.

Correspondence relating to matters processed by
Branch Engineering will be found on E351-2-31.



C.V.F.W.

Document divulgué en vertu de la Loi sur l'accès à l'information

DEPARTMENT OF NORTHERN AFFAIRS AND
NATIONAL RESOURCES

Northern Administration and Lands Branch.

Date: 5-12-55

TO: Mr. Neveu

For Action:

For Direct Reply:

For Preparation of Reply:

For Reply for Director's Signature:

For Comment:

For Approval:

To Note and File:

For Discussion With Undersigned:

For Signature:

For Information:

Re: Telephone Conversation:

I have removed No. 8056 (letter from J.C. Byrne of Rayrock Mines) as the Director wants it sent to Mr. LeCapelain instead of to Mr. Brown.

Noted Nov 29/55

G.M.

002560

CORRESPONDENCE NO 8056

NORTHERN ADMINISTRATION & LANDS BRANCH
CROSS REFERENCE SHEET

<input checked="" type="checkbox"/> LETTER	<input type="checkbox"/> MEMO	<input type="checkbox"/> TELEGRAM OR SIGNAL	<input type="checkbox"/> REPORT
<input type="checkbox"/> OTHER _____			
FROM <i>JC Byrne</i> <i>Rozrock Times</i>		TO <i>D U.</i>	
SYNOPSIS _____ _____ _____ _____ _____ _____ _____ _____ _____ _____ _____ _____			
PLACED ON FILE NO. _____			
REMOVED AND PLACED ON FILE NO. <i>Sent to Mr. Delaplain</i>		NOTED IN RECORDING SECTION <i>(See Mrs. Brown's - not attached)</i>	
REMARKS <div style="display: flex; justify-content: space-between; margin-top: 100px;"><div style="text-align: center;"><i>6/12/55</i> DATE</div><div style="text-align: center;"><i>[Signature]</i> (SIGNATURE)</div></div>			

DEPARTMENT OF NORTHERN AFFAIRS AND
NATIONAL RESOURCES

Northern Administration and Lands Branch.

Date: 6-11-55

TO: Mr. Brown

For Action:

For Direct Reply:

For Preparation of Reply:

For Reply for Director's Signature:

For Comment:

X X

For Approval:

To Note and File:

For Discussion with Undersigned:

For Signature:

For Information:

Re: Telephone Conversation:

ALB 2a.



CANADA

DEPARTMENT

OF

~~RESOURCES AND DEVELOPMENT~~

NORTHERN AFFAIRS AND NATIONAL RESOURCES

Ottawa, November 24, 1955.

North Admin. & Lands Br.
Ottawa, Ont.

NOV 30 1955

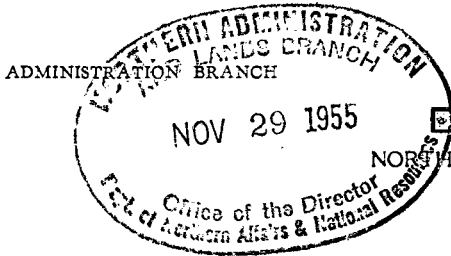
File No.

351-2-31

Refer to

B1

LEGAL DIVISION



MEMORANDUM FOR THE DIRECTOR,
NORTHERN ADMINISTRATION AND LANDS BRANCH

re RAYROCK MINES LIMITED AGREEMENT

This agreement is satisfactory as to form.

You have not advised me of the date the construction of this road will commence. Possibly construction has already commenced. If construction has commenced or is likely to commence prior to the date this agreement is executed, you will wish to consider whether or not the provisions of the agreement are sufficient to permit the Department to share in the cost of construction from the commencement of the work. In this connection your attention is drawn to section 1 (b) and section 2. As presently worded the agreement would not permit sharing of costs incurred prior to the date of execution of the agreement.

Above the line where the witness should sign the word "present" should be "presence".

*changed
m 5/2*

W. Nason
W. Nason,
for Legal Adviser.

changes in agreement:

page 2

1.

- (b) that it will construct the road during the period January 1st, 1955 and March 31st, 1956;

REFERRED TO	REMARKS	DATE	INITIALS	P.A. DATE OR T.	B.F. DATE	INITIALS	REGISTRY INSPECTION
NOTE: FOR PREVIOUS ENTRIES SEE OLD FILE COVER PLACED ON THIS VOLUME----							
B-1	11-6-55 # 1590	20-6	RA	T		Z	SS
B-3	"	21-6	Z	T		201	SS
B-1	signature please	23/6	Jep	23.6		Z	SS
PBF	as per request	28.6.55	J	5/7/55		300A	SS
DO	memo	5/11	DOH				SS
B-1	13-7-55 # 2918	19-7	RA	20.7		Z	SS
DO	For approval	20.7	Z	22.7		Z	SS
Chitzman	as per request	27.7.55	J	27.7.55		DOH	SS
B-1	29.7.55 # 3593	3.8.55	J	3/11/55		DOH	SS
B-1	98.55 # 3919	11.8.55	J	11.8		Z	SS
R-1	Per request (W.F.S)	2/9/55	RA		4 Oct-55	US	SS
Mr. Christie	Per request (K.S.C)	14/9/55	RA	Retol. on 14/9/55 by Mr. Washell		SS	SS
Mr. Brown	Per request	21.10	RA	21/x		DOH	SS
M.F.H	per request	3-11-55	J	T		DOH	SS
DO	for approval please	3/xi	DOH	7.11		6	SS
A-3	" "	7/11	DO	T		DOH	SS
A-1	Signature 8-11	8-11	US	T		J70	SS
B-1	Re memo	8-11	J70	T		DOH	SS
DO	memo	9/xi	DOH	10-11		90m	SS
A-1	note	10-11	J70	T		J70	SS
B-1	Re memo	10-11	J70	T		6	SS
A-1	fraction	15.11	6	T		J70	SS
③ B-1	Preparation of Agreement	15-11	J70	T	5/xii	DOH	SS
② Review	to check file & class 557-2-33	16/11	Lahn	23/11		SS	SS
① Mr. Caplan	request (DO)	16/11	Or	Nov 16/55		CR6	SS
A-1	memo	18/xi	DOH	22-11		J70	SS

RELATED FILES

File No.	Subject
351-2-33	OK Marion Lake to Chicolake Road (Consolidated Northland Mines Ltd.)

NORTHERN ADMINISTRATION & LANDS BRANCH
B.F. NOTIFICATION MEMO

TO	<i>M F H</i>	DATE	<i>5-12</i>
FILE NO.	<i>351-2-31</i>	VOL. NO.	<i>1, 8-11-55-486</i>
SUBJECT <i>Rayrock Manor Road.</i>			
THE FILE NOTED ABOVE WHICH WAS B.F.'D FOR THIS DATE IS NOW CHARGED TO: <div style="border: 1px solid black; padding: 10px; text-align: center;"><i>B1 2-12</i></div>			
PLEASE INDICATE ACTION REQUIRED ON LOWER PORTION OF THIS FORM AND RETURN IT TO THE REGISTRY			
<i>M. M. H.</i> BRANCH REGISTRY			

TO BRANCH REGISTRY	
<input checked="checked" type="checkbox"/> CANCEL B.F.	<input type="checkbox"/> B.F. AT _____ DATE _____
OTHER INSTRUCTIONS _____	

<i>5/xii</i> DATE	<i>[Signature]</i> SIGNATURE

NORTHERN ADMINISTRATION & LANDS BRANCH
B.F. NOTIFICATION MEMO

TO	<i>M F-H</i>	DATE	<i>1-12-55</i>
FILE NO.	<i>331-2-31</i>	VOL. NO.	<i>18-11-55-427</i>
SUBJECT <i>road from Marian Lake to Sherman Lake</i>			
THE FILE NOTED ABOVE WHICH WAS B.F.'D FOR THIS DATE IS NOW CHARGED TO: <div style="border: 1px solid black; padding: 10px; text-align: center;"><i>Ms Mier 28-11</i></div>			
PLEASE INDICATE ACTION REQUIRED ON LOWER PORTION OF THIS FORM AND RETURN IT TO THE REGISTRY			
<i>mml</i> BRANCH REGISTRY			

TO BRANCH REGISTRY	
<input checked="checked" type="checkbox"/> CANCEL B.F.	<input type="checkbox"/> B.F. AT _____ DATE _____
OTHER INSTRUCTIONS _____ _____ _____	
<i>5/11</i> DATE	<i>[Signature]</i> SIGNATURE

MF-H

SENT
by
Sub Registry.
No. 1

Ottawa, 18 November, 1955.

NOV 23 1955

File No. 357-2-31

Refer To

RAYROCK MINES LIMITED AGREEMENT

MEMORANDUM FOR MR. NASON

We wrote you on July 4th enclosing a draft agreement and submission to Council in connection with a contribution by the Federal Government of an amount of \$6,000 towards the construction of a road by the above mentioned company.

Order in Council P.C. 1955-29/1342 of September 9th, 1955, authorized the Minister to enter into this agreement with Rayrock Mines Limited.

I now enclose two copies of the agreement and would ask you to check this over and if it is satisfactory return one copy here for forwarding to the company for signature by their officers. We will then have copies of the agreement returned to you for the signature of the Minister.

Signed by Mr. Brown.
F. G. Cunningham,
Director.

Note for file:

three copies retained by M.F-H. for forwarding to Rayrock Mines Limited when Mr. Nason's approval of agreement is received.

M.F-H. 18/xi/55

MF/H

North Atlantic Division
NOV 23 1955
File No. 257-231
Refer To...

Ottawa, 18 November, 1955.

MEMORANDUM FOR MR. J.F. DOYLE

RAYROCK MINES LIMITED AGREEMENT

I have your memorandum of November 8th in connection with the above agreement and the Order in Council authorizing the Minister to enter into said agreement.

We have checked our files and find that P.C. 1955-29/1342 of September 9th, 1955, authorizes the Minister to enter into an agreement with Rayrock Mines Limited for the construction of a road to their mining properties.

We have now prepared an agreement and have submitted it to Mr. Nason for his approval. As soon as it has been executed by the Company and the Minister a copy will be forwarded to you.



W.G. Brown,
Chief - Territorial Division.

WHR/MR-H
351-2-31

Ottawa, 10 November, 1955.

J.J. Deutsch, Esq.,
Secretary to the Treasury Board,
O t t a w a.

Dear Mr. Deutsch:

I do not appear to have received a reply from you to my letter of August 5th giving you further information in regard to Rayrock Mines Limited. This letter was of an explanatory nature and related to the application submitted for Treasury approval to enter into an agreement with Rayrock Mines Limited for the construction of a road and a contribution by the Federal Government of a maximum of \$6,000.

We are anxious to have this finalized as early as possible and I would be glad to hear from you.

Yours sincerely,

R. G. Robertson,
Deputy Minister.

Not sent by H.O. in view
of J.B. 489238
dated Sept 9/55

WFS:jw



CANADA

NORTHERN ADMINISTRATION
AND LANDS BRANCH

DEPARTMENT
OF
NORTHERN AFFAIRS AND NATIONAL RESOURCES

OFFICE OF THE DIRECTOR

PLEASE QUOTE

FILE 351-2-31

OTTAWA, November 8, 1955.

MEMORANDUM FOR MR. W. G. BROWN:

Marked on file hereunder is a copy of the Requisition for Cheque dated July 6, 1955 submitted to our Treasury Office for payment covering 50% contribution by the Administration for the construction of a winter road from Marian Lake to Sherman Lake by Rayrock Mines Limited. Treasury have not taken any action to have a cheque issued in this connection because they are awaiting Treasury Board authority and the signing of an agreement with Rayrock Mines Limited to authorize our contribution towards the construction of this road.

I have checked the file and cannot find any Treasury Board authorization to date. Will you please return the file to me when Treasury Board authority has been received and the agreement has been signed in order that these documents may be submitted to our Treasury office to allow payment of our contribution to be made.

J. F. Doyle
J.F. Doyle,
Chief, Branch Administration.

*See file 1955-25/1342
9 Sept 1955
in file 351-2-33
TB 789238*

WFS:jw

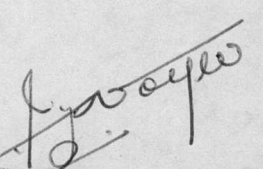
351-2-31

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J.P. Doyle,
Chief, Branch Administration.

WFS:jw

351-2-31

OTTAWA, November 8, 1955.

MEMORANDUM FOR MR. W. G. BROWN:

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I have checked the file and cannot find any Treasury Board authorization to date. Will you please return the file to me when Treasury Board authority has been received and the agreement has been signed in order that these documents may be submitted to our Treasury office to allow payment of our contribution to be made.

J. F. DOYLE

J.F. Doyle,
Chief, Branch Administration.

CVFW/dd

351-2-31
E351-2-31

*Cent
Lor*

Ottawa, 8 November, 1955.

J.J. Byrne, Esq.,
President,
Consolidated Northland Mines Limited,
Suite 509, 25 Adelaide Street,
Toronto, Ontario.

Dear Mr. Byrne:

Thanks very much indeed for your letter of the 28th September with figures and information concerning the Rayrock Area and the proposed section of road to the property.

It is noted that Mr. N.W. Byrne estimated costs at \$8,000 per mile to construct a road passable for FWD heavy duty trucks, which would involve a total expenditure of about \$280,000. We have had some general discussions on the matter and have concluded that while there is no firm decision at the moment on overall road policy in the Territories, this proposed construction of thirty-five miles to the Rayrock property could become part of the general road system. With this in mind, the Minister has taken a favourable view of the project as a resource road and is prepared to consider an arrangement whereby federal assistance will be made available. We will use your estimate of \$8,000 per mile as a basis for computing the amount of the federal contribution for inclusion in the 1956-57 estimates and will advise you later if final approval is given.

Yours sincerely,

R.G. Robertson,
Deputy Minister.

Byrne

B.F. 1 Dec 55
COW
CVFW/dd
351-2-31
E351-2-31-
c.c. to be returned to MR. CUNNINGHAM



Ottawa, 8 November, 1955.


J.J. Byrne, Esq.,
President,
Consolidated Northland Mines Limited,
Suite 509, 25 Adelaide Street,
Toronto, Ontario.

Dear Mr. Byrne:

Thanks very much indeed for your letter of the 28th September with figures and information concerning the Rayrock Area and the proposed section of road to the property.

It is noted that Mr. N.W. Byrne estimated costs at \$8,000 per mile to construct a road passable for FWD heavy duty trucks, which would involve a total expenditure of about \$280,000. We have had some general discussions on the matter and have concluded that while there is no firm decision at the moment on overall road policy in the Territories, this proposed construction of thirty-five miles to the Rayrock property could become part of the general road system. With this in mind, the Minister has taken a favourable view of the project as a resource road and is prepared to consider an arrangement whereby federal assistance will be made available. We will use your estimate of \$8,000 per mile as a basis for computing the amount of the federal contribution for inclusion in the 1956-57 estimates and will advise you later if final approval is given.

Yours sincerely,


R.G. Robertson,
Deputy Minister.

CVPW/dd

351-2-31
E351-2-31

Ottawa, 8 November, 1955.

J.J. Byrne, Esq.,
President,
Consolidated Northland Mines Limited,
Suite 509, 25 Adelaide Street,
Toronto, Ontario.

Dear Mr. Byrne:

Thanks very much indeed for your letter of the 28th September with figures and information concerning the Rayrock Area and the proposed section of road to the property.

It is noted that Mr. H.W. Byrne estimated costs at \$8,000 per mile to construct a road passable for FWD heavy duty trucks, which would involve a total expenditure of about \$280,000. We have had some general discussions on the matter and have concluded that while there is no firm decision at the moment on overall road policy in the Territories, this proposed construction of thirty-five miles to the Rayrock property could become part of the general road system. With this in mind, the Minister has taken a favourable view of the project as a resource road and is prepared to consider an arrangement whereby federal assistance will be made available. We will use your estimate of \$8,000 per mile as a basis for computing the amount of the federal contribution for inclusion in the 1956-57 estimates and will advise you later if final approval is given.

Yours sincerely,

R.G. Robertson,
Deputy Minister.

Revised

CVFW/dd

351-2-31

E351-2-31

Ottawa, 8 November, 1955.

J.J. Byrne, Esq.,
President,
Consolidated Northland Mines Limited,
Suite 509, 25 Adelaide West,
Toronto, Ontario.

Dear Mr. Byrne:

Thanks very much indeed for your letter of the 28th September with figures and information concerning the Rayrock Area and the proposed section of road to the property.

It is noted that Mr. N.W. Byrne estimated costs at approximately \$8,000 per mile to construct a road passable for F&D heavy duty trucks, which would involve a total expenditure of approximately \$280,000. We have had some general discussions on the matter and have concluded that while there is no firm decision at the moment on overall road policy in the Territories, this proposed construction of thirty-five miles of resource road to the Rayrock property should, if possible, fit into and become part of the general road system. With this in mind, the Minister has taken a favourable view and is prepared to consider an arrangement whereby federal assistance will be made available. We will use your estimate of \$8,000 a mile as a basis for computing the amount of the federal contribution for inclusion in the 1956-57 estimates. We will advise you later if it receives the approval of Treasury and Parliament as a whole.

Yours sincerely,

R.G. Robertson,
Deputy Minister.



October 27th
**Rayrock Aiming
For Production
Spring of 1957**

Underground work and drilling at Rayrock Mines suggest that sufficient tonnages of ore will be proven and indicated to bring the property into production by the spring of 1957, and possibly earlier. The Northern Miner learns from President J. C. Byrne.

In preparation for meeting this objective several work programs have already been completed or have started within the past month. Preliminary discussions have taken place with officials of the government-owned Eldorado Mining & Refining for the treatment of Rayrock concentrates.

Early mill test work on representative ore from underground indicates excellent recoveries, up to 96%.

(Continued on Page Nine)

Oct 27/55
X 357-2-31
**Rayrock Aiming
For Production**

(Continued from Page One)

by sink-float operation and current thinking is to follow by leaching the sink concentrate plus the fines. This would require only a small leaching plant treating 20-25 tons for each 100 tons of ore handled by the sink-float plant. If final milling plans should incorporate sink-float followed by leaching the company is amply financed to production. Cash on hand exceeds \$2,000,000 and a substantial part of the necessary mining and milling plants is already owned.

Concentration of high grade ore near the footwall of the No. 6 zone quartz stockwork, plus a number of flat-lying lenses and pods of pitchblende throughout the stockwork present two alternatives in mining. The high grade could be mined selectively at a mill rate of 100-150 tons daily, averaging an estimated 0.50% uranium oxide per ton. Or, wider widths could be taken and the stockwork mined at a rate of 300-400 tons per day, averaging an estimated 0.25% per ton.

It is too early to estimate costs yet. These cannot be worked out until decisions are made on the type of mining and milling to be employed. On the basis of 100-150 tons daily Mr. Byrne anticipates lower costs than at Consolidated Discovery where total 1954 mine operating costs were \$21 a ton before depreciation taxes and deferred development writeoff. Either mining method should result in quite a profitable operation.

Hydro Survey

A preliminary survey has been made of a hydro power line route from the government plant at Big Spruce Lake, 20 miles from the property.

A crew has started dismantling and preparing for winter tractor train shipment mill equipment, compressors, air receivers and heating plant. All of this is owned by Rayrock, having been purchased from Negus Mines, and is in Yellowknife, 100 miles southeast of the property at Marian River, N.W.T.

Some \$250,000 in heavy mine supplies and building materials has been received and warehoused at Yellowknife and Marian Lake.

Winterizing has been completed at the property, permanent air and water lines have been installed and main haulageways have been enlarged.

Slashing and timbering of a raise is proceeding to service a sub-level recently established 100 ft. vertically above the adit level. Shaft sinking and opening of a third level will get under way with the delivery of heavy duty equipment to the property next February. Some of the highest grade drill intersections are well below the adit level, which is 225 ft. vertically below surface.

Lateral work on the adit level has just resumed. An ore length of 330 ft. has been drifted to date in the No. 6 zone averaging 0.50% U_3O_8 , or better, \$72.50 per ton gross, over 6.6 ft.

C. P. Williams has been appointed mine manager and will arrive at the property in mid-November. He has been with South American Development Co., a private company out of New York City, for the past 13 years, and the last five years he has been mine superintendent of that company's Kelowna Mines Hedley Ltd. operation in British Columbia.

Page 1

351-2-31
Copy in 351-1

Ottawa, 12 October, 1955.

MEMORANDUM FOR THE DEPUTY MINISTER:

re Northwest Territories Development
Road

-- I attach copy of a letter from the Acting Deputy
Minister of Department of Mines and Technical Surveys to the
Chief of the Lands Division of this Branch dated 5th October,
-- 1955, copy of the statement referred to therein, and copy of
-- Mr. LeCapelain's memorandum to me dated the 11th October.

The material received from the Department of Mines and Technical Surveys is not encouraging in relation to that portion of the road lying between the Rayrock property and Sawmill Bay. However, the material would be adequate to support the construction of that portion of the road lying between the Mackenzie Highway and Rayrock. The construction of this portion would take several years, and would be justifiable in itself. By the time it is finished, it would probably be easier to reach conclusions about continuing it further north.

see file 351-1 { I would suggest the formation of a Submission to Cabinet on development road policy might now proceed.

You may feel that the attached material necessitates some amendment to the map which Mr. Herbert is preparing for the Gordon Commission Brief.

J.B. Cunningham
F.F. J.G. Cunningham,
Director.

002580

North Admin. & Lands Br.
Ottawa, Ont.

OCT 17 1955

File No. 351-2-31

Refer To *[Signature]*

CKLC/MJ

P.A. (12/10)

Ottawa, 11 October, 1955.

MEMORANDUM FOR THE DIRECTOR

ROADS IN THE MARIAN LAKE-GREAT BEAR LAKE AREA
NORTHWEST TERRITORIES

On the 9th of September, 1955, I wrote to Dr. G.S. Hume, Director General of Scientific Services, Department of Mines and Technical Surveys, asking for information "on the possible commercial mineral potentialities of the area extending from Fort Rae to Sawmill Bay on Great Bear Lake, Northwest Territories". Please find attached, -- his reply dated the 5th of October, 1955.

2. Mr. K.J. Christie has prepared a map showing:
- (1) The mineral claims outstanding in the area under consideration.
 - (2) The road from Marian Lake to the property of Consolidated Northland Mines Limited near Chico Lake and then on to the property of Rayrock Mines Limited.
 - (3) The location of the old winter road from the Mackenzie Highway to Mills Lake.
 - (4) The location of the proposed road from Mills Lake to Sawmill Bay, Great Bear Lake, to service the producing mines in the area. This road location was made after an extended inspection of the aerial photographs covering the area, and has been placed west of the contact zone between the Precambrian rock and the later sedimentary rocks, and where the cost of construction would appear to be the cheapest.

This map was shown to you and the Deputy Minister the other day when we were discussing 1956-57 Estimates. As we have not made up a copy of the map showing this varied information, I propose to keep it in the Lands Division and available to be sent ^{to you} wherever you decide.

C.K. LeCapelain
C.K. LeCapelain,
Chief, Lands Division.

Deputy Minister
of
Mines and Technical Surveys

Ottawa, October 5, 1955.

Mr. C. K. LeCapelain,
Chief, Lands Division,
Northern Administration and Lands Branch,
Department of Northern Affairs and
National Resources,
Ottawa.

Dear Mr. LeCapelain,-

In reply to your letter of September 9, I am enclosing herewith a short statement on the mineral potentialities of the area extending from Fort Rae to Sawmill Bay on Great Bear Lake.

Apart from the known uranium-bearing belt, little is known regarding other mineral potentialities in the area. Moreover only the southern part of the area extending from the northern end of Marian Lake to the present properties of the Rayrock Mines can be said to have been seriously prospected. Little is known of the area to the north of these properties although the geological conditions would seem to indicate a possibility of similar deposits to that of Rayrock and Consolidated Northland being discovered. As pointed out however by the geologists, this area could be prospected in its initial stages by aircraft.

As the deposits under development are uranium and the area is considered geologically favourable to similar occurrences, it would appear that some consideration should be given to the life of the mines in the area.

On August 3, 1953, the Rt. Hon. C.D. Howe made a statement with respect to the Government's uranium purchasing policy. The salient points raised by Mr. Howe are as follows:-

"At the present time the published price schedule provides for sliding scale of prices, depending on grade, up to a maximum of \$6.00 per pound of uranium in an acceptable concentrate with a uranium content of not less than 10% by weight. In addition, the published price schedule provides for the payment of a development allowance of \$1.25 per pound during the first three years of production. The published price schedule is now guaranteed until March 31, 1962.

In the announcement of policy made on March 16, 1948, it was also stated that in special circumstances consideration might be given to the payment of prices higher than those contained in the published price schedule. In November, 1953, it was announced by Eldorado that such special prices would be arrived at by negotiation in each case and would be related to cost.

I am now able to state that there is a limit on the amount of uranium which will be purchased under the special price arrangement. On the basis of our present information, Eldorado will not be able to negotiate special price contracts after March 31, 1956. Moreover, it is not expected that Eldorado will be able to negotiate contracts unless there is satisfactory evidence that production will commence not later than April 1, 1957. All contracts will require that deliveries must be completed by March 31, 1962."

-2-

It would appear from the foregoing statement that the future price of uranium will be uncertain. The grade of ore at Rayrock and Consolidated Northland properties is reported to be considerably higher than that of other uranium areas, viz. Ontario, consequently it is possible that if these mines are given comparable transportation facilities they would be able to continue production even should the price fall below the published price schedule now guaranteed until March 31, 1962. Therefore it would seem logical that some help be given the companies in improving their present transportation facilities.

It is doubtful, however, whether a road such as proposed by Mr. Byrne to tap the presently unknown area to the north would be justified at this time.

Yours very truly,

"G. S. Hume"

G. S. Hume,
Acting Deputy Minister.

MINERAL POTENTIALITIES BETWEEN FORT RAE AND GREAT BEAR LAKE, NORTHWEST TERRITORIES

This region which includes the Marian River, Hardisty Lake, and Hottah Lake areas has a combined length of approximately 225 miles. Two geologists of the Geological Survey of Canada, Dr. C. S. Lord and Dr. A. H. Lang have visited the region under review and the former has mapped more than 12,000 square miles between Fort Rae on Great Slave Lake and Echo Bay on Great Bear Lake. Several of the properties have also been examined by the resident geologist at Yellowknife.

The information contained in this brief has been furnished largely by the above mentioned geologists.

The general and structural geology in the vicinity of the property of Rayrock Mines Limited is exceptionally favourable for the occurrence of ore deposits. These geological data, plus the subsequent reliably reported favourable results of exploration by Rayrock Mines and Consolidated Northland Mines Limited, 25 air miles south of Rayrock, make it reasonable to expect that the area between Marian Lake and the Rayrock property will eventually be proven to contain a new mining camp. It seems likely that the Rayrock property will become productive and that its higher grade of ore will permit operation at the schedule of prices which is guaranteed until March 31st, 1962. This property would therefore likely be in the favourable position of not depending on special price contracts. It also seems likely that if a concentrator is built at the Rayrock property it would be able to treat custom ore shipped from other properties that might not warrant treatment plants of their own, and that their ores would be similar enough to that of Rayrock to permit treatment in the Rayrock plant.

The region between the Rayrock property and Sawmill Bay on Great Bear Lake contains numerous pitchblende occurrences and a few of other minerals. None of the uranium occurrences are known to have shown as favourable results as Rayrock. The property originally called Pitch 8-10 Group and now held by United Uranium Corp. Limited was explored by an adit and a shaft and a mill was erected, but the property was idle from late 1953 until exploration work was resumed under the direction of M. W. Byrne in the spring of 1955.

Hottah Lake Uraniums Limited has 36 claims on the northeast shore of Hottah Lake and in May of this year plans were being made for new financing and a work program.

It is the considered opinions of the geologists that the area requires prospecting and initial exploration of mineral occurrences rather than development of known deposits. This can be done fairly readily with aircraft services already established at Yellowknife.

Prepared by Mineral Resources Division,
From Information Furnished by The
Geological Survey.
Sept. 30/55.



CANADA

PLEASE QUOTE

FILE.....

GHM:MF

NORTHERN ADMINISTRATION
AND LANDS BRANCH

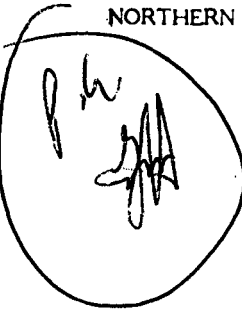
DEPARTMENT

OF

NORTHERN AFFAIRS AND NATIONAL RESOURCES

OFFICE OF THE DIRECTOR

OTTAWA, October 4, 1955.



C.V.F. WEIR

MEMORANDUM FOR MR. C.V.F. WEIR

North Admin. & Lands Br.
OCT 11 1955
File No. <u>E 351-2-31</u>
Referred to

Mr. Armstrong left with me this letter from the Consolidated Northland Mines, Limited. Will you please let me know what the Department is prepared to do with regard to this road to the Rayrock property and what amount should be included in the federal Estimates for 1956-57. Also, is this road to be constructed by the Department or is the Department to contribute a certain percentage towards its cost?

Mr. Armstrong

G. H. Montsion
G. H. Montsion.

*Put in \$140,000 or $\frac{1}{2}$ the the cost
of the road as estimation by the Company.
an agreement will have to be negotiated
for building road by the Company. G.H.M.*

4 OCT 8 55

351-2-31

GHN:MF

OTTAWA, October 4, 1955.

MEMORANDUM FOR MR. C.V.F. MEIR

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Original Signed By
G. H. MONTSION

G. H. Montsion.

Mr. Montsion

Put in \$140,000 or one half the cost of the road as estimated by the company. An agreement will have to be negotiated for building the road by company means.

Boys
4 Oct. 55

File reopened
returned to CR
9/10/55

FOR CORRESPONDENCE AFTER SEPT. 25, 1955
SEE FILES KEPT BY ENG. PROJECTS SECTION.

DEPARTMENT OF NORTHERN AFFAIRS AND
NATIONAL RESOURCES

Northern Administration and Lands Branch.

Date: 5/10/55

TO:

Mr. *[Signature]*

For Action:

For Direct Reply:

For Preparation of Reply: XXX

For Reply for Director's Signature:

For Comment:

For Approval:

To Note and File:

For Discussion With Undersigned:

For Signature:

For Information:

Re: Telephone Conversation:

Please note D.M.'s remark
on green slip.

~~11/10/55~~
↓

- ① See mini. memo
from Montreal
- ② Reply prepared for D.M.'s signature

002588

**Department of Northern Affairs and
National Resources**

OF _____ OF THE DEPUTY MINISTER

DATE 30/9/55

TO: **MR. CUNNINGHAM**

FOR ACTION:

FOR DIRECT REPLY:

FOR PREPARATION OF REPLY:

FOR COMMENT:

FOR APPROVAL:

TO NOTE AND FILE: ☐ AND RETURN: ☐

FOR DISCUSSION WITH UNDERSIGNED:



XXX

*I assume you are
considering whether we
should put an item
in our estimate.*

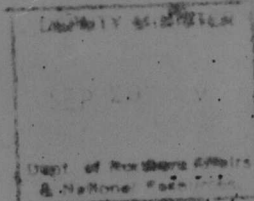
002589

Consolidated Northland Mines Limited

TELEPHONE EMPIRE 6-4131

MINE OFFICE:
P. O. Box 190
YELLOWKNIFE, N.W.T.

HEAD OFFICE:
SUITE 509
25 ADELAIDE WEST
TORONTO, CANADA



September 28, 1955

C. W. Jackson, Esq.
Acting Deputy Minister
Northern Affairs and National Resources
Ottawa
Canada

North Admin. & Lands Br.
Ottawa, Ont.

OCT 17 1955

File No. 357-2-31
Refer To

Dear Mr. Jackson:

I received your letter of the 16th instant in due time but delayed answering until I could get some definite figures from Mr. N. W. Byrne who is more familiar with conditions in the Marian River Area than anyone I know of, he having supervised all of the most important operations there to date.

Mr. Byrne has already supervised the laying out of a rough road from the head of Marian Lake to the Consolidated Northland property. This road is passable only for tractors and Athle Waggon, and he figures it cost a total of \$38,643.68, or an average of \$4,830.00 per mile for the eight-mile stretch.

However, Mr. Byrne advises that in order to have a road passable for four-wheel drive, heavy-duty trucks, it would cost \$8,000.00 per mile, which would amount to approximately \$280,000.00 for the thirty-five-mile stretch to the Rayrock property.

Mr. Byrne estimates that for a road passable for two-wheel drive, medium-duty vehicles, it would cost \$10,500.00 per mile, or \$367,500.00.

For an all-weather, graded road, finished for general traffic, Mr. Byrne estimates it would cost \$15,000.00 per mile.

Mr. Byrne states that although the present road to the Consolidated Northland property is passable, the tractors can only make one round trip per day carrying ten tons, and actually, we could fly materials just as

*Memo prepared for
D.M. signature 8 Nov 55*

Mr. C. W. Jackson - 2

September 28, 1955

cheaply and as quickly by Otter plane for the short distance, were it not for the fact that some of the heavy equipment could not have been delivered to the property, such as mining plant, etc. Mr. Byrne therefore advises that a road passable for four-wheel drive, heavy-duty trucks at \$8,000.00 per mile, would be the cheapest road that we could build and which would be serviceable through to the Rayrock property, for the time being.

The writer has flown over the area several times and can say that the terrain for the most part is very hilly, with considerable low swampy land in between, but if a road passable for heavy-duty trucks could be built, this would serve our purpose for the time being, and would be of great service to other operators in the area.

These estimates, of course, are only approximate since, as you know, it would be necessary to travel the whole area on foot in order to arrive at a more accurate figure. However, I trust this information will be helpful to you.

Yours sincerely,

CONSOLIDATED NORTHLAND MINES LIMITED

JJB:hmp

J. J. Byrne
President

DEPARTMENT OF NORTHERN AFFAIRS AND
NATIONAL RESOURCES

Northern Administration & Lands Branch

Date 21.9

TO: Mr Webster

PA
JH

For Action:

For Direct Reply:

For Preparation of Reply:

For Comment:

For Approval:

To Note and File:

To Note and Return:

For Discussion with Undersigned:

For Signature:

For Information: ✓

Re. Telephone Conversation:

Copies also sent to Mr
Brown & Mr Macpherson
B

002592

Copy for Mr. Cunningham

Mr. Warr

Ottawa, September 16, 1955.

J. C. Byrne, Esq.,
President,
Rayrock Mines Limited,
Suite 509, 25 Adelaide Street West,
Toronto, Ontario.

North Admin. & Lands Br. Ottawa, Ont.
OCT 19 1955
File No. 351-2-21
Refer To

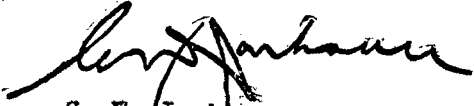
Dear Mr. Byrne:

Mr. Robertson, who is still in the North, has forwarded to me the letter and Brief dated August 31, signed by you and Mr. J.J. Byrne, President of Consolidated Northland Mines Limited, requesting a survey and study of the needs of the Marian River mining district, particularly in respect to means of transportation.

The road you have in mind is a resource road and, as such, is a project which up to the present is a Federal responsibility. It was for this reason that the Brief was not referred to the Northwest Territories Council at its recent session at Fort Smith.

Officers in the department are carefully studying the Brief and I hope to have a report ready for the Deputy Minister on his return. If you have any information as to the approximate cost of constructing the thirty-five mile section of the road extending from Marian Lake to the mine at Marian River, it would be helpful if you would let us have it.

Yours sincerely,


C. W. Jackson,
Acting Deputy Minister.

Info has been rec'd
\$8000/mile

C75/JH

Copy for Mr. Cunningham

Ottawa, September 16, 1955.

J. C. Byrne, Esq.,
President,
Rayrock Mines Limited,
Suite 509, 25 Adelaide Street West,
Toronto, Ontario.

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Yours sincerely,

C. W. Jackson,
Acting Deputy Minister.

DEPARTMENT OF NORTHERN AFFAIRS AND
NATIONAL RESOURCES

Northern Administration & Lands Branch

Date 21-9.....

TO: *Mr. B. Brown*

For Action:

For Direct Reply:

For Preparation of Reply:

For Comment:

For Approval:

To Note and File:

To Note and Return:

For Discussion with Undersigned:

For Signature:

For Information: ✓

Re. Telephone Conversation:

*copies also sent to Mr
Wain & Mr. Macpherson*

B

002595

Copy for Mr. Cunningham

CTJ/JH

Pa

SEP 22 1955
351-2-3A
Refer To

Ottawa, September 16, 1955.

J. J. Byrne, Esq.,
President,
Consolidated Northland Mines Limited,
Suite 509, 25 Adelaide Street West,
Toronto, Ontario.

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Yours sincerely,

C. W. Jackson,
Acting Deputy Minister.

NORTHERN ADMINISTRATION AND LANDS BRANCH
DEPARTMENT OF NORTHERN AFFAIRS AND
NATIONAL RESOURCES

DATE

11/6/9

TO: M. Fraser

FOR ACTION:

FOR DIRECT REPLY:

FOR PREPARATION OF REPLY:

FOR COMMENT:

FOR APPROVAL:

TO NOTE AND FILE:

TO NOTE AND RETURN:

FOR DISCUSSION WITH UNDERSIGNED:

R SIGNATURE:

R INFORMATION:

Copy also sent Mr
Weir for action -

6

002597

P.C. 1955-29/1342

PRIVY COUNCIL



*Certified to be a true copy of a Minute of a Meeting of the
Treasury Board, approved by His Excellency the Governor
General in Council, on the 9th September 1955.*

RMCL/CB

T.B. 489238

NORTHERN AFFAIRS AND NATIONAL RESOURCES

North Admin. & Lands Br. Ottawa, Ont.	
SEP 16 1955	
File No.	351-2-34
Refer To	BT

The Board recommend that authority be

granted to enter into an agreement with Bayrock Mines Limited,

substantially in the form hereto attached, under the terms of

which the Crown will contribute fifty per cent of the cost,

or \$6,000, whichever is the lesser of constructing a winter

truck and tractor road from Marian Lake to the general area

North of Fort Rae in the Mackenzie District of the Northwest

Territories, where discovery of radioactive ores has been made,

the funds required therefor to be charged to Vote 315 of the

appropriation for 1955-56 of the Northern Administration and

Lands Branch of the Department of Northern Affairs and National

Resources for the operation and maintenance of the Northwest

Territories, including Wood Buffalo Park and Esquimo Affairs,

and the cost of maintaining the road to be borne by the mining

companies concerned.

North Admin. & Lands Br.	
SEP 19 1955	
File No.	
Refer To	

R. B. Byrne

Clerk of the Privy Council.



Minister of Northern Affairs and National Resources

002598

NORTHERN ADMINISTRATION AND LANDS BRANCH
DEPARTMENT OF NORTHERN AFFAIRS AND
NATIONAL RESOURCES

DATE

16.9.1950

Mr. Armstrong - Eskimot

TO: Mr. Weir

FOR ACTION:

✓

FOR DIRECT REPLY:

FOR PREPARATION OF REPLY:

FOR COMMENT:

FOR APPROVAL:

TO NOTE AND FILE:

TO NOTE AND RETURN:

FOR DISCUSSION WITH UNDERSIGNED:

FOR SIGNATURE:

FOR INFORMATION:

✗

Copy and sent Mr
Hase for info.

6

002599

P.C. 1955-29/1342

Copy sent to Mr. [unclear] official

PRIVY COUNCIL



Mr. Cunningham
Certified to be a true copy of a Minute of a Meeting of the
Treasury Board, approved by His Excellency the Governor
General in Council, on the 9th September 1955.

RMCL/CB

T.B. 489238

NORTHERN AFFAIRS AND NATIONAL RESOURCES

North Admin. & Lands Br.
SEP 21 1955
File No. 351-2-3
Refer To

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North of Fort Rae in the Mackenzie District of the Northwest
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Lands Branch of the Department of Northern Affairs and National
Resources for the operation and maintenance of the Northwest
Territories, including Wood Buffalo Park and Esquimaux Affairs,
and the cost of maintaining the road to be borne by the mining
companies concerned.

Mr. Wei.

R. B. Bryce

Clerk of the Privy Council.

*Funds provided by TBA
approved by Treasury Board
by minute T 488 928 B*

*dated Aug 16/1955. The allotment
is #20 in Vote Code 34.*

16.9 [unclear]

Minister of Northern Affairs and National Resources

002600

P.C. 1955-29/1342

C
O
P
Y
Privy Council
Canada

Certified to be a true copy of a Minute of a Meeting of the
Treasury Board, approved by His Excellency, the Governor
General in Council, on the 9th September 1955.

RMcL/CB

T.B. 489238

NORTHERN AFFAIRS AND NATIONAL RESOURCES

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"R.B. Bryce"

Clerk of the Privy Council.

P.C. 1955-29/1342

C
O
P
Y
Privy Council
Canada

Certified to be a true copy of a Minute of a Meeting of the
Treasury Board, approved by His Excellency, the Governor
General in Council, on the 9th September 1955.

RMoL/CB

T.B. 489238

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"R.B. Bryce"

Clerk of the Privy Council.

P.C. 1955-29/1342

G
O
P
Y
Privy Council
Canada

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Treasury Board, approved by His Excellency, the Governor
General in Council, on the 9th September 1955.

RMcL/CB

T.B. 489238

NORTHERN AFFAIRS AND NATIONAL RESOURCES

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"R.B. Bryce"

Clerk of the Privy Council.

North Admin. & Lands Br.

MAY 1 1956

File No. 351-2-31

Refer To.....

Suite 509,
25 Adelaide Street West,
Toronto, Ontario,
August 31, 1955.

351-2-31

PA.

PRR.

May

Mr. Gordon Robertson,
Deputy Minister, of
Northern Affairs and National Resources,
FORT SMITH, N.W.T.

Dear Mr. Robertson:

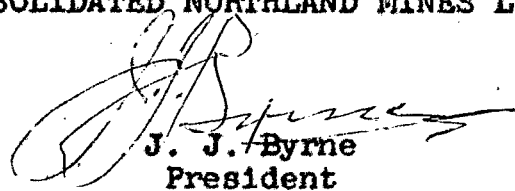
Attached herewith are two copies of a Brief which we respectfully submit for your immediate consideration. We are addressing same to Fort Smith so that you might receive it in time to make any necessary recommendations to the Northwest Territories Council Meeting currently in session there.

We are today wiring Mr. Norman W. Byrne, Consulting Engineer for the two Companies at Yellowknife, to forward by mail direct to you two copies of his map showing barge route to Marian Lake, existing road to Consolidated Northland and proposed road to Rayrock, with extension on to Saw Mill Bay. The map also shows existing and proposed power lines.

We would appreciate an acknowledgment at your earliest convenience.

Yours very truly,

CONSOLIDATED NORTHLAND MINES LIMITED


J. J. Byrne
President

RAYROCK MINES LIMITED


J. C. Byrne
President

Enc.
JCB:mle

cc: Mr. F. J. G. Cunningham

SUITE 509
25 ADELAIDE STREET WEST
TORONTO, ONTARIO.

August 31, 1955.

Mr. Gordon Robertson,
Deputy Minister of Northern Affairs and
National Resources,
Ottawa, Ontario.

Dear Sir:

This is a joint submission by Consolidated Northland Mines Ltd. and by Rayrock Mines Ltd. to the Department of Northern Affairs and National Resources to request a survey and study of the needs of the Marian River Mining District and to request assistance for some of the immediate needs of the mining companies concerned.

This submission is made jointly because the development and operations of the two companies are interdependent and will in time determine the development of the general area.

To place things in some sort of order, consideration is given to the mine-making potential of the area, the necessary services that realization of this potential would require, work underway now and being planned and specific requests.

THE MARIAN RIVER MINING DISTRICT

The Marian River Mining District, for the purpose of this submission, may be considered as a belt of country many miles wide extending north from Rae through Marian Lake and Marian River, then running from Hardisty to Hottah Lakes and to Sawmill Bay in the south shore of Great Bear Lake. Running with this belt is the

Mr. Gordon Robertson -- August 31, 1955

contact between the old precambrian rocks to the east and the younger rocks, largely covered with deep sand, to the west. This contact runs generally north and south as do the valleys and water courses in the older rock country. This then is the "grain" of the country, north and south travel is fairly easy and road building relatively simple in this direction.

In the past the area has been actively prospected in spots with some important discoveries, mainly of gold and silver. Present development is being concentrated on uranium. At Chico Lake on the south end of the belt Consolidated Northland is sinking a shaft to explore the many high-grade occurrences in a large quartz body. Twenty-five miles north Rayrock Mines are outlining a very high-grade ore body. Near both mines a number of other discoveries have been made and many properties are being actively worked. A further 110 miles north United Uranium have an underground programme underway on a similar high-grade deposit.

Other occurrences, too numerous to mention, are scattered along the belt. The belt may be extended to include the mine of Eldorado Mining and Refining Co. at Port Radium on Great Bear Lake. The ore at Eldorado is very similar in grade and character to other ore found in the Marian River belt. From Consolidated Northland at Chico Lake to the Eldorado Mine on Great Bear Lake extends the longest stretch of uranium bearing rocks in the world. It is also true that the pitchblende occurrences such as at Eldorado and Rayrock, as are described later, are among the richest in the world. By reason of their high-grade nature, these deposits can be

- 3 -

Mr. Gordon Robertson -- August 31, 1955.

economically operated at the base price for uranium oxide whereas in other districts, such as Blind River and Bancroft, most of the mines require a subsidized price. Such being the case, it is possible to plan well ahead.

To realize the potential of the area, the mines will require every assistance, particularly with respect to all-weather roads and hydroelectric power. Roadmaking, as has been noted, should be comparatively easy in the area. The Snare River Hydro Power development is fortuitously located to serve the district and enough power can be developed to meet any foreseeable requirements. A centrally located mill to handle shipments from smaller mines may be practicable. As the area opens up, other aspects of development will require attention -- communication, churches, schools and hospitals must be provided, local authorities set and such things as a landing field considered. But of first importance is the provision of a road to help the mines get started.

THE MARIAN RIVER HIGHWAY

Ambitious as this title may sound, mining development in the area can very readily lead to the building of such a road. As will be described later, Northland and Rayrock have already built a dock and warehouse at the head of navigation on Marian Lake, and Northland has constructed 9 miles of summer road to the mine property on Chico Lake. Last winter Rayrock built and used a winter road extending from Marian Lake 35 road miles north to the mine at Marian River. Rayrock is now planning an all-weather road to replace this winter road for use during the 1956 season. Similar development

r. Gordon Robertson -- August 31, 1955

by the properties north of Rayrock would very soon develop into 130 miles of road, a good piece of the distance to Great Bear Lake. A map drawn by Norman W. Byrne, Consulting Engineer, of Yellowknife, accompanying this report, shows the possible route of such a highway linking Great Slave and Great Bear Lakes. As shown, the road would follow the Marian River for some 35 miles, then swing to the west to follow the sand plains northwards. At the south end of the route, with the dock facilities provided by Northland and Rayrock, the road links by barge with the Hay River terminus of the McKenzie highway and in winter by tractor train. In this way, a continuous route through to Bear Lake is readily feasible. Transport and travel in the area other than for mining purposes would be immeasurably advanced. Such a road must also have a definite defense value. Consideration of the far-reaching possibilities involved are beyond the scope of this brief; however, we do understand that preliminary consideration has been given to such a road to be classed probably as a resources road under the Dept. of Northern Affairs & Natural Resources.

Returning to the needs of the respective mines, it is strongly felt that any work now in progress or contemplated should be co-ordinated into planning for the district as a whole. When such roadwork undertaken by individual mines is incorporated into a resources road serving the whole area then, it is submitted that, the mine should be reimbursed for the full amount of its expenditures on that part so incorporated. It is requested that roads not so incorporated be classed as access roads and that the mines be

Mr. Gordon Robertson -- August 31, 1955

reimbursed to the extent of 50% of their cost. Before considering specific requests, pertinent information on the two companies concerned is herewith submitted.

CONSOLIDATED NORTHLAND MINES LTD.

At the company's property on Chico Lake a giant quartz stockwork appears on surface and along its boundaries over a length of 3600 feet strong radioactive mineralization is found. Diamond drilling substantiated this and it was decided to sink a vertical shaft to test one ore section that graded .41% U_3O_8 (\$59.45 at \$7.25 per lb.) over 4.4 ft. for a length of at least 250 ft. which would also serve as a base to explore along the giant stockwork. To move in the necessary mining plant and supplies the Company has built a dock at the head of Marian Lake and a 9-mile road to the mine site. While these facilities are in use now, certain improvements are to be carried out and when completed it is expected that the total cost to the company will be above \$25,000.

RAYROCK MINES LTD.

The Company's property is located on Marian River some 25 air miles north of Consolidated Northland's property. Here on high rising ground pitchblende is found in very rich concentration in fracture zones running parallel to the Marian River fault. After completing 16,000 ft. of diamond drilling, an underground programme was started. Plant equipment and supplies were hauled from Yellowknife on a winter road through the Marian River district. The road was built by the Company and it is expected that the Department of Northern Affairs and Natural Resources will share the cost. The ore zones are now being opened from an adit level some 300 ft.

- 6 -

Mr. Gordon Robertson -- August 31, 1955.

beneath the crest of the high ground. Underground work has now outlined a 325 foot length of ore grading between .50% (\$72.50 per ton) and .60% (\$87.00 per ton) across widths of from 6 to 7 ft. and at this writing the drift faces are still in ore. Further ore can be expected from this shoot as well as from the other zones but sufficient is already indicated to undertake preliminary plans for production. Other factors are also entering the picture - initial metallurgical tests indicate that Rayrock ore can be concentrated by simple mechanical methods. In addition, the Atomic Energy Control Board has announced the termination of subsidized prices. This adds up that Marian River ores such as Rayrock are dependent on the basic open price for uranium oxide - fortunately they are of such a grade and can probably be so economically concentrated as to be able to meet the price. The question remains as to what size of milling unit should be built but this must await further developments not only at Rayrock but at other properties who might be able to ship smaller amounts of ore for custom treatment. Present development should answer this question within six months but meanwhile plans for putting the mine into production are underway. Certain equipment and supplies that are not dependent upon any specific capacity are being ordered now. They will be shipped in over the existing road next winter. Final supplies should follow along during the summer in time for the construction season in 1956. Should they not arrive in time, an entire year may be lost and it is to avoid this that assistance in building an all-weather road is sought. It would be sufficient that such a road be made passable to

- 7 -

Mr. Gordon Robertson -- August 31, 1955.

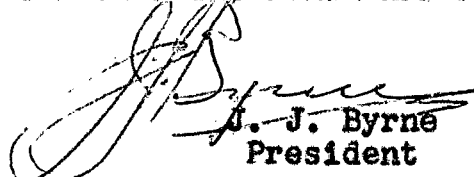
tractor train traffic next summer and Rayrock can undertake to do this. However, it would be a decided advantage to have the route reconnoitred this year so that construction can get underway as early as possible next year. Such a reconnaissance should include a study of any necessary improvement of navigation channels and docks necessary to facilitate barge traffic.

S U M M A R Y

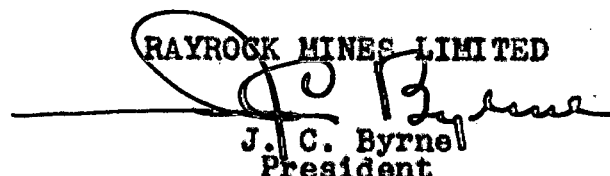
To sum up then, the individual needs of the companies are put forth in the form of specific requests.

- (1) It is requested that Consolidated Northland Mines presently be reimbursed to the amount of 50% of the cost of docks and roads at Marian Lake and that the Company be reimbursed for the remaining 50% for those parts of the road as may be incorporated into a resources route.
- (2) It is requested that Rayrock Mines Limited be similarly reimbursed for an all-weather road to be built to their property on the Marian River. It is also requested that an immediate reconnaissance be made of the proposed route for such a road.

CONSOLIDATED NORTHLAND MINES LIMITED


J. J. Byrne
President

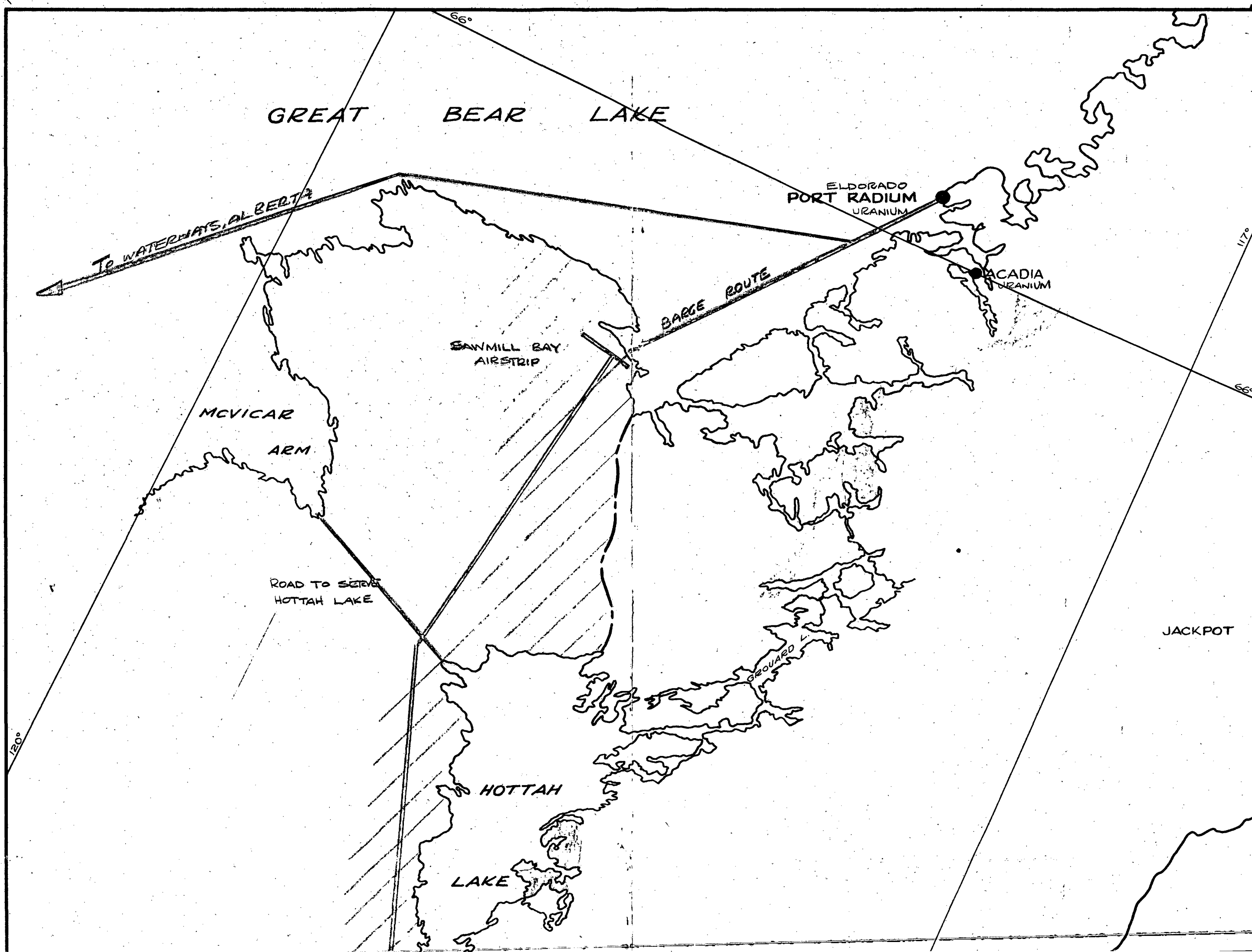
RAYROCK MINES LIMITED

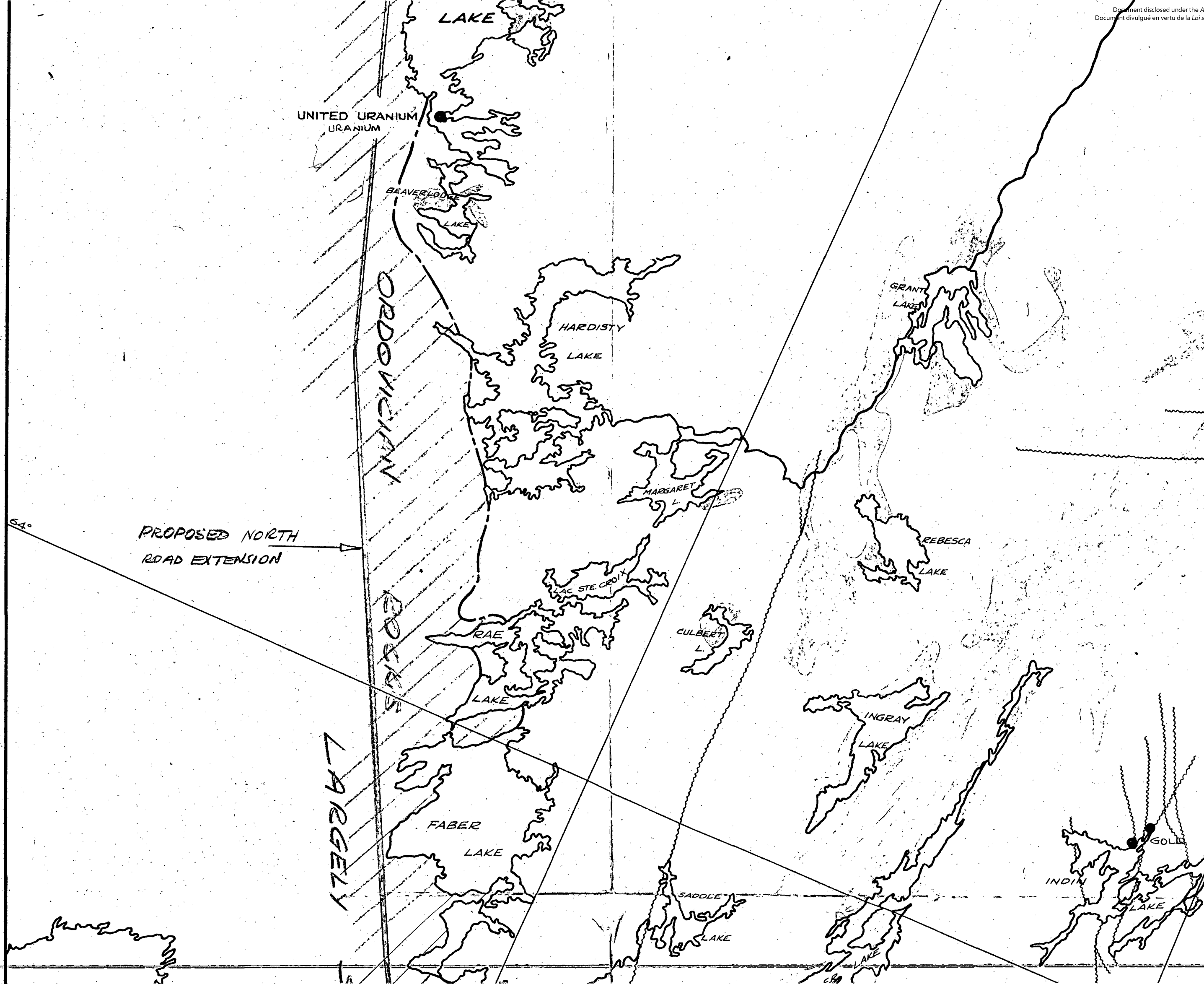

J. C. Byrne
President

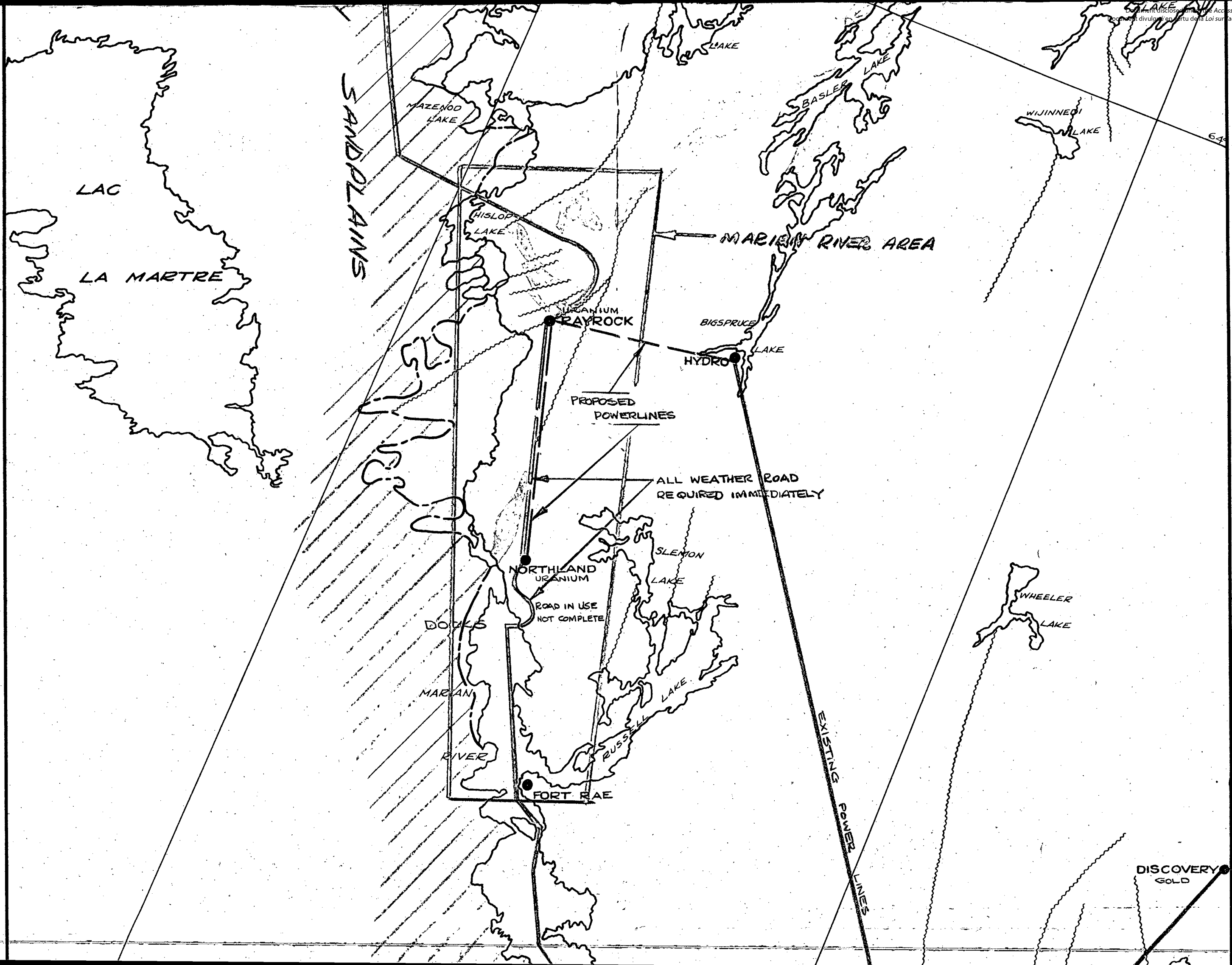
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Attachment Pocket
No. Sp. 491B



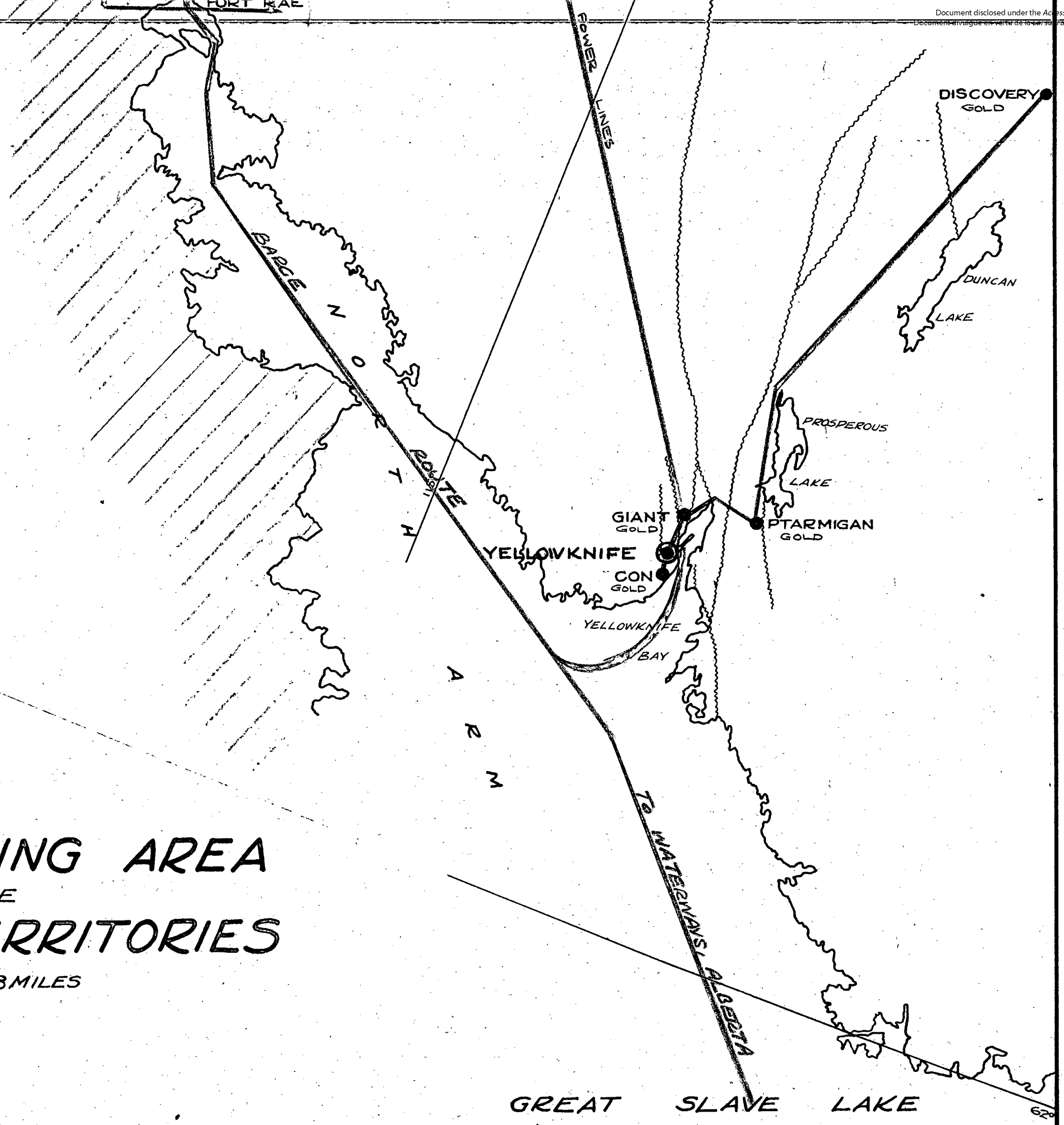






URANIUM MINING AREA
OF THE
NORTHWEST TERRITORIES
SCALE 1 IN. = 8 MILES

N.W. BYRNE - JULY 1955



MINE OFFICE
YELLOWKNIFE
N.W.T.

HEAD OFFICE
Suite 509
25 Adelaide St., W.
Toronto 1, Canada

RAYROCK MINES LIMITED

TELEPHONE EMPIRE 4-5588

August 9, 1955

Mr. F. J. G. Cunningham,
Director,
Department of Northern Affairs &
National Resources,
Ottawa, Ontario.

3919

Min. Admin. & Lands Br.
Ottawa, Ont.
Aug 10 1955
File No. 351-2-3
Refer To B-1

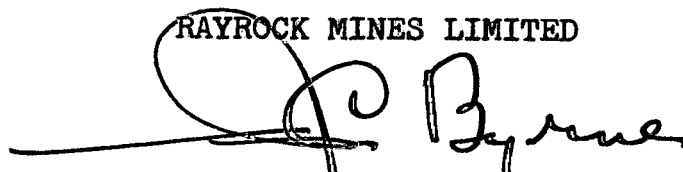
Dear Mr. Cunningham:

Further to my letter of July 29th and to keep the records straight reference expenditures to date and anticipated on our Marian River property.

My letter of July 29th mentioned expenditure of \$200,000. up to the date of the letter. This does not take into account the cost of our mining plant, underground mechanical equipment, and heavy surface equipment such as tractor, truck, etc. We can, therefore, add a minimum of \$100,000.00 to cover cost and installation charges of the mining plant and heavy equipment. The figure of \$300,000.00 mentioned as an additional expenditure can be increased to at least \$500,000.00 to cover cost of additional equipment, camp and plant buildings. In other words, the \$300,000.00 figure mentioned in my letter of July 29th would cover only labour and supplies.

Yours very truly,

RAYROCK MINES LIMITED



J. C. Byrne
President

JCB:IM

CC: Mr. N. W. Byrne,
Consulting Mining Engineer,
Rayrock Mines Limited,
Yellowknife, N. W. T.

Mr. Robertson,
Commissioner,
Department of Northern Affairs & National Resources,
Ottawa, Ontario.

BS

DEPARTMENT OF NORTHERN AFFAIRS AND
NATIONAL RESOURCES

Northern Administration & Lands Branch.

Date *8/8/55*

TO: *Mr. Fraser* . *CR.*

For Action:

For Direct Reply:

For Preparation of Reply:

For Comment:

For Approval:

To Note and File:

To Note and Return:

For Discussion with Undersigned:

For Signature:

For Information: ✓

Re: Telephone Conversation:

1/11
Rgn
4-8

002618

Mr. Sivertz
A/D Director, Northern Admin.

This replaces your draft of 5 August,
copy attached.

UUG 9 1955
File No. 351-2-31
Refer To.....

Ottawa, 5 August, 1955.

J. J. Deutsch, Esq.,
Secretary to the Treasury Board,
Ottawa, Ontario.

Dear Mr. Deutsch,

I have your letter of July 26th and fortunately I am in possession of the information which the Treasury Board requires. I will deal with the questions in the order in which you set them out in your letter concerning Rayrock Mines Limited.

- (1) Whether this Company will, in fact, go into production.

Mr. J. C. Byrne, the President of the Company, informed me in a letter dated July 29th that the Company hoped to go into production and that the underground programme now under way will answer the question. It will take another year and an expenditure of at least an additional \$300,000 to get adequate information. The Company has already expended \$200,000 on its present programme. The work completed to date on the Company's property comprises 16,000 feet of surface diamond drilling, and 17,000 feet of drifting, crosscutting and raising at 300 foot vertical depth. Plans are now going forward to erect a large set of mining buildings, to complete at least three times as much additional drifting, crosscutting and raising at the present adit horizon, to undertake shaft sinking, etc.

- (2) Whether the Company has a contract for the sale of uranium.

This can only be secured if the Company has blocked out an adequate supply of proven ore. That is the object of the present programme.

- 2 -


(3) What evidence there is that the road will be used.

The evidence that the road will be used is provided by the development programme which the company has ahead of it and which, as indicated in the reply to question (1) above, involves an additional expenditure of at least \$300,000. It is to make this further exploration programme possible that the expenditure on the winter road is required. The road will be several miles in length but will cost only \$12,000 or less. The cost will, therefore, be in the order of \$1,000 a mile. A permanent road, which will be required if a producing mine is developed, is likely to cost something of the order of \$25,000 a mile.

I might point out that it has not been the policy of the Government in the past to refuse assistance for the development of a promising prospect merely because there was no positive assurance that a mine would come into production. You will recall that in 1952 the Government contributed \$25,000 as being half of the estimated cost of a road from the Mackenzie Highway to Pine Point, the purpose of this road being to permit the company to bring in the equipment necessary for underground exploration. No assurance was given that a mine would eventually be brought into production and, as you know, there are as yet no plans for production at Pine Point. Another case where the Federal Government has assisted in the construction of a road when production was not assured was the 50% contribution to the $8\frac{1}{2}$ mile road up Keno Hill. Only the first two miles of this road were required to serve a mine which was coming into production and the remaining $6\frac{1}{2}$ miles were to assist the further exploration of promising prospects. This policy of being prepared to give financial assistance to a promising prospect is in accordance with the report on the Northwest Territories by the Interdepartmental Committee on Territorial Financial Problems. This report describes resource roads as those being essential to the effective exploitation of some natural resource and recommends that the capital and maintenance costs of such roads should be borne by the federal government or divided between the federal government and any interested private company. The exploration of a promising prospect is certainly an essential step to the effective exploitation of any natural resource.

You will recall that during the last session of Parliament strong pleas were made, both in the House and in the Special Committee on Estimates, for a vigorous and adequate programme of road construction in the Mackenzie District of the Northwest Territories.

Yours sincerely,



C. W. Jackson,
Acting Deputy Minister.

002620

COPY TO BE RETURNED TO MR. CUNNINGHAM

Ottawa, 5 August, 1955.

J.J. Deutsch, Esq.,
Secretary to the Treasury Board,
O t t a w a.

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- (2) Whether the Company has a contract for the sale of uranium.

This can only be secured if the Company has blocked out an adequate supply of proven ore. That is the object of the present programme.

- (3) What evidence there is that the road will be used.

The evidence that the road will be used is revealed in the programme which the company has carried out to date and which

-2-

programme will be continued over the next year. The next twelve months will reveal whether there is sufficient proven ore for a reasonably large mining operation and if that develops the Company will, no doubt, ask the government for assistance in the construction of a permanent road. The present request, of course, is for a winter road only for exploration purposes.

I think the term "development road" might well be used to describe the type of road which the Company intends to build and for which they ask financial assistance. The road will be several miles in length, but will only cost \$12,000 or less. The cost will, therefore, be in the order of \$1,000 a mile. A permanent road, which would be required if a producing mine is developed, would cost something of the order of \$25,000 a mile. From this you will see that the Company's present request for assistance is most reasonable.

You will recall the remarks that were made by a number of Members of Parliament during the last session of the House about the necessity for a vigorous and adequate programme of road construction in the Mackenzie District of the Northwest Territories.

Yours sincerely,

C. W. Jackson,
Acting Deputy Minister.

Sent
RH

FF/MF-H

351-2-31

North Admin. & Lands Br.
AUG 5 1955
File No. 351-2-31
Refer To. _____

Adas

Ottawa, 5 August, 1955.

J.J. Deutsch, Esq.,
Secretary to the Treasury Board,
O t t a w a.

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-2-

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Yours sincerely,

2
C. W. Jackson,
Acting Deputy Minister.

MINE OFFICE
YELLOWKNIFE
N.W.T.

HEAD OFFICE
Suite 509
25 Adelaide St., W.
Toronto 1, Canada

seen *79* *8/15/55*
RAYROCK MINES LIMITED

TELEPHONE EMPIRE 4-5588

July 29, 1955.

3593

Mr. F. J. G. Cunningham,
Director,
Department of Northern Affairs & National Resources,
Ottawa, Ontario.

Dear Mr. Cunningham:

351-2-31 B1

This will confirm a telephone conversation with Mr. Ken Christie of the Lands Division. Mr. Christie mentioned that there were two questions which had come up in connection with a grant of 50% of the cost of constructing a rough winter road into the Rayrock property in the Marian River uranium area.

1. Will they go into production?

Replying to this question, certainly we hope to and the underground program now under way will answer the question. It will take us another year and the expenditure of at least another \$300,000.00 in addition to the \$200,000.00 that we have already expended. Summarizing, work completed to date at the Marian River property comprises 16,000 ft. of surface diamond drilling, 17,000 ft. of drifting, crosscutting and raising at 300 ft. vertical depth below surface, erection of some plant and camp buildings, and installation of a complete mining plant. Plans are now going forward to erect a large set of mine buildings, to complete at least three times as much additional drifting, crosscutting and raising at the present adit horizon, do shaft sinking, etc.

Attached herewith is a copy of a Progress Report just issued covering the work completed at the property, the Company's financial position, and so on.

2. Have they a contract?

This question is naturally dependent on No. 1. To secure a contract, the Company must block out a good supply of proven ore, all of which we expect to do within the next twelve months.

You can appreciate that the winter road constructed during the past winter was a very rough one, only sufficient to get the tractor trains through to the property. This winter road will require a great deal of improvement. Should our program in the next twelve months result in blocking out a sufficient proven ore, the Company will definitely be applying for a permanent road to be constructed from Marian Lake to the property. In this connection, Consolidated Northland Mines Limited are now building a rough summer road from the northwest corner of Marian Lake to their Chico Lake uranium property. This road will be nine miles

- 2 -

Mr. F. J. G. Cunningham -- July 29, 1955.

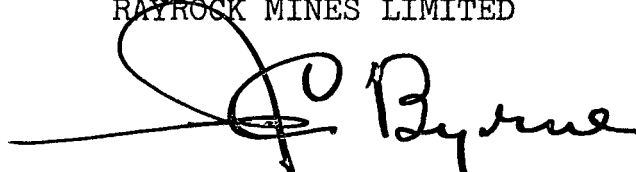
See Aug 3/55
en file 357-2-33

in length. Undoubtedly you will be hearing from Consolidated Northland in this regard.

We might also say that Rayrock and Consolidated Northland jointly have completed construction of a dock site at Marian Lake and a warehouse. A much more substantial dock will be required if these properties go into production, so that we would be interested in assistance in the construction of dock, roads, and possibly an air strip. Should a suitable location be found for an air strip, we appreciate that we would work through the Department of Transport in this connection.

Yours very truly,

RAYROCK MINES LIMITED



J. C. Byrne
President

JCB:IM
Enc.

CC:

Mr. N. W. Byrne,
Consulting Engineer,
Rayrock Mines Limited,
Yellowknife, N. W. T.

Mr. Robertson,
Commissioner,
Department of Northern Affairs & National Resources,
Ottawa, Ontario.

MINE OFFICE
YELLOWKNIFE
N. W. T.

HEAD OFFICE
SUITE 509
25 ADELAIDE ST. W.
TORONTO 1, CANADA

RAYROCK MINES LIMITED

TELEPHONE EMPIRE 4-5588

Progress Report

TO THE SHAREHOLDERS:

Mining operations at the Marian River uranium property got underway April 1st. Underground work completed so far includes the driving of an adit crosscut for 890 feet, a ventilation raise 280 feet to surface, lateral development of a continuous length of 250 feet of high-grade uranium ore in the main number 6 zone with drifting continuing in ore, plus the intersection of high-grade ore in number 1 zone. This work is confirming both grade and widths indicated by surface diamond drilling; in fact, grade to date exceeds the drill-indicated figure.

Pitchblende mineralization was first intersected in zone 6 by the adit crosscut at a distance of 835 feet from the portal, 225 feet vertically below surface. For the following 33 feet, this crosscut exposed several rich lenses and veins of pitchblende. Drifting was then started both north and south on the strongest section which lies close to the footwall of the zone 6 quartz stockwork. To the south a continuous length of 167 feet of vein zone has been drifted with the present drift face in high-grade ore. To the north a continuous length of 83 feet has been opened, at which point, the vein swings sharply into the granite in the west drift wall. Extension has been picked up in a stub crosscut and drifting will continue. A surface drill hole 120 feet north obtained a similar intersection at the adit level on strike assaying .75 percent over a width of 6.5 feet.

Assay results have been received for a length of 224 feet in number 6 zone. Grade computed from channel sampling is .68 percent uranium oxide \$98.30 per ton uncut and .54 percent \$78.30 per ton cut over a width of 6.5 feet. These grade figures include a dilution factor of 30 percent applied due to the erratic but rich distribution of pitchblende. Lenses of intensely red altered ore, liberally laced with pitchblende, appear to terminate sharply and then blossom out again just as quickly and all are connected by strong fracturing. If the same continuity is established vertically as in lateral work to date, then grade figures for the section drifted can be considered minimum. Raises in ore are just getting underway with results very satisfactory. Crosscuts completed from the footwall drift have not shown a repetition of the ore width intersected in the adit crosscut. Company engineers, however, are of the opinion that this condition could be repeated both laterally and vertically.

The number 1 zone is a strong shear or fault zone in the hybrid granite dipping at 70 degrees towards the zone 6 quartz stockwork structure. Limited underground investigation reveals conditions similar to the surface occurrence, shoots of ore occurring at points of flexure or bending in a shear system. Where intersected 300 feet vertically below surface, a length of 25 feet has been exposed averaging .64 percent uranium oxide \$92.80 per ton over a width of 4.7 feet. Drifting is proceeding south and fifty feet beyond has intersected a second very rich section with first samples returning a grade of 2.51 percent over 3 feet.

Drifting will be continued along the numbers 6 and 1 zones for additional lengths up to 800 and 400 feet respectively. A number of raises are planned for both zones and eventually sections of driftback will be taken down in the course of detailed sampling. A program of short hole flat diamond drilling from underground is being laid out which will be followed by drilling to greater depths. Diamond drilling will be on a one-shift basis starting about October. It should be mentioned that the best grade intersections from surface drilling were cut below the adit level.

The Company is in a strong financial position. Cash on hand amounts to \$2,375,000. Listed Securities have a market value of \$686,700 against a book value of \$119,400. Unlisted holdings have a current market value of \$230,000 and a book value of \$111,000. Equipment and buildings owned by the Company are valued at \$125,000. Capitalization is 4,000,000 shares with 3,708,765 shares issued. There are 200,000 shares under option at \$3.50 and \$4.00 per share.

Following are the principal shareholdings of Rayrock Mines:

LISTED:	Mining Shares
Consolidated Discovery Yellowknife Mines Ltd.	45,000
Radiore Uranium Mines Ltd.	129,600
Consolidated Northland Mines Ltd.	95,000
New Athona Mines Ltd.	40,430
Ponder Oils Limited	8,500
UNLISTED:	
Tarbell Mines Ltd.	501,250
Ormsby Mines Ltd.	56,833
Plateau Petroleums Ltd.	158,750
Glenrock Gold Mines Ltd.	24,000
Brikon Exploration Ltd.	2,000
Cameron Drilling Ltd. Preferred	50
Common	250

Small interests are also held in ten producing oil wells located in Alberta. Annual net income from oil and dividends is approximately \$20,000.

J. C. BYRNE,

Toronto, Ontario,
July 27, 1955.

President and General Manager.

NORTHERN ADMINISTRATION AND LANDS BRANCH
DEPARTMENT OF NORTHERN AFFAIRS AND
NATIONAL RESOURCES

DATE 3-8-55

TO: Mr. Fraser

FOR ACTION:	
FOR DIRECT REPLY:	
FOR PREPARATION OF REPLY:	XXX
FOR COMMENT:	
FOR APPROVAL:	
TO NOTE AND FILE:	
TO NOTE AND RETURN:	
FOR DISCUSSION WITH UNDERSIGNED:	
FOR SIGNATURE:	
FOR INFORMATION:	

B. G. SIVERTZ



002629

**Department of Northern Affairs and
National Resources**

OFFICE OF THE DEPUTY MINISTER

DATE

July 27, 1955.

TO:

MR. CUNNINGHAM

FOR ACTION:

FOR DIRECT REPLY:

FOR PREPARATION OF REPLY:

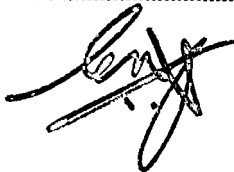
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FOR COMMENT:

FOR APPROVAL:

TO NOTE AND FILE: ☐ AND RETURN: ☐

FOR DISCUSSION WITH UNDERSIGNED:



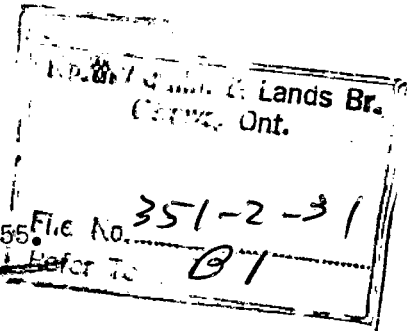
002630

COPY

TREASURY BOARD

T.B. 489238

Ottawa, July 26, 1955.



H. G. Robertson, Esq.,
Deputy Minister,
Dept. of Northern Affairs &
National Resources,
Ottawa.

3627

Dear Mr. Robertson:

The Board have had under consideration your Minister's request for authority to enter into an agreement with Rayrock Mines Limited, under the terms of which the Crown would contribute fifty per cent of the cost, or \$6,000, whichever is the lesser, of constructing a winter truck and tractor road from Marian Lake to the general area north of Fort Rae in the Mackenzie District of the Northwest Territories where discovery of radio-active ores has been made.

The Board, before taking any decision in this case, wished to know (1) whether this Company will, in fact, go into production, (2) whether it has a contract for the sale of uranium, and (3) what evidence there is that the road will be used. I should appreciate receiving for the Board your comments.

Yours very truly,

(sgd) D.M. Watters,

for Secretary.

DEPARTMENT OF NORTHERN AFFAIRS AND
NATIONAL RESOURCES
Northern Administration & Lands Branch

Date... 28.7.....

TO: Mr. Armstrong^{CR}

For Action:

For Direct Reply:

For Preparation of Reply:

For Comment:

For Approval:

To Note & File:

To Note & Return:

For Discussion with Undersigned:

For Signature:

For Information: ✓

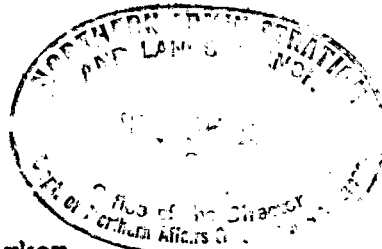
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Copy to be returned to Mr. Cunningham's Office.

FF/FH
File 351-2-31



Ottawa, July 22, 1955.

351-2-31
81

Mr. John Parker,
Barrister and Solicitor,
P.O. Box 127,
Yellowknife, N.W.T.

Dear Mr. Parker:

Your letter of July 13 regarding a road to the Marian River mining area has been received and, in the absence of Mr. Robertson, I am replying.

We are watching developments in the Marian River area closely. Last year Rayrock Mines Limited, on behalf of itself and other mining companies interested in the area, requested some assistance from the Department for the construction of a winter road to facilitate the transportation of heavy equipment to the property so that under-ground exploration could be undertaken. At that time, of course, consideration was given as to the classification of the road and what responsibility rested with the Federal Government. It was decided that as the road could be classed entirely as a resources road, the responsibility for any financial contribution rested with the Government of Canada rather than the Territorial administration.

I may say that the proposed winter road has been completed and the mining company has submitted its accounts for payment in accordance with the terms of the agreement arrived at.

The very satisfactory results of the exploration work undertaken by Rayrock Mines will, no doubt, lead to consideration being given to improved transportation routes and, no doubt, we will receive a request shortly from the mining companies concerned. In fact, the member of Parliament for the Mackenzie District, has already spoken to the Minister on the matter.

It is fortunate, of course, that the Marian River area lies so close to the Snare River power plant. The experience of the Discovery Mine has been that the greater portion of the freight to a producing mine is petroleum products for heating and power purposes.

- 2 -

It is also rather fortunate that the Marian River area lies reasonably close to navigable water at Rae because, no doubt, the freight for any producing mine or mines in the area will come by that route and go overland from Rae to the mines. This would appear a more practical and economical route than shipment to Yellowknife and the transportation of freight overland from there to the Marian River area. However, a decision as to the route of any proposed road will remain until, firstly, a request for the road has been received from the mining companies concerned, and secondly, a proper engineering reconnaissance has been carried out by engineers of this Department. The results of the exploration programmes of the mining companies which are under way this year will, it is expected, be available later in the year and may at that time give us some indication of whether there will be one or more producing mines in that area.

Yours sincerely,



C. W. Jackson,
Acting Deputy Minister.

c o p y

PARKER AND PARKER
Barristers and Solicitors

P.O. Box 127,
Yellowknife, N. W. T.

July 13, 1955.

Commissioner of the Northwest Territories,
Ottawa, Ontario.

Dear Mr. Robertson,

You will be aware that there is a great deal of activity in the Marian River area. It seems likely that some commercial production will result.

The cost of prospecting, development and production is greatly increased when transportation must be by air. A road from Yellowknife to the Marian River country would be very beneficial.

I do not think it is necessary for me to set out in detail all of the advantages that would result from the building of a road. Nor do I think I need enumerate the reasons why Yellowknife will continue to be the chief source of supplies and services for Marian River for many years to come.

It seems to me that the matter is essentially one of cost.

I spoke to John Anderson-Thomson this morning regarding a preliminary reconnaissance to determine a possible route for the road and also to ascertain the probable cost of building the road. He would be willing to undertake the job for approximately \$3,000 and believes that it could be done about November this year.

I do not know whether you know Anderson-Thomson but he is well known to many of your officials and would be an excellent man to undertake the job.

Do you think it would be possible to include an item of say \$3,000 in the supplementary estimates for the above purposes. Before there can be any intelligent discussion of the project we must know whether it is feasible and what the cost will probably be. There are I think good reasons why the Federal Government should pay the cost of building the road but it would be desirable to give the Federal authorities something definite to work with before raising that issue.

With best regards.

Yours sincerely,

" John Parker "

002635

FF/FH

File 351-2-31

North Admin. & Lands Br.

JUL 26 1955

File No. 351-2-31

Refer To

Ottawa, July 22, 1955.

Mr. John Parker,
Barrister and Solicitor,
P.O. Box 127,
Yellowknife, N.W.T.

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It is fortunate, of course, that the Marian River area lies so close to the Snare River power plant. The experience of the Discovery Mine has been that the greater portion of the freight to a producing mine is petroleum products for heating and power purposes.

- 2 -

It is also rather fortunate that the Marian River area lies reasonably close to navigable water at Rao because, no doubt, the freight for any producing mine or mines in the area will come by that route and go overland from Rao to the mines. This would appear a more practical and economical route than shipment to Yellowknife and the transportation of freight overland from there to the Marian River area. However, a decision as to the route of any proposed road will remain until, firstly, a request for the road has been received from the mining companies concerned, and secondly, a proper engineering reconnaissance has been carried out by engineers of this Department. The results of the exploration programmes of the mining companies which are under way this year will, it is expected, be available later in the year and may at that time give us some indication of whether there will be one or more producing mines in that area.

Yours sincerely,

1

C. W. Jackson,
Acting Deputy Minister.

DEPARTMENT OF NORTHERN AFFAIRS AND
NATIONAL RESOURCES

Northern Administration & Lands Branch

Date 18-7-55

TO: Mr. Fraser

For Action:

For Direct Reply:

For Preparation of Reply: XXX

For Comment:

For Approval:

To Note and File:

To Note and Return:

For Discussion with Undersigned:

For Signature:

For Information:

Re. Telephone Conversation:

6

002638

Department of Northern Affairs and National Resources

OFFICE : THE DEPUTY MINISTER

DATE

15/7/55

TO:

Mr Cunningham

FOR ACTION:

FOR DIRECT REPLY:

FOR PREPARATION AND DEARBY:

FOR COMMENT:

JUL 15 1955

FOR APPROVAL:

Office of the Director
of Northern Affairs & National Resources

TO NOTE AND FILE:

☐

AND RETURN:

☐

FOR DISCUSSION WITH UNDERSIGNED:

I mentioned this to the
Minister this morning. He
feels this is a narrow road
and therefore a federal responsibility.
If a request is received from
the company for a permanent
road perhaps we could
find friends to have the
survey made ourselves
this fall.

[Signature]

002639

c o p y

PARKER AND PARKER
Barristers and Solicitors

2918

P.O. Box 127,
Yellowknife, N. W. T.

July 13, 1955.

Commissioner of the Northwest Territories,
Ottawa, Ontario.

357-2-31
B1

Dear Mr. Robertson,

You will be aware that there is a great deal of activity in the Marian River area. It seems likely that some commercial production will result.

The cost of prospecting, development and production is greatly increased when transportation must be by air. A road from Yellowknife to the Marian River country would be very beneficial.

I do not think it is necessary for me to set out in detail all of the advantages that would result from the building of a road. Nor do I think I need enumerate the reasons why Yellowknife will continue to be the chief source of supplies and services for Marian River for many years to come.

It seems to me that the matter is essentially one of cost.

I spoke to John Anderson-Thomson this morning regarding a preliminary reconnaissance to determine a possible route for the road and also to ascertain the probable cost of building the road. He would be willing to undertake the job for approximately \$3,000 and believes that it could be done about November this year.

I do not know whether you know Anderson-Thomson but he is well known to many of your officials and would be an excellent man to undertake the job.

Do you think it would be possible to include an item of say \$3,000 in the supplementary estimates for the above purposes. Before there can be any intelligent discussion of the project we must know whether it is feasible and what the cost will probably be. There are I think good reasons why the Federal Government should pay the cost of building the road but it would be desirable to give the Federal authorities something definite to work with before raising that issue.

With best regards.

Yours sincerely,

" John Parker "

John Parker

Parker and Parker

Barristers and Solicitors

*Member
Ontario Bar
Northwest Territories Bar
Yukon Bar*

North Admin. & Lands
OTTAWA, Ont.
P.O. Box 127,
Yellowknife,
Northwest Territories,
Canada

July 12th, 1955.

Director, Northern Administration,
OTTAWA, Ontario.

Dear Frank:-

I do not seem to have much opportunity for personal correspondence these days but I am looking forward to seeing you in Fort Smith at the end of August.

Yellowknife is most active at the moment. Among other people here today is the Lt. Governor of Quebec and there are various other distinguished citizens about.

The Marian River area remains 'hot'. It now seems likely that some commercial production will be forthcoming. The implications for Yellowknife are of course important.

Isobel.

Please give my best regards to

Yours sincerely,

John Parker

JP:gt

John Parker

To Accompany Cheque

FORM C.T. No. 17A—REV.
P.P. & S. Cat. No. 3112
200M—10-52

REQUISITION FOR CHEQUE

TO BE USED FOR ADVANCES OR AUTHORIZED PAYMENTS FOR WHICH THERE ARE NO ACCOUNTS

DEPT. NO.
FILE NO. **351-2-31**
TREAS. NO.

DEPARTMENT **Northern Affairs & National Resources**

BRANCH **Northern Administration & Lands** DATE **July 6, 1955**

APPLICATION IS HEREBY MADE FOR THE ISSUE OF THE FOLLOWING CHEQUE OR CHEQUES:—

CCU:jw

CHEQUE NO.	IN FAVOUR OF	AMOUNT
	<p>North Admin. & Lands Br. Rayrock Mines Limited</p> <p>MAY 3 FILED File No. 351-2-31</p> <p>Refer To</p>	<p>\$ 2,780 56 250251 278056</p>

Please forward cheque to Room 213, Norlite Building,

STATE BELOW, WITH DETAILS IN EVERY CASE, WHETHER (a) STANDING ADVANCE, (b) ADVANCE FOR SPECIFIC JOURNEY—ESTIMATING NUMBER OF DAYS, (c) OTHER ACCOUNTABLE ADVANCE, OR (d) AUTHORIZED PAYMENT.

Details of payment:

Reimbursement to the above for 50% of \$5,561.13, the cost of constructing winter road from Marian Lake to Sherman Lake in the Northwest Territories.

Appropriation:

Allotment, Sub-allotment or Enc. No.

~~1061~~
1081

F.E. No. (5)00000	Dept., Com. or Dist.	Div. (2)00	Estab. (3)000	Vote (3)000	Prim. (2)00	Object (3)000	Amount	Dist. Sub. All. (2)00	Dist. F.E. No. (4)0000
	42		025	311	20	492 490	\$2,780 56 250251		Specific pay

CERTIFIED:

- (a) That each item of the above amounts has been incurred under requisite authority and that the expenditure was necessary for the Public Service.
(b) That the articles and services charged for have been received and performed and that the prices charged are fair and just.

Original Signed by
A. T. FRAZER

W. F. SHEPHERD
Deputy Head

Head of Branch

TREASURY OFFICE APPROV002642

D
R
A
F
T

North Admin. & Lands Br.
JUN 7 1955
File No. 351-2-31
Refer To 6 July, 1955
~~May 11, 1955~~

FF/MF-H
351-2-31
31/v/55

TO HIS EXCELLENCY

THE GOVERNOR GENERAL IN COUNCIL

The undersigned has the honour to report:

THAT there has been a discovery of radio active ores in the Marian River area north of Rae in the Mackenzie District of the Northwest Territories;

THAT there is a possible transportation route from Yellowknife to Marian Lake by following the surface of Great Slave Lake and connecting waterways;

THAT it has been found necessary to construct a winter truck and tractor road from Marian Lake to the general area where the mineral discoveries have been made in order to permit the transportation of mining equipment which will be used in exploration and development of the properties;

THAT the Rayrock Mines Limited have offered, on behalf of all other mining interests in the area, to construct such a road at a cost ~~not to exceed \$12,000;~~ *which is estimated at approximately \$12,000*

7. *estimated at*
THAT the said winter truck and tractor road has definite resource development aspects as it ~~would~~ *would* permit the development and exploration of radio active ores; and

THAT in these circumstances it would be justifiable for the federal government to bear one-half of the cost of constructing such a road;

The undersigned, therefore, has the honour to recommend that he be authorized to enter into an agreement with Rayrock Mines Limited substantially in the form hereto annexed to provide for a federal contribution of 50% of the cost of the road, or

2-

insert

\$6,000, whichever is the lesser, ~~on the understanding that the~~

~~agreement would be subject to provision of funds by parliament~~

~~in the fiscal year 1955-56,~~ and on the understanding that the cost

of maintaining the road would be borne by the mining companies concerned.

Respectfully submitted,

Minister of Northern Affairs and
National Resources.

QA file copy

FORM C.T. NO. 17A-REV.

P.P. & S. Cat. No. 3112
200M-10-52

REQUISITION FOR CHEQUE

TO BE USED FOR ADVANCES OR AUTHORIZED PAYMENTS FOR
WHICH THERE ARE NO ACCOUNTS

DEPT. NO.

FILE NO. 352-2-31

TREAS. NO.

DEPARTMENT Northern Affairs & National Resources

BRANCH Northern Administration & Lands DATE July 6, 1955

APPLICATION IS HEREBY MADE FOR THE ISSUE OF THE FOLLOWING CHEQUE OR CHEQUES:—

CHEQUE No.	IN FAVOUR OF	AMOUNT
	Rayrock Mines Limited	\$ 2,780 56
Please forward cheque to Room 213, Norlite Building		

STATE BELOW, WITH DETAILS IN EVERY CASE, WHETHER (a) STANDING ADVANCE, (b) ADVANCE FOR SPECIFIC JOURNEY—ESTIMATING NUMBER OF DAYS, (c) OTHER ACCOUNTABLE ADVANCE, OR (d) AUTHORIZED PAYMENT.

Details of payment:

Reimbursement to the above for 50% of \$5,561.13, the cost of constructing winter road from Marion Lake to Charman Lake in the Northwest Territories.

Appropriation:

Allotment, Sub-allotment or Enc. No.

F.E. No. (5)00000	Dept., Com. or Dist.	Div. (2)00	Estab. (3)000	Vote (3)000	Prim. (2)00	Object (3)000	Amount	Dist. Sub. All. (2)00	Dist. F.E. No. (4)0000
	42		025	311	20	192	\$2,780 56		Specific

CERTIFIED:

(a) That each item of the above amounts has been incurred under requisite authority and that the expenditure was necessary for the Public Service.

(b) That the articles and services charged for have been received and performed and that the prices charged are fair and just.

Head of Branch

Deputy Head

TREASURY OFFICE APPROV

002646

PBP/FH

351-2-31

CENTRAL RECORDS
SEN
North Admin. & Lands Br.
JUN 7 1955
File No. 351-2-31
Ottawa, July 4, 1955.
Refer To

MEMORANDUM FOR MR. NASON

Re: Rayrock Mines Limited Agreement.

With reference to your memorandum of June 16, the revised draft has been examined and is considered satisfactory.

The agreement, submission to Council, and précis are enclosed herewith in final form. If in order, will you kindly proceed with the submission.

In order to make the necessary funds available, it is intended to transfer \$6,000 between allotments and application is accordingly being made to Treasury Board for approval of the transfer. I understand that it is usual to process the submission to Council concurrently with the application to Treasury Board and I suggest that this be done.

888?
J
F. J. G. Cunningham,
Director.

PRECIS FOR THE CLERK OF THE PRIVY COUNCIL

Recommending that Her Majesty be authorized to enter into an agreement with Rayrock Mines Limited in regard to construction of a winter truck and tractor road in the Northwest Territories.

6 July, 1955.

TO HIS EXCELLENCY

THE GOVERNOR GENERAL IN COUNCIL

The undersigned has the honour to report:

1 THAT there has been a discovery of radio active
ores in the Marian River area north of Rae in the Mackenzie
District of the Northwest Territories;

✓ THAT there is a possible transportation route
from Yellowknife to Marian Lake by following the surface of Great
Slave Lake and connecting waterways;

3 THAT it has been found necessary to construct a
winter truck and tractor road from Marian Lake to the general area
where the mineral discoveries have been made in order to permit the
transportation of mining equipment which will be used in exploration
and development of the properties;

4 THAT the Rayrock Mines Limited have offered, on
behalf of all other mining interests in the area, to construct such
a road at a cost which is estimated at approximately \$12,000,000;

5 THAT the said winter truck and tractor road has
definite resource development aspects as it would permit the develop-
ment and exploration of radio active ores; and

6 THAT in these circumstances it would be justifiable
for the federal government to bear one-half of the cost of constructing
such a road;

→ 8/ The undersigned, therefore, has the honour to recommend
that he be authorized to enter into an agreement with Rayrock Mines
Limited substantially in the form hereto annexed to provide for a
federal contribution of 50% of the cost of the road, or \$6,000,

whichever is the lesser, the cost of the road to
include expenditures made to date, the funds required
therefor to be

002650

- 2 -

whichever is the lesser, the funds required therefor to be chargeable to Vote Number 315 of the Appropriation for 1955-56 of the Northern Administration and Lands Branch of the Department of Northern Affairs and National Resources for the operation and maintenance of the Northwest Territories, including Wood Buffalo Park and Eskimo affairs, and on the understanding that the cost of maintaining the road would be borne by the mining companies concerned.

Respectfully submitted,

Minister of Northern Affairs and
National Resources.

MEMORANDUM OF AGREEMENT entered into this
day of , 1955,

BETWEEN:

HER MAJESTY THE QUEEN (hereinafter called
"Her Majesty"), represented by the Honourable
the Minister of Northern Affairs and National
Resources (hereinafter called "the Minister")

OF THE FIRST PART,

AND:

RAYROCK MINES LIMITED a body corporate having
its head office at the City of Toronto in the
Province of Ontario (hereinafter called
"the Company")

OF THE SECOND PART.

WHEREAS in the summer season of the year 1954 new
discoveries of radio-active ores were made in an area lying along
the Marian River which is located north of the Settlement of
Fort Rae in the Mackenzie District in the Northwest Territories;

WHEREAS the Company has represented to Her Majesty
that for further development and operation of radio-active ores
in the said Marian River area it is necessary to construct a
winter truck-tractor road from Marian Lake to the mineral claims
which have been located at a distance of approximately thirty
miles;

WHEREAS the Company has represented that the construction
of such a road will also facilitate the various exploration programs
under way to provide access to mineral claims belonging to a number
of other companies and assist in the exploration and development of
the area;

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- 3 -

the Road on or before March 31, 1956;

- (c) that where land required for the right-of-way for the Road is not owned by Her Majesty, it will arrange for and carry out all necessary right-of-way surveys to acquire title to such right-of-way and transfer such title to Her Majesty;
- (d) that before entering into any contract for the construction of the Road it will submit the contract to the Minister for approval;
- (e) that it will not rent any equipment owned by it to any contractor engaged on construction of the Road without the prior approval of the Minister;
- (f) that it will maintain adequate records of all expenditures made pursuant to this agreement supported by proper documents and vouchers and will make any or all such records, documents and vouchers available to the Minister for examination upon request and will furnish any or all information required in relation thereto;
- (g) that it will indemnify and save harmless Her Majesty from and against any and all claims of whatsoever nature arising from or out of the said construction;
- (h) that it will at its own expense following completion of the Road carry out reasonable and adequate maintenance thereof until such time as in the opinion of the Minister it ceases to be a road for the exploitation of the mineral resources adjacent to the Road;
- (i) that it will not enter into any contract for the construction of the Road with
 - (i) a corporation unless such corporation was established and operating in Canada prior to the first day of July, 1952; or
 - (ii) any person unless such person was resident

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- 4 -

in Canada prior to the first day of
July, 1952;

- (j) that it will not employ or permit a contractor to employ on the construction of the Road
 - (i) any person who is not a resident of Canada; or
 - (ii) any person who is not a local resident unless insufficient qualified local residents are unobtainable;
- (k) that it will not discriminate against or permit a contractor to discriminate against any person seeking employment on the construction of the Road because of such person's race, religious views or political affiliations;
- (l) that it will ensure that the living conditions of all persons employed on the construction of the Road are as good as may be provided in the circumstances;
- (m) that where necessary it will arrange for proper housing, dining, medical and mail facilities for persons employed on the construction of the Road;
- (n) that it will use only goods and material of Canadian manufacture and production if available and of suitable quality and price;
- (o) that it will ensure that fair wages are paid to all persons employed on the construction of the Road;
- (p) that it will ensure that the hours of work observed in the construction of the Road are those prevailing for similar work undertaken in the district;
- (q) that it will not admit nor permit the admission of any member of the House of Commons or any member of the Council of the Northwest Territories to any share or benefit arising from the construction of the Road; and

- 5 -

- (r) that it will submit progress statements of accounts monthly to the Minister.

2. Subject to funds for such purpose being appropriated by Parliament, Her Majesty agrees in respect of that portion of the cost of construction which is made pursuant to this agreement,

- (a) to pay upon receipt of progress statements of expenditure Forty-five per cent (45%) of the amounts expended by the Company as evidenced by such statement; and
- (b) to pay in addition upon completion of the Road to the satisfaction of the Minister Five per cent (5%) of the amounts expended by the Company as evidenced by the progress statements submitted;

but the total of all payments by Her Majesty will not exceed a sum equal to Fifty per cent (50%) of the cost of construction or the sum of Six thousand dollars (\$6,000.00) whichever sum is the lesser.

3. It is agreed

- (a) that the general route of the Road and its final location will be subject to the approval of the Minister;
- (b) that the Company may enter into an agreement with a contractor for the construction of the Road or use day labour in the construction of the Road;
- (c) that where the Road or any portion thereof is constructed by day labour the cost of such construction may include
 - (i) the wages and salaries of employees actually engaged in the construction of the Road on the site;
 - (ii) the cost of material incorporated in the Road including off the site costs of labour and transportation in respect of such material;
 - (iii) the cost of consumable supplies and materials

- 6 -

- used for constructional operations;
- (iv) the cost of engineering charges and field supervision during construction;
 - (v) the costs of operating construction equipment exclusive of repairs;
 - (vi) the costs of depreciation of equipment owned by the Company at rates agreed upon by the Minister and the Company;
 - (vii) such other necessary expenditures incurred on the actual construction of the Road, but excluding costs incurred in the purchase of tools or construction equipment and general administrative costs off the site;
- (d) that where the Road or any part of the Road is constructed under contract with a third party, the cost of construction will be the contract price plus such expenditures as are with the approval of the Minister made in respect of day labour;
- (e) that the Minister may appoint a representative or representatives to inspect and report on the execution of the work to be performed in accordance with this agreement and the Company will afford such representative or representatives every facility for the purpose and will assist such representative or representatives in the execution of such inspection;
- (f) that the Minister's decision with respect to items to be included as costs of construction is final and binding on both parties;
- (g) that all payments of contributions by Canada under this agreement are hereby excepted from the operation

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7

- 7 -

of section 5 of the Fair Wages and Hours of
Labour Act.

IN WITNESS WHEREOF the Honourable Jean Lesage,
Minister of Northern Affairs and National Resources, has here-
unto set his hand and seal on behalf of Her Majesty, and
Rayrock Mines Limited has hereunto affixed its corporate seal
attested by its proper officers on that behalf.

SIGNED on behalf of Canada by)
the Honourable Jean Lesage,)
Minister of Northern Affairs)
and National Resources in)
the presence of)
_____)

Jean Lesage
Minister of Northern Affairs
and National Resources

RAYROCK MINES LIMITED

C.T. 19B
50M-19-8-53
GHI:MF

PA

Northern Affairs and National Resources
DEPARTMENT OF
Northern Administration and
SENT by Sub Registry

DATE June 30 1955
FILE No. 127-1 351-2-31
311/109-58 FC 99
T.O. No. 13

TRANSFER BETWEEN ALLOTMENTS

APPLICATION IS HEREBY MADE TO THE SECRETARY, TREASURY BOARD, FOR THE FOLLOWING TRANSFERS WITHIN:

VOTE: 315, Northwest Territories, including Wood Buffalo Park and Eskimo Affairs -
Operation and Maintenance

NAME OF PRIMARY	AUTHORIZED AMOUNT	PROPOSED DECREASE	PROPOSED INCREASE
Northern and Other Allowances	(2) \$ 118,350	\$ 6,750	\$
Rental of Land and Buildings	(15) 300		750
Contribution to Rayrock Mines, Ltd., of 50% of the Cost of Constructing a Winter Road from Sherman Lake to Marian Lake			

North Admin. & Lands Br.
6,000
JUL 5 1955
File No. 6,750
321-2-31
Refer To:

DEPARTMENTAL EXPLANATION

Northern and Other Allowances Savings will be effected in this Primary in view of delay in filling field positions.

Rental of Land and Buildings The increase in this allotment is to provide \$120 for the rental of the Canadian Legion Hall at Aklavik at \$10 per month; \$60 for the native hall at Aklavik at \$5 per month; \$663 for the parish hall at Hay River from 15th of September, 1954, to the month of August, 1955, inclusive at \$75 per month. The latter is covered by an agreement signed between the Department and the Roman Catholic Episcopal Corporation of Mackenzie.

The rental of these halls was necessary in view of an increased number of pupils and a shortage of space. At Aklavik, the halls will have to be rented until the new school is ready on the new site whereas at Hay River it is expected that additional classrooms will be ready by September, 1955.

Contribution to Rayrock Mines, Ltd., of 50% of the Cost of Constructing a Winter Road from Sherman Lake to Marian Lake This is to provide for a contribution to the cost of opening a winter road by Rayrock Mines, Ltd., from the head of the water transportation systems to their property at Marian Lake, a distance of

002659

C.T. 19B
50M-19-8-53
GIM:MF

Northern Affairs and National Resources 1955-56
DEPARTMENT OF

DATE June 30 19 55
FILE No. 127-1 351-2-31
311/109-58 PC 99
T.O. No. 13

Northern Administration and Lands

TRANSFER BETWEEN ALLOTMENTS

APPLICATION IS HEREBY MADE TO THE SECRETARY, TREASURY BOARD, FOR THE FOLLOWING TRANSFERS WITHIN:

VOTE: 315, Northwest Territories, including Wood Buffalo Park and Eskimo Affairs - Operation and Maintenance

NAME OF PRIMARY	AUTHORIZED AMOUNT	PROPOSED DECREASE	PROPOSED INCREASE
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DEPARTMENTAL EXPLANATION

Contribution to Rayrock Mines, Ltd., of 50% of the Cost of Constructing a Winter Road from Shorman Lake to Norian Lake (cont'd)

approximately 35 miles. The Company required this road in the winter of 1954-55 in order to transport heavy mining equipment for underground exploratory work but their request for assistance was received too late for inclusion in the Main Estimates of 1955-56. It was not included in the Supplementary Estimates as it was expected that surplus funds could be found in the Vote as a whole to meet this financial requirement.

DEPARTMENTAL EXPLANATION

Investigations were carried out by the Department and reports indicate that further explorations in this region are warranted on geological grounds and should be encouraged. Discoveries of uranium were made in the region where, in addition to Rayrock Mines, Ltd., other mining companies such as Consolidated Northland Mines, Ltd., Goldcrest Mines, Ltd., and New Athona Mines, Ltd., are carrying on diamond drilling and underground exploratory work.

RECOMMENDED

APPROVED

APPROVED

BRANCH HEAD

DEPUTY HEAD

MINISTER

NOTE: APPROVAL OF THE MINISTER IS REQUIRED ONLY WHERE A QUESTION OF POLICY IS INVOLVED.

TREASURY COMMENTS

ACCORDING TO THE ACCOUNTING RECORDS, THERE IS NO OBJECTION TO THESE TRANSFERS BEING MADE AND THE APPLICATION IS THEREFORE SUBMITTED FOR THE APPROVAL OF THE TREASURY BOARD, AS REQUIRED UNDER SECTION 29 OF THE FINANCIAL ADMINISTRATION ACT.

CHIEF TREASURY OFFICER

FOR COMPTROLLER OF THE TREASURY

T.

B. DATED

APPROVED BY THE TREASURY BOARD

FOR SECRETARY

002660

North Admin. & Lands Br.
JUN 7 1955
File No. 351-2-31
Refer To

part

MEMORANDUM OF AGREEMENT entered into this

day of , 1955,

BETWEEN:

HER MAJESTY THE QUEEN (hereinafter called
"Her Majesty"), represented by the Honourable
the Minister of Northern Affairs and National
Resources (hereinafter called "the Minister")

OF THE FIRST PART,

A N D :

RAYROCK MINES LIMITED a body corporate having
its head office at *the City of Toronto -*
the Province of Ontario

(hereinafter called "the Company")

OF THE SECOND PART.

WHEREAS in the summer season of the year 1954 new
discoveries of radio-active ores were made in an area lying along
the Marian River which is located north of the Settlement of
Fort Rae in the Mackenzie District in the Northwest Territories;

WHEREAS the Company has represented to Her Majesty
that for further development and operation of radio-active ores
in the said Marian River area it is necessary to construct a
winter truck-tractor road from Marian Lake to the mineral claims
which have been located at a distance of approximately thirty
miles;

WHEREAS the Company has represented that the construc-
tion of such a road will also facilitate the various exploration
programs under way to provide access to mineral claims belonging
to a number of other companies and assist in the exploration and
development of the area;

- 2 -

WHEREAS the Company has made a survey and laid out a proposed route for the said truck-tractor road of approximately thirty miles in length and has estimated the cost of construction to be Twelve thousand dollars (\$12,000.00);

WHEREAS the Company has agreed to act on behalf of all the mining companies concerned and to be responsible for the supervision and construction of the road if Her Majesty will contribute an amount equal to Fifty per cent (50%) of the construction costs or the amount of Six thousand dollars (\$6,000.00), whichever amount is the lesser;

WHEREAS Her Majesty considers that the Company should be granted the assistance toward the construction costs of such a road; and

WHEREAS His Excellency the Governor-in-Council has by Order in Council _____ of the _____ day of _____

authorized the Minister to execute this agreement on behalf of Her Majesty, and the Company has authorized its proper officers to execute this agreement on behalf of the Company;

NOW, THIS AGREEMENT WITNESSETH that in consideration of the premises and the terms and conditions hereinafter set out:

1. The Company agrees

- (a) that it will at its expense, subject to payment by Her Majesty as hereinafter provided, construct a winter-truck tractor resources road of approximately thirty miles in length from Marian Lake to Marian River in the Settlement of Fort Rae in the Mackenzie District in the Northwest Territories (hereinafter called "the Road") according to specifications satisfactory to the Minister;
- (b) that it will commence the construction of the Road as soon as weather conditions permit and complete

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- 3 -

the Road on or before March 31, 1956;

- (c) that where land required for the right-of-way for the Road is not owned by Her Majesty, it will arrange for and carry out all necessary right-of-way surveys to acquire title to such right-of-way and transfer such title to Her Majesty;
- (d) that before entering into any contract for the construction of the Road it will submit the contract to the Minister for approval;
- (e) that it will not rent any equipment owned by it to any contractor engaged on construction of the Road without the prior approval of the Minister;
- (f) that it will maintain adequate records of all expenditures made pursuant to this agreement supported by proper documents and vouchers and will make any or all such records, documents and vouchers available to the Minister for examination upon request and will furnish any or all information required in relation thereto;
- (g) that it will indemnify and save harmless Her Majesty from and against any and all claims of whatsoever nature arising from or out of the said construction;
- (h) that it will at its own expense following completion of the Road carry out reasonable and adequate maintenance thereof until such time as in the opinion of the Minister it ceases to be a road for the exploitation of the mineral resources adjacent to the Road;
- (i) that it will not enter into any contract for the construction of the Road with
 - (i) a corporation unless such corporation was established and operating in Canada prior to the first day of July, 1952; or
 - (ii) any person unless such person was resident

- 4 -

in Canada prior to the first day of
July, 1952;

- (j) that it will not employ or permit ~~the employment~~
to employ
~~by~~ a contractor, on the construction of the Road
 - (i) any person who is not a resident of
Canada; or
 - (ii) any person who is not a local resident
qualified
unless insufficient/local residents are
unobtainable;
- (k) that it will not discriminate against or permit a
contractor to discriminate against any person seeking
employment on the construction of the Road because of
such person's race, religious views or political affilia-
tions;
- (l) that it will ensure that the living conditions of all
persons employed on the construction of the Road are
as good as may be provided in the circumstances;
- (m) that where necessary it will arrange for proper housing,
dining, ~~and~~ *mail* medical and ~~material~~ facilities for persons
employed on the construction of the Road;
- (n) that it will use only goods and material of Canadian
manufacture and production if available and of suitable
quality and price;
- (o) that it will ensure that fair wages are paid to all
persons employed on the construction of the Road;
- (p) that it will ensure that the hours of work observed
in the construction of the Road are those prevailing
for similar work undertaken in the district;
- (q) that it will not admit nor permit the admission of
any member of the House of Commons or any member of
the Council of the Northwest Territories to any share
or benefit arising from the construction of the Road; *and*.

- 5 -

- (r) that it will submit progress statements of
accounts monthly to the Minister.

2. Subject to funds for such purpose being appropriated by Parliament, Her Majesty agrees in respect of that portion of the cost of construction which is made pursuant to this agreement,

- (a) to pay upon receipt of progress statements of expenditure Forty-five per cent (45%) of the amounts expended by the Company as evidenced by such statement; and
- (b) to pay in addition upon completion of the Road to the satisfaction of the Minister Five per cent (5%) of the amounts expended by the Company as evidenced by the progress statements submitted;

but the total of all payments by Her Majesty will not exceed a sum equal to Fifty per cent (50%) of the cost of construction or the sum of Six thousand dollars (\$6,000.00) whichever sum is the lesser.

3. It is agreed

- (a) that the general route of the Road and its final location will be subject to the approval of the Minister;
- (b) that the Company may enter into an agreement with a contractor for the construction of the Road or use day labour in the construction of the Road;
- (c) that where the Road or any portion thereof is constructed by day labour the cost of such construction may include

- (i) the wages and salaries of employees
actually engaged in the construction
on the
of the Road/site;

- (ii) the cost of material incorporated in the Road including off the site costs of labour and transportation in respect of such material;

- (iii) the cost of consumable supplies and materials

- 6 -

used for constructional operations;

(iv) the cost of engineering charges and field supervision during construction;

(v) the costs of operating construction equipment exclusive of repairs;

(vi) the costs of depreciation of equipment owned by the Company at rates agreed upon by the Minister and the Company;

(vii) such other necessary expenditures incurred on the actual construction of the Road, but excluding costs incurred in the purchase of tools or construction equipment and general administrative costs off the site;

(d) that where the Road or any part of the Road is constructed under contract with a third party, the cost of construction will ^{be} /the contract price plus such expenditures as are with the approval of the Minister made in respect of day labour;

(e) that the Minister may appoint a representative or representatives to inspect and report on the execution of the work to be performed in accordance with this agreement and the Company will afford such representative or representatives every facility for the purpose and will assist such representative or representatives in the execution of such inspection;

(9) that all payments of contributions by Canada under this agreement are hereby excepted from the operation

.

7

(f) that the Minister's decision with respect to items to be included as costs of construction is final and binding on both parties;

002667



North Admin. & Lands Br.
JUN 24 1955
File No. 351-2-31
Refer To.....

351-2-31

~~4-1-1~~

Ottawa, June 23, 1955.

MEMORANDUM FOR MR. J.F. DOYLE

The Deputy Minister has indicated his approval on a memorandum to him dated January 13, 1955, of a 50% contribution not to exceed \$6,000 towards the cost of the construction of a winter tractor trail payable to the Rayrock Mines Limited. This trail will provide access to their mining property in the Marian Lake area and permit the delivery of mining equipment which is required for further development work.

At the present time an agreement is being prepared along with a Submission to Council authorizing the Department to enter into this agreement with the company. There was no provision made for this item in the main estimates and in view of the small amount required it was decided that no item would be placed in the supplementary estimates. A Transfer Between Allotments will be required in the N.W.T. Operation and Maintenance Vote to make available the sum of \$6,000 for the payment of this contribution. Would you please arrange for this as soon as possible as Treasury Board will not process the Submission to Council until this transfer has been approved and funds made available.

F.J.G. Cunningham,
Director.

noted
FJD

7/

PLEASE QUOTE

FILE...351-2-31
121-1

NORTHERN ADMINISTRATION
AND LANDS BRANCH



OFFICE OF THE DIRECTOR

Ottawa, June 23, 1955.

MEMORANDUM FOR MR. J.F. DOYLE

The Deputy Minister has indicated his approval on a memorandum to him dated January 13, 1955, of a 50% contribution not to exceed \$6,000 towards the cost of the construction of a winter tractor trail payable to the Rayrock Mines Limited. This trail will provide access to their mining property in the Marian Lake area and permit the delivery of mining equipment which is required for further development work.

At the present time an agreement is being prepared along with a Submission to Council authorizing the Department to enter into this agreement with the company. There was no provision made for this item in the main estimates and in view of the small amount required it was decided that no item would be placed in the supplementary estimates. A Transfer Between Allotments will be required in the N.W.T. Operation and Maintenance Vote to make available the sum of \$6,000 for the payment of this contribution. Would you please arrange for this as soon as possible as Treasury Board will not process the Submission to Council until this transfer has been approved and funds made available.

for *F.J.G. Cunningham*
F.J.G. Cunningham,
Director.

COPY/CB

Yellowknife, N.W.T.
June 22nd, 1955.

MEMORANDUM FOR MR. F.J.G. CUNNINGHAM

Enclosed are statements of expenditures in connection with the winter road from Marian Lake to Sherman Lake. This work was done by Rayrock Mines Ltd. The total expenditures on this road to date amount to \$5,561.13 which is considerably less than the estimate of \$12,000, however, it is expected that if Rayrock continue and possibly go into production, more work will of a necessity have to be done next winter.

Signed:
"S. Homulos,
Mining Inspector.

original ad 1
copy furnished
to C.T.O.
April 3rd
[Signature]

RAYROCK MINES LIMITED

(NO PERSONAL LIABILITY)

YELLOWKNIFE, N.W.T.

STATEMENT OF EXPENDITURES
IN CONNECTION WITH WINTER ROAD
MARIAN LAKE to SHERMAN LAKE, N. W. T.

Payment to P-M Freight and Construction	\$ 4,000.00
Payment to Frenchy's Transport Ltd.	910.00
Payment to Wardair Limited	109.88
Scouting, marking, general labour, etc. by Company Personnel	191.25
Engineering and Office Administration	<u>350.00</u>
	\$ 5,561.13

Certified Correct:

Norman W. Byrne

Norman W. Byrne,
Consulting Mining Engineer

J. C. Byrne

J. C. Byrne,
President and General Manager

Yellowknife, N. W. T.
June 1st, 1955

Norman W. Byrne
CERTIFIED CORRECT

COPY

PM FREIGHT AND CONSTRUCTION
J. M. PERKINS
YELLOWKNIFE, N. W. T.

In Account With:

Rayrock Mines Limited,
Box 190,
YELLOWKNIFE, N. W. T.

March 31st, 1955

To -

Scouting road, testing ice,
cutting and bulldozing, preparation
of lake approaches and river crossing,
Marian Lake to Rayrock Mines Limited
via Consolidated Northland Mines
Limited camp.

37 miles

\$ 4,000.00

Received payment in full:

"J. M. Perkins"

J. M. Perkins

DEALERS

INVOICE

Box 338

Phone 2



HARVESTER

TRUCKS - REFRIGERATORS

Frenchy's Transport Ltd.

General Trucking • Gravel Loading and Hauling

Excavating and Ditching

Pick-up and Expediting Service

DISTRIBUTORS

GOODYEAR

TIRES AND TUBES

In Account With

YELLOWKNIFE, N.W.T.

Rayrock Mines Ltd.
c/o N.W. Byrne
Yellowknife, N.W.T.

DATE February 28, 1955

INVOICE No. 55-2-26

DATE	DETAILS	AMOUNT	
	Locating, cutting and constructing winter road to Rayrock		
	11 Days at \$60.00	660 00	
	10 Days at \$25.00 (Extra Man)	250 00	
			\$910.00
	Snowmobile, two men, fuel, groceries and miscellaneous supplies.		
	<div data-bbox="159 1192 734 1579" data-label="Text"> <p><i>Paid</i> FRENCHY'S TRANSPORT LTD. YELLOWKNIFE, N.W.T.</p> </div>		

002674

HEAD OFFICE:
TWELFTH FLOOR
80 KING ST. WEST
TORONTO, ONT.

RAYROCK MINES LIMITED

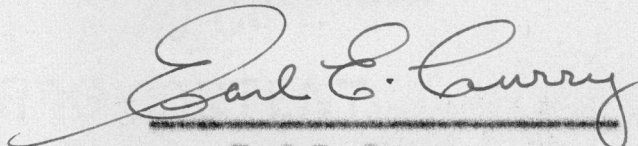
(NO PERSONAL LIABILITY)
YELLOWKNIFE, N.W.T.

April 30th, 1955.

Labour costs chargeable to the Marian Lake - Sherman Lake winter road account. Following employees were engaged, at various times during February and March 1955, in scouting and marking the road, reconnaissance and general labour.

Walter Nilsson, 10 days @ \$12.75 per day	\$127.50
Ernie Hallsten, 5 days @ \$12.75 per day	<u>63.75</u>
TOTAL	\$191.25

Certified Correct:



Earl E. Curry
Office Manager

Yellowknife, N.W.T.

HEAD OFFICE:
TWELFTH FLOOR
80 KING ST. WEST
TORONTO, ONT.

RAYROCK MINES LIMITED

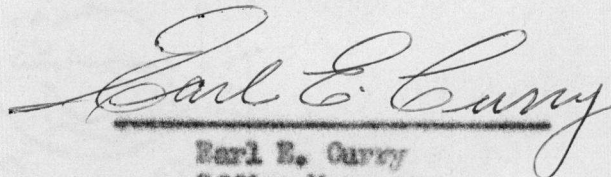
(NO PERSONAL LIABILITY)
YELLOWKNIFE, N.W.T.

April 30th, 1955.

Engineering and Office Administration by Company Engineers
and office employees directly connected with the construction
of the Marian Lake - Sherran Lake winter road. Services
performed were during the period from January to March, 1955

\$350.00

Certified Correct:



Earl E. Curry
Office Manager

Yellowknife, N.W.T.

Mr. Paffer.

a submission to Council
should be drawn up.

Jef

351-2-31

PBP/MMH

Ottawa, June 22, 1955.

MEMORANDUM FOR MR. NASON

RAYROCK MINES AGREEMENT
ROAD FROM MARIAN LAKE, N.W.T.

Thank you for your memorandum of June 16th, forwarding revised draft of the agreement. This draft has been examined and is considered satisfactory.

2. The head office of Rayrock Mines Limited which has been left blank in the lease is at Toronto.

agreement

3. I am returning herewith the draft and would request that you proceed with the Submission to Council.

F.J.G. Cunningham,
Director.

1838

Not sent

DEPARTMENT OF NORTHERN AFFAIRS AND
NATIONAL RESOURCES
Northern Administration & Lands Branch

Date..June 20th, 1955.

TO: Mr. Parker

For Action:	X
For Direct Reply:	
For Preparation of Reply:	
For Comment:	
For Approval:	
To Note & File:	
To Note & Return:	
For Discussion with Undersigned:	
For Signature:	
For Information:	

Would you please deal with this matter.

H.O.
Toronto

nasls

002678

DEPARTMENT OF NORTHERN AFFAIRS AND
NATIONAL RESOURCES

Northern Administration & Lands Branch

Date ..12.6.....

TO: *B1*

For Action:

For Direct Reply:

For Preparation of Reply: ✓

For Comment:

For Approval:

To Note and File:

To Note and Return:

For Discussion with Undersigned:

For Signature:

For Information:

Re. Telephone Conversation:

YSL

002679

1590



CANADA

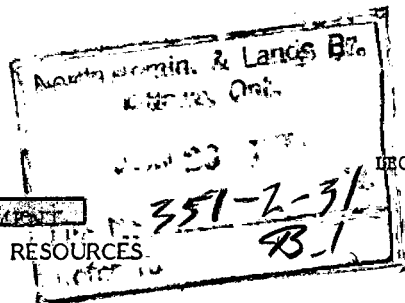
DEPARTMENT

OF

AFFAIRS AND NATIONAL RESOURCES

ADMINISTRATION BRANCH

LEGAL DIVISION



Ottawa, 16 June, 1955

MEMORANDUM FOR THE DIRECTOR
NORTHERN ADMINISTRATION & LANDS BRANCH

Rayrock Mines Limited Agreement
Road from Marian Lake, N. W. T.

I have your memorandum of May 31. Mr. Doherty has prepared a revised draft of this agreement, and I send you herewith one copy.

I should be glad if you would have your officers look through this copy and advise me whether it is in order.

W. Nason
Legal Adviser.

Atch.

*Mr. Walters - This seems O.K.
We should now return it to Nason
with request that he process
the submission to Council*

D R A F T

MEMORANDUM OF AGREEMENT entered into this

day of

in the year A.D. 195

BETWEEN

HER MAJESTY THE QUEEN IN RIGHT
OF CANADA, represented by the
Honourable the Minister of
Northern Affairs and National
Resources

OF THE FIRST PART

AND

THE RAYROCK MINES LIMITED
(hereinafter called the Company)

OF THE SECOND PART

WHEREAS in the summer season of the year 1954 new discoveries of radio active ores were made in an area lying along the Marian River, which is located north of the settlement of Fort Rae in the Mackenzie District of the Northwest Territories:

AND WHEREAS Rayrock Mines Limited has represented to the Government of Canada that for further development and operation of radio active ores in the said Marian River area it is necessary to construct a winter truck-tractor road from Marian Lake to the mineral claims which have been located, a distance of approximately thirty miles;

AND WHEREAS the Company has represented that the construction of such a road will also facilitate the various exploration programmes that are under way, provide access to mineral claims belonging to a number of other companies and assist in the exploration and development of the area;

AND WHEREAS the Company has made a survey and laid out a proposed route for the said truck-tractor road of approximately thirty miles in length and has estimated the cost of construction to be approximately \$12,000;

AND WHEREAS the Company will undertake to act on behalf of all the mining companies concerned and will be responsible for the supervision and construction of the road if the Government of Canada

-2-

will contribute fifty per-cent of the construction costs, or \$6,000, whichever is the lesser;

AND WHEREAS the Government of Canada considers that the Company should be granted the requested assistance towards the construction costs of such a road;

AND WHEREAS His Excellency the Governor in Council has, by Order in Council dated authorized the Minister of Northern Affairs and National Resources to execute this agreement on behalf of Canada;

AND WHEREAS Rayrock Mines Limited has authorized the appropriate officers to execute this agreement on behalf of the Company;

NOW THIS AGREEMENT WITNESSETH, in consideration of the premises, that the said parties hereto, hereby covenant, promise and agree each with the other as follows:

1. In this agreement, unless the context otherwise requires,
 - (a) "Minister" means the Minister of Northern Affairs and National Resources of Canada;
 - (b) "The Road" means the resources road of approximately thirty miles in length from Marian Lake to Marian River, which is located north of the settlement of Fort Rae in the Mackenzie District of the Northwest Territories;
2. The Company agrees to undertake and proceed forthwith with the construction of the road and subject to the terms and conditions herein contained, Canada will contribute fifty per-cent, or \$6,000, whichever is the lesser, towards the cost of construction as herein defined.
3. The general route of the road and its final location shall be subject to the approval of the Minister.

-3-

4. The road shall be constructed as a winter truck-tractor road.
5. The contribution to be made by Canada towards the cost of construction of the road will be 50% or \$6,000, whichever is the lesser.
6. The actual construction of the road may be undertaken by the Company by contract or by day-labour and construction operations shall begin as soon as weather conditions permit after the execution of this Agreement, and shall be completed on or before the 31st day of March, 1956.
7. In respect of work to be undertaken by contract, the terms and conditions of the proposed contract shall be submitted to the Minister for approval before any award is made.
8. In respect of work undertaken by day labour,
 - (a) no contribution shall be made by Canada for the purchase of tools or construction equipment required for such day labour work,
 - (b) operating costs for construction equipment, exclusive of repairs, may be included in the cost of construction, and
 - (c) depreciation charges on equipment owned by the Company will be allowed in the cost of construction at rates agreed upon by the Minister and the Company.
9. Cost of construction under this Agreement shall include such expenditures as are necessary and incurred on the actual construction of the road as well as wages and salaries of employees on such construction, the cost of material incorporated in the road, the cost of all consumable supplies and material used for constructional

-4-

operations and the cost of necessary engineering parties and field supervision during construction.

10. Equipment owned by the Company shall not be rented to any contractor engaged on construction of the road without prior approval thereof by the Minister.

11. If any question should arise as to whether any particular item included as part of the cost of construction in any claim by the Company constitutes part of the cost of construction as defined in this Agreement, the same shall be determined by the Minister and his decision shall be final and binding on both parties.

12. Canada will not contribute towards the cost of general administration of the work, where such costs are incurred off the site but labour and transportation costs in respect of such of the materials as are actually built into the road under this Agreement may be included in the cost of construction.

13. The Company will maintain adequate records of all expenditures made pursuant to this Agreement, supported by proper documents and vouchers, and will make any or all of such records, documents and vouchers available to Canada for examination upon request and will furnish any or all information required in relation thereto.

14. Payment of Canada's contribution under this Agreement shall be based upon progress statements of accounts for expenditures made by the Company and shall be submitted to the Minister monthly but it shall be within the discretion of the Minister to require that final payment in respect to Canada's contribution be not made to the Company until the work has been accepted by a representative of the Minister and reported by him to be satisfactory.

15. Upon receipt of such progress statements payments of 50% of such of the Company's expenditures as are in accordance with this Agreement will be made to the Company less an amount of 10% of such payments which may be retained by the Minister until such time as the

-5-

work has been finally approved by him provided however, that no payment of such expenditures shall be made until Parliament has appropriated the funds required to meet Canada's contribution under this Agreement.

16. The Minister may appoint a representative or representatives to inspect and report on the execution of the work to be performed in accordance with this Agreement and the Company shall afford such representative or representatives every facility for that purpose.

17. The Company shall indemnify and save harmless Canada from and against any and all claims of whatsoever nature arising from or out of the said construction.

18. The following conditions relative to employment and the award of contracts shall apply in respect of all work done under this Agreement:

- (a) Contracts shall be let only to corporations or firms established and in operation in Canada prior to July 1st, 1950, or to persons resident in Canada prior to the said date.
- (b) No person other than residents of Canada shall be employed on the construction of the said road, and local residents insofar as they are competent and available shall be given preference in employment on the said construction, and no resident of Canada shall, with regard to this employment, be discriminated against by reason of his race, religious views, or political affiliations.
- (c) Living conditions of employees shall be reasonably satisfactory in accordance with the usual practice on such projects, and where necessary, provision shall be made for proper housing, feeding, medical attention and the enjoyment of mail facilities.

-6-

(d) Only goods and materials of Canadian manufacture and production shall be used, if available, and of suitable quality and price.

19. Payments of contributions by Canada under this Agreement are hereby excepted from the operation of Section 5 of the Fair Wages and Hours of Labour Act, 1935. It shall be the responsibility of the Company to see that all persons employed in the construction of the said road are paid fair wages; and the hours of work to be observed shall be those from time to time determined by Northwest Territories but shall be generally those covering similar work undertaken in the district.

20. Pursuant to the provision of the Statute in such case made and provided, no member of the House of Commons of Canada shall be admitted to any share or part of this Agreement, or to any benefit to arise therefrom.

IN WITNESS WHEREOF the Honourable Jean Lesage,
Minister of Northern Affairs and National Resources, has hereunto set his hand and seal on behalf of Canada and the Rayrock Mines Limited has hereunto affixed its corporate seal attested by its proper officers in that behalf.

SIGNED on behalf of Canada by
the Honourable Jean Lesage,
Minister of Northern Affairs
and National Resources

IN THE PRESENCE OF

SIGNED ON BEHALF of the Rayrock
Mines Limited

IN THE PRESENCE OF

REFERRED TO	REMARKS	DATE	INITIALS	P.A. DATE OR T.	B.F. DATE	INITIALS	REGISTRY INSPECTION
B3	4/12/54 # 5242	20/12	F(2h)		5.1.55	Kln	me
B3	27-12-54 # 5831	30-12	me		30.1.55	Kln	me
B1	re memo	3.1.55	Kln	4.1.55			me
Lands Div.	"	4.1.55	7	12/1		OK	me
Mr. Fraser	11 Jan '55		OK	T			me
B3	"	12.1	7	T		Kln	me
B1	"	14.1.55	Kln	T			me
NO	"	14.1	7	17.1		7	me
Lacharme	Reg	18-1	OK	18/1/55		OK	me
K M	3-1-55 # 199 BF	28-1	me	T		Kln	me
K M	13-1-55 # 117 BF	28-1	me	13.2.55		Kln	me
J.C.J.	FOR SIGNATURE	28.1.55		31.1.		OK	me
B1	1-2-55 # 7938	3-2	me	T		OK	me
B3	10 note # 7938.	4.2.	OK	4/2/55		OK	me
K M	for request	5-2	me	8.2.55		Kln	me
B3	2-3.55 # 9731	3-3	me	T		OK	me
DO	" "	4/3	OK	T		OK	me
B1	for action in Sup. cot	16.3	OK	T		OK	me
A1	for action	21.3	7	T		OK	me
A2	" "	22-3	OK	T		OK	me
B1	memo.	5/4/55	OK	T		7	me
NO	re memo	6.4	7	T		OK	me
A2	for action	6.4	OK	T		OK	me
B1	"	13/4/55	OK	T		OK	me
DO	the for sig	19/4/55	OK	20.4		OK	me
B3	for action	5/5	me	T		OK	me
DO	memo	30/5	me	1.6		OK	me

PF/TF-H

Sent

North Admin. & Lands Br.
JUN 2 1955
File No. <i>351-2-31</i>
Refer To.....

351-2-31

Ottawa, 31 May, 1955.

MEMORANDUM FOR MR. NASON

RAYROCK MINES AGREEMENT
ROAD FROM MARIAN LAKE NWT

The President of Rayrock Mines Limited applied for assistance by letter dated November 22, 1954 to the extent of \$6,000 to construct a winter road from Marian Lake to the area in which the mining company's property is situated. This expenditure was approved by the Deputy Minister and it was intended that an item be placed in the supplementary estimates. However, in view of the small amount required and the likelihood that funds could be found from some other portion of the vote, it was decided that no item would be placed in the supplementary estimates. There will be a transfer between allotments.

--- 2. In the meantime, a draft of an agreement between the company and the department has been prepared, which I enclose herewith. Would you please advise me if you approve the form which has followed that used in a similar arrangements with United Keno Hill Mines Limited.

3. In this case the standard of the road is that of a winter truck and tractor road and no specifications of the type of construction have been included.

--- 4. I am also attaching a preliminary draft of a submission to Council asking for authority for the Minister to enter into the agreement.

F.J.G. Cunningham
F.J.G. Cunningham,
Director.

D R A F T

FF/MF-H

MEMORANDUM OF AGREEMENT entered into this day of

in the year A.D. 195

BETWEEN

HER MAJESTY THE QUEEN IN RIGHT
OF CANADA, represented by the
Honourable the Minister of
Northern Affairs and National
Resources

OF THE FIRST PART

AND

THE RAYROCK MINES LIMITED
(hereinafter called the Company)

OF THE SECOND PART

WHEREAS in the summer season of the year 1954 new
discoveries of radio active ores were made in an area lying along
the Marian River, which is located north of the settlement of Fort
Rae in the Mackenzie District of the Northwest Territories;

AND WHEREAS Rayrock Mines Limited has represented to the
Government of Canada that for further development and operation of
radio active ores in the said Marian River area it is necessary to
construct a winter truck-tractor road from Marian Lake to the mineral
claims which have been located, a distance of approximately thirty
miles;

AND WHEREAS the Company has represented that the construction
of such a road will also facilitate the various exploration programmes
that are under way, provide access to mineral claims belonging to
a number of other companies and assist in the exploration and develop-
ment of the area;

AND WHEREAS the Company has made a survey and laid out a proposed
route for the said truck-tractor road of approximately thirty miles in
length and has estimated the cost of construction to be approximately
\$12,000;

AND WHEREAS the Company will undertake to act on behalf of all
the mining companies concerned and will be responsible for the
supervision and construction of the road if the Government of Canada

-2-

will contribute fifty per-cent of the construction costs, or \$6,000, whichever is the lesser;

AND WHEREAS the Government of Canada considers that the Company should be granted the requested assistance towards the construction costs of such a road;

AND WHEREAS His Excellency the Governor in Council has, by Order in Council dated authorized the Minister of Northern Affairs and National Resources to execute this agreement on behalf of Canada;

AND WHEREAS Rayrock Mines Limited has authorized the appropriate officers to execute this agreement on behalf of the Company;

NOW THIS AGREEMENT WITNESSETH, in consideration of the premises, that the said parties hereto, hereby covenant, promise and agree each with the other as follows:

1. In this agreement, unless the context otherwise requires,
 - (a) "Minister" means the Minister of Northern Affairs and National Resources of Canada;
 - (b) "The Road" means the resources road of approximately thirty miles in length from Marian Lake to Marian River, which is located north of the settlement of Fort Rae in the Mackenzie District of the Northwest Territories;
2. The Company agrees to undertake and proceed forthwith with the construction of the road and subject to the terms and conditions herein contained, Canada will contribute fifty per-cent, or \$6,000, whichever is the lesser, towards the cost of construction as herein defined.
3. The general route of the road and its final location shall be subject to the approval of the Minister.

-3-

4. The road shall be constructed as a winter truck-tractor road.
5. The contribution to be made by Canada towards the cost of construction of the road will be 50% or \$6,000, whichever is the lesser.
6. The actual construction of the road may be undertaken by the Company by contract or by day-labour and construction operations shall begin as soon as weather conditions permit after the execution of this Agreement, and shall be completed on or before the 31st day of March, 1956.
7. In respect of work to be undertaken by contract, the terms and conditions of the proposed contract shall be submitted to the Minister for approval before any award is made.
8. In respect of work undertaken by day labour,
 - (a) no contribution shall be made by Canada for the purchase of tools or construction equipment required for such day labour work,
 - (b) operating costs for construction equipment, exclusive of repairs, may be included in the cost of construction, and
 - (c) depreciation charges on equipment owned by the Company will be allowed in the cost of construction at rates agreed upon by the Minister and the Company.
9. Cost of construction under this Agreement shall include such expenditures as are necessary and incurred on the actual construction of the road as well as wages and salaries of employees on such construction, the cost of material incorporated in the road, the cost of all consumable supplies and material used for constructional

-4-

operations and the cost of necessary engineering parties and field supervision during construction.

10. Equipment owned by the Company shall not be rented to any contractor engaged on construction of the road without prior approval thereof by the Minister.

11. If any question should arise as to whether any particular item included as part of the cost of construction in any claim by the Company constitutes part of the cost of construction as defined in this Agreement, the same shall be determined by the Minister and his decision shall be final and binding on both parties.

12. Canada will not contribute towards the cost of general administration of the work, where such costs are incurred off the site but labour and transportation costs in respect of such of the materials as are actually built into the road under this Agreement may be included in the cost of construction.

13. The Company will maintain adequate records of all expenditures made pursuant to this Agreement, supported by proper documents and vouchers, and will make any or all of such records, documents and vouchers available to Canada for examination upon request and will furnish any or all information required in relation thereto.

14. Payment of Canada's contribution under this Agreement shall be based upon progress statements of accounts for expenditures made by the Company and shall be submitted to the Minister monthly but it shall be within the discretion of the Minister to require that final payment in respect to Canada's contribution be not made to the Company until the work has been accepted by a representative of the Minister and reported by him to be satisfactory.

15. Upon receipt of such progress statements payments of 50% of such of the Company's expenditures as are in accordance with this Agreement will be made to the Company less an amount of 10% of such payments which may be retained by the Minister until such time as the

-5-

work has been finally approved by him provided however, that no payment of such expenditures shall be made until Parliament has appropriated the funds required to meet Canada's contribution under this Agreement.

16. The Minister may appoint a representative or representatives to inspect and report on the execution of the work to be performed in accordance with this Agreement and the Company shall afford such representative or representatives every facility for that purpose.

17. The Company shall indemnify and save harmless Canada from and against any and all claims of whatsoever nature arising from or out of the said construction.

18. The following conditions relative to employment and the award of contracts shall apply in respect of all work done under this Agreement:

- (a) Contracts shall be let only to corporations or firms established and in operation in Canada prior to July 1st, 1950, or to persons resident in Canada prior to the said date.
- (b) No person other than residents of Canada shall be employed on the construction of the said road, and local residents insofar as they are competent and available shall be given preference in employment on the said construction, and no resident of Canada shall, with regard to this employment, be discriminated against by reason of his race, religious views, or political affiliations.
- (c) Living conditions of employees shall be reasonably satisfactory in accordance with the usual practice on such projects, and where necessary, provision shall be made for proper housing, feeding, medical attention and the enjoyment of mail facilities.

-6-

(d) Only goods and materials of Canadian manufacture and production shall be used, if available, and of suitable quality and price.

19. Payments of contributions by Canada under this Agreement are hereby excepted from the operation of Section 5 of the Fair Wages and Hours of Labour Act, 1935. It shall be the responsibility of the Company to see that all persons employed in the construction of the said road are paid fair wages; and the hours of work to be observed shall be those from time to time determined by Northwest Territories but shall be generally those covering similar work undertaken in the district.

20. Pursuant to the provision of the Statute in such case made and provided, no member of the House of Commons of Canada shall be admitted to any share or part of this Agreement, or to any benefit to arise therefrom.

IN WITNESS WHEREOF the Honourable Jean Lesage,
Minister of Northern Affairs and National Resources, has hereunto set his hand and seal on behalf of Canada and the Rayrock Mines Limited has hereunto affixed its corporate seal attested by its proper officers in that behalf.

SIGNED on behalf of Canada by
the Honourable Jean Lesage,
Minister of Northern Affairs
and National Resources

IN THE PRESENCE OF

SIGNED ON BEHALF of the Rayrock
Mines Limited

IN THE PRESENCE OF

PP/MP-H
351-2-31
31/v/55

D
R
A
P
T

May 31st, 1955.

TO HIS EXCELLENCY

THE GOVERNOR GENERAL IN COUNCIL

The undersigned has the honour to report:

THAT there has been a discovery of radio active ores in the Marian River area north of Rae in the Mackenzie District of the Northwest Territories;

THAT there is a possible transportation route from Yellowknife to Marian Lake by following the surface of Great Slave Lake and connecting waterways;

THAT it has been found necessary to construct a winter truck and tractor road from Marian Lake to the general area where the mineral discoveries have been made in order to permit the transportation of mining equipment which will be used in exploration and development of the properties;

THAT the Rayrock Mines Limited have offered, on behalf of all other mining interests in the area, to construct such a road at a cost not to exceed \$12,000;

THAT the said winter truck and tractor road has definite resource development aspects as it would permit the development and exploration of radio active ores; and

THAT in these circumstances it would be justifiable for the federal government to bear one-half of the cost of constructing such a road;

The undersigned, therefore, has the honour to recommend that he be authorized to enter into an agreement with Rayrock Mines Limited substantially in the form hereto annexed to provide for a federal contribution of 50% of the cost of the road, or

-2-

06,000, whichever is the lesser, on the understanding that the agreement would be subject to provision of funds by parliament in the fiscal year 1955-56, and on the understanding that the cost of maintaining the road would be borne by the mining companies concerned.

Respectfully submitted,

Minister of Northern Affairs and
National Resources.



CANADA

NORTHERN ADMINISTRATION
AND LANDS BRANCH

DEPARTMENT
OF

FF/MF-H

PLEASE QUOTE

FILE.....

OFFICE OF THE DIRECTOR

NORTHERN AFFAIRS AND NATIONAL RESOURCES North Admin. & Lands Br.

Ottawa, 27 May, 1955. MAY 27 1955

File No. 351-2-31

Refer To.....

MEMORANDUM FOR MR. WALTERS

RAYROCK MINES AGREEMENT

Please have Mr. Lachaine dig up the files containing the agreement between United Keno Hill Mines Limited and this Department for the construction of the road up Galena Hill and I will use it to draw up the Rayrock Mines agreement. I can't wait any longer!

F. Fraser
F. Fraser,
Chief - Territorial Division.

Agreement with Mr. Parker -

FF/MF-H

SS

North Admin & Lands Br.
MAY 27 1955
File No. <i>851-2-3</i>
Refer To.....

Ottawa, 27 May, 1955.

f

MEMORANDUM FOR MR. WALTERS

RAYROCK MINES AGREEMENT

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Fred Fraser
F. Fraser,
Chief - Territorial Division.

M. Walters

For preparation of
agreement.

Re agreement re
Cassian asbestos road.

X

MINE OFFICE
YELLOWKNIFE
N. W. T.

HEAD OFFICE
Suite 509
25 Adelaide St., W.
Toronto 1, Canada

RAYROCK MINES LIMITED

TELEPHONE EMPIRE 4-5588

Toronto, Ontario,
April 29, 1955.

Mr. F. J. G. Cunningham,
Director,
Department of Northern Affairs
and National Resources,
Northern Administration and Lands Branch,
OTTAWA, Ontario.

3976

351-2-31
RL

Dear Mr. Cunningham:

Re: Your File No. 351-2-31

my copy
hereunder
mtd

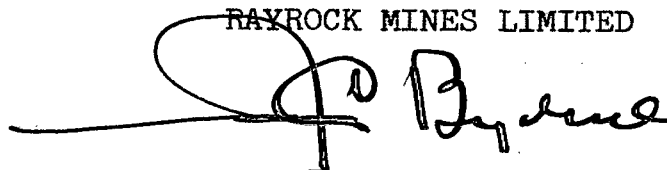
not recorded
We acknowledge with thanks receipt of your letter
of April 19th and are very glad to hear that our application for
assistance by way of a grant towards the construction of a winter
road to Marian River mining area has been approved.

Construction is complete and we will ask our Yellow-
knife Office to prepare itemized statements of expenditures to
be certified by our Consulting Engineer and the writer. We will
then do as you suggest and submit same to Mr. Homulos, Mining
Inspector at Yellowknife.

We note that an agreement between the Department
and the Company is required and that same will be drafted and
sent forward to us shortly for signature.

Yours very truly,

RAYROCK MINES LIMITED



J. C. Byrne

President and General Manager

JCB:mle

cc: N. W. Byrne
S. Homulos

FF/MF-H

351-2-31

Ottawa, 19 April, 1955.

J.C. Byrne, Esq.,
President and General Manager,
Rayrock Mines Limited,
Suite 509,
25 Adelaide St. W.,
Toronto, Ontario.

Dear Mr. Byrne:

I am very pleased to inform you that your application for assistance by way of a grant towards the construction of a winter road to Marian River mining area has been approved.

When you have completed construction would you please prepare properly itemized statements of expenditures, certified by your local manager at Yellowknife and by yourself as the proper officers of the company. The certified statements should then be submitted to Mr. S. Homulos, our Mining Inspector at Yellowknife, who will also certify them for payment. The payment by this department to your company will be one-half of the total cost, but not to exceed \$6,000.

In cases of this nature Treasury Board requires that there be an agreement between the department and the mining company. This agreement will be drafted and sent to you shortly for signature.

Yours sincerely,

F.J.G. Cunningham,
Director.

c.c. Mr. S. Homulos.

FF/MP-H

351-2-31

North Admin. & Lands Br.

Ottawa, 19 April, 1955.

JUN 2 1955

File No. 351-2-31

Refer To

MEMORANDUM FOR THE DIRECTOR

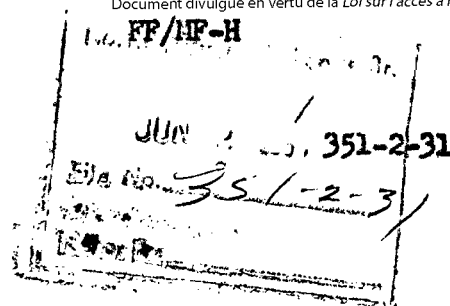
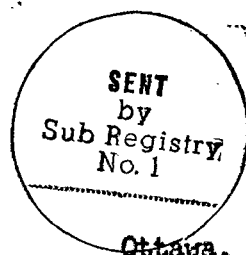
ROAD TO MARIAN RIVER MINING AREA

I attach a letter to Rayrock Mines Limited informing Mr. Byrne that the contribution of \$6,000 towards the cost of the winter road to Marian River has been approved.

I am asking Mr. Walters, by copy of this memorandum, to prepare an agreement for signature by the company, along the same lines as the agreement between the department and United Keno Hill Mines Limited for the construction of the Keno Hill road. The agreement will be sent to Mr. Nason for approval.

Fred Fraser

F. Fraser,
Chief - Territorial Division.



Ottawa, 19 April, 1955.

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President and General Manager,
Rayrock Mines Limited,
Suite 509,
25 Adelaide St. W.,
Toronto, Ontario.

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In cases of this nature Treasury Board requires that there be an agreement between the department and the mining company. This agreement will be drafted and sent to you shortly for signature.

Yours sincerely,

F.J.G. Cunningham
F.J.G. Cunningham,
Director.

c.c. Mr. S. Homalos.

FF/MF-H

PLEASE QUOTE

FILE...351-2-31



CANADA

NORTHERN ADMINISTRATION
AND LANDS BRANCH

DEPARTMENT
OF

OFFICE OF THE DIRECTOR

NORTHERN AFFAIRS AND NATIONAL RESOURCES

Ottawa, 19 April, 1955.

MEMORANDUM FOR THE DIRECTOR

ROAD TO MARIAN RIVER MINING AREA

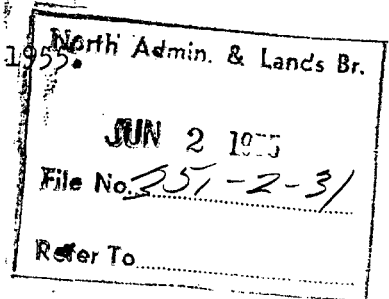
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F. Fraser,

Chief - Territorial Division.

*Noted,
JFB*



351-2-31

Ottawa, 19 April, 1955.

MEMORANDUM FOR THE DIRECTOR

ROAD TO MARIAN RIVER MINING AREA

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Fred Fraser

F. Fraser,
Chief - Territorial Division.

DEPARTMENT OF NORTHERN AFFAIRS AND
NATIONAL RESOURCES
Northern Administration & Lands Branch

Date.... iv/55

MR. WALTERS

TO:

For Action:	XX
For Direct Reply:	
For Preparation of Reply:	
For Comment:	
For Approval:	
To Note & File:	
To Note & Return:	
For Discussion with Undersigned:	
For Signature:	
For Information:	

Fred Fraser

Na. 2.8

002707

FF/MF-H

North Admin. & Lands Br.

JUN 2 1955

File No. 351-2-31

Refer To

351-2-31

Ottawa, 19 April, 1955.

MEMORANDUM FOR THE DIRECTOR

ROAD TO MARIAN RIVER MINING AREA

I attach a letter to Rayrock Mines Limited informing Mr. Byrne that the contribution of \$6,000 towards the cost of the winter road to Marian River has been approved.

I am asking Mr. Walters, by copy of this memorandum, to prepare an agreement for signature by the company, along the same lines as the agreement between the department and United Keno Hill Mines Limited for the construction of the Keno Hill road. The agreement will be sent to Mr. Nason for approval.

Fred Fraser

F. Fraser,
Chief - Territorial Division.

D
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IT/MF-H

Ottawa, 15 April, 1955.

TO THE HONOURABLE

THE TREASURY BOARD

North Admin. & Lands Br. Ottawa, Ont.	
APR 27 1955	
File No.	351-2-31.
Refer To	B3

The undersigned has the honour to report

That in 1942-43 during ^{the} period of construction of the Canol project, the United States army authorities constructed a number of winter roads in the Northwest Territories so that material could be taken to the Canol project at Norman Wells during the winter season when there was no water navigation.

That one of these winter roads so constructed terminated at Mills Lake on the Mackenzie River and connects with the Mackenzie Highway about 40 miles south of Great Slave Lake and this section of winter road has been used on a number of occasions to get material and supplies to Mills Lake in advance of water navigation.

That the ice in the Mackenzie River breaks up approximately one month before the ice in Great Slave Lake and as a consequence water transportation down the Mackenzie River and to the Western Arctic is possible if the freight to be shipped can by-pass Great Slave Lake by means of the winter road.

That by this means the water transportation season on the Mackenzie River is lengthened by approximately a month and this will be an important factor in the handling of the volume of freight which will be offered in 1955-56 on account of the construction of the Distant Early Warning Line.

That a number of prominent and reliable companies hold oil exploration permits in areas in the Mackenzie District of the Northwest Territories adjacent to and served by the route of the proposed road.

That one of these companies, ^{VE} has over the past two years carried out an extensive exploration programme by means of seismic, geological and geophysical surveys and as a result of the information so acquired has commenced a series

X

That development work on the ore deposits at Pine Point have reached the stage where it is known that these are one of the largest deposits of lead-zinc ores on the continent.

That exploitation of these deposits would probably have been delayed because of their remoteness, lack of transportation and high cost of producing refined metal or alternatively shipping concentrated ore to a refinery in one of the provinces.

That the discovery of a source of cheap and plentiful fuel for smelting and refining purposes within a reasonable distance of the deposits will undoubtedly increase the potential value of the deposits enormously but will probably hasten their eventual development into a producing base metal mine.

-2-

of exploratory drill holes.

That one of these drill holes has emanated a favourable stratum resulting in the production of gas in substantial commercial quantities.

That officials of the Geological Branch of the Department of Mines and Technical Services have reported favourably on the petroleum possibilities of the area.

That the company, to assist in carrying out its proposed exploratory programme will improve the route of the present winter tractor road between the Mackenzie Highway and Mills Lake and has requested that the Government of Canada assist in such construction and improvement.

X
The the future development of the resources of the Mackenzie District will depend to a great extent upon the transportation which will be available by way of mining roads leading away from water transportation routes to favourable mineral areas and which will also provide access from such areas to railway transportation.

That the foundation for a system of road transportation in the Mackenzie District was laid with the construction of the Mackenzie Highway which terminates at Hay River on Great Slave Lake.

That the next logical step in providing adequate road transportation is the construction of a road from the Mackenzie Highway northward and eastward toward mineralized areas.

That a road from the Mackenzie Highway to Mills Lake will be a further step in the provision of such road transportation as well as providing access to the Mackenzie River as referred to herebefore.

That the next logical step will be a road from Mills Lake eastward to areas north of Rae and Yellowknife in the Northwest Territories.

-3-

That the following material is attached hereto for the information of the honourable the Treasury Board.

The undersigned, therefore, has the honour to recommend that he be authorized to place an item of \$25,000 in the supplementary estimates of the Department of Northern Affairs and National Resources for the year 1955-56 for the reconstruction of portions of the road from the Mackenzie Highway towards Mills Lake in the Northwest Territories.

That he be authorized to include an item of \$25,000 in the supplementary estimates of the Department of Northern Affairs and National Resources for the year 1955-56 for an engineering reconnaissance to select the best route for a permanent all-weather truck road from a point on the Mackenzie Highway to a point on the Mackenzie River at Mills Lake in the Northwest Territories, a distance of approximately one hundred and twenty miles.

Respectfully submitted,

Minister of Northern Affairs
and National Resources.

NORTHERN ADMINISTRATION
AND LANDS BRANCH

North Admin. & Land
APR 15 '955
File No. 351-2-31
DEPARTMENT OF
NORTHERN AFFAIRS AND NATIONAL RESOURCES

My Fraser
① when do you wish
to make payment?
② see last paragraph
Off

PLEASE QUOTE
121-1
FILE 351-2-31
GHM/jb

OFFICE OF THE DIRECTOR

Ottawa, April 5, 1955.

Director

Do you agree. X

MEMORANDUM FOR MR. F. FRASER

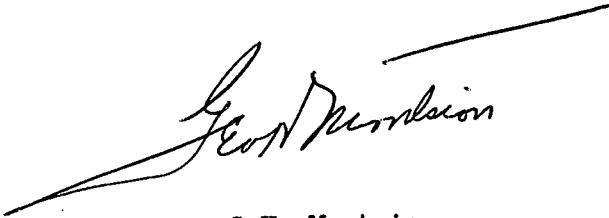
In your memorandum dated March 21, on file hereunder, you request that an item of \$6,000 be included in the Supplementary Estimates for 1955-56 for a contribution to Rayrock Mines Limited of 50% of the cost of constructing a winter road from Sherman Lake to the company's property at Marian Lake. This is a legitimate charge to the Northwest Territories, including Wood Buffalo Park and Eskimo Affairs - Operation and Maintenance Vote No. 315, Code 311. The onus, however, is that Treasury Board does not usually permit the re-opening of a vote for a small fraction of the amount of the vote in the Main Estimates.

I am aware that we are to provide funds in the Supplementary Estimates in connection with the proposed Hostel at Fort McPherson and have consulted Mr. Jacobson about the approximate amount that would need to be included in the Supplementary Estimates. All he can think of at the moment is the salary of a Welfare Teacher, about \$5,000 including Northern Allowance; per capita grant to the church organisation for the maintenance of 20 pupils at \$3.00 per day or about \$20,000 and \$1,000 for the conversion of buildings at Fort Smith.

The foregoing additional requirements total \$32,000 which is a very small fraction of the amount in the Main Estimates. I doubt very much that such a Supplementary Estimate will be accepted for this vote; particularly on the grounds that about \$100,000 will elapse in 1954-55 and \$60,000 have elapsed in 1953-54. I would suggest therefore that we meet these requirements through Transfers Between Allotments. The new fiscal year is only five days old and it is very difficult to know from what Allotments we can find surplus funds. If you approve my suggestion, however, I will discuss the financial aspect with Section Heads of Arctic and Territorial Divisions and will prepare the necessary submission to Treasury Board.

- 2 -

I believe approval of Cabinet will have to be obtained by the Department before starting on the Fort McPherson Hostel project and the estimated expenditure in each vote concerned should be indicated.



G.H. Montsion

APPROVED

YH
Director, Northern Administration and Lands Branch.



CANADA

NORTHERN ADMINISTRATION
AND LANDS BRANCH

DEPARTMENT
OF

NORTHERN AFFAIRS AND NATIONAL RESOURCES

FF:rl

PLEASE QUOTE

FILE 351-2-31

OFFICE OF THE DIRECTOR

North Admin. & Lands Br.

DE 15 1955

Ottawa, 21st March, 1955.

File No. 351-2-31

Refer To

Memorandum for Mr. Doyle

The Deputy Minister has approved an item of \$6,000 in the Supplementary Estimates for 50 per cent of the cost of a winter road for the Marian River mining area.

Will you please include this in the supplementary estimates.

F. Fraser
F. Fraser,
Chief,
Territorial Division.

FF:rl

351-2-31

North Admin & Lands Br.
NO 15 1955
File No. <u>351-2-31</u>
Refer To _____

+

Ottawa, 21st March, 1955.

Memorandum for Mr. Doyle

The Deputy Minister has approved an item of \$6,000 in the Supplementary Estimates for 50 per cent of the cost of a winter road for the Marian River mining area.

Will you please include this in the supplementary estimates.

8

F. Fraser,
Chief,
Territorial Division.

DEPARTMENT OF NORTHERN AFFAIRS AND
NATIONAL RESOURCES

Northern Administration & Lands Branch

Date *March 4/55*TO: *Miss Moore.*

For Action:

For Direct Reply:

For Preparation of Reply:

For Comment:

For Approval:

To Note & File:

To Note & Return:

For Discussion with Undersigned:

For Signature:

For Information:

Re our telephone
conversation this date.

4/3/55 *J. Chabaine*

Na. 2.8

002717

**Suite 509
25 Adelaide St., W.
Toronto 1, Canada**

RAYROCK MINES LIMITED

TELEPHONE EMPIRE 4-5588

Toronto, Ontario,
March 2, 1955.

F. J. G. Cunningham, Esq.,
Director,
Department of Northern Affairs and
National Resources,
Northern Administration and Lands Branch,
OTTAWA, Ontario.

Dear Mr. Cunningham:

Re: Winter Road - Marian River Area
Your File No. 351-1

Further to our letter of November 22nd and your reply of November 29th, the winter road construction is now underway from Marian Lake to our property at Sherman Lake. Our Yellowknife Office advise that they are keeping all expenditures in connection therewith in a separate account.

The road passes the Consolidated Northland property and may possibly extend from Rayrock to the New Athona Mines property on Treasure Lake, a further distance of some three miles. Both Consolidated Northland and New Athona are diamond drilling uranium prospects and in all probability will use the Road to some extent, in which case they would contribute a share of the cost to Rayrock.

We trust that you found an opportunity to include an item up to \$6,000 in the supplementary estimates to cover government assistance of winter road construction in the Marian River Area. We understand from your letter of November 29th that supplementary estimates are generally considered by the Treasury Board in the first weeks of the New Year.

For your further information, Rayrock is now moving in a complete mining plant, equipment and supplies for the underground programme. We are also moving in some construction material.

Yours very truly,

~~RAYROCK~~ MINES LIMITED

J. C. Byrne

President and General Manager

The PM today orally approved our including this \$6,000 in our sup. ests. —

JCB:mle

16. 3. 55

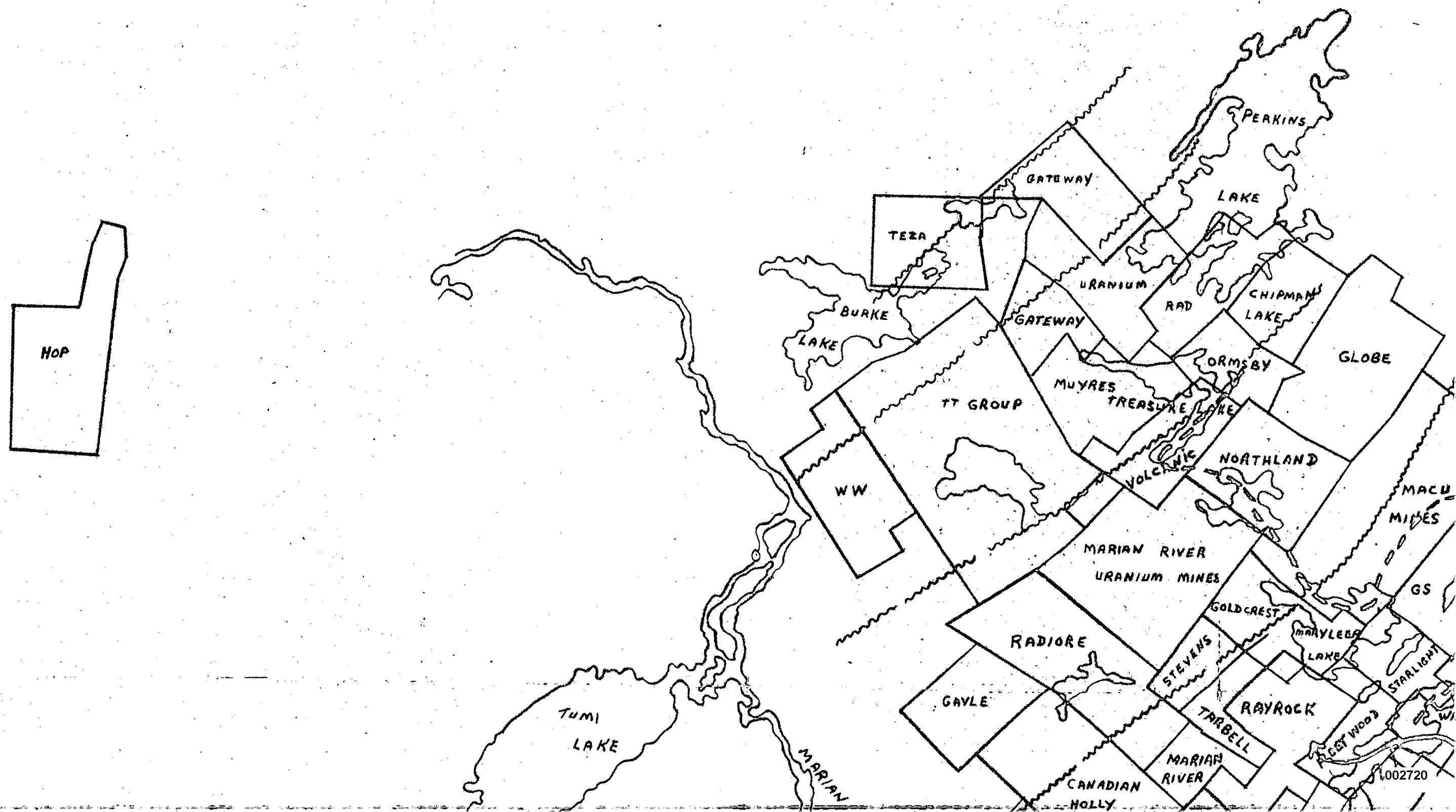
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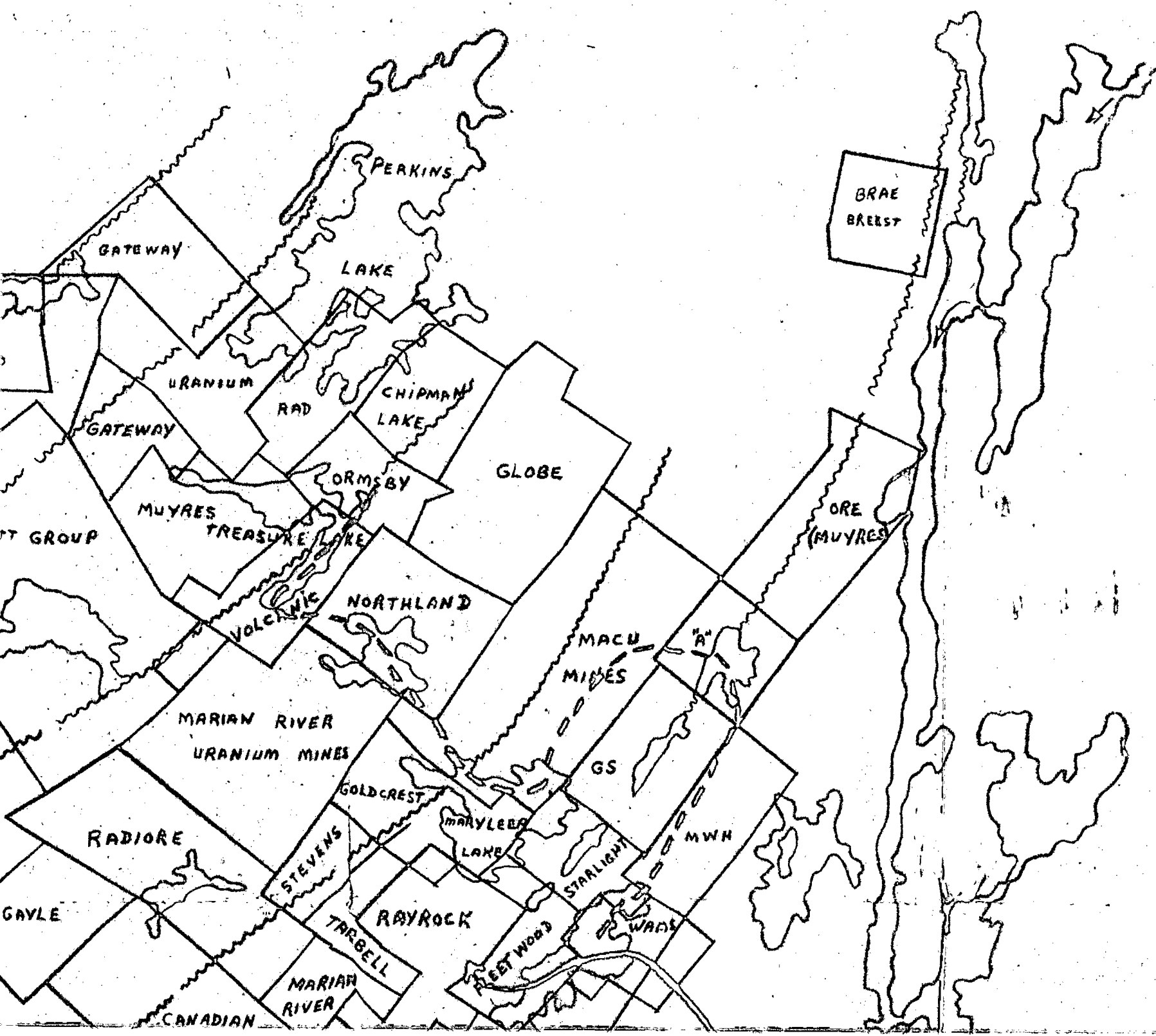
J.P.A.
A.R.

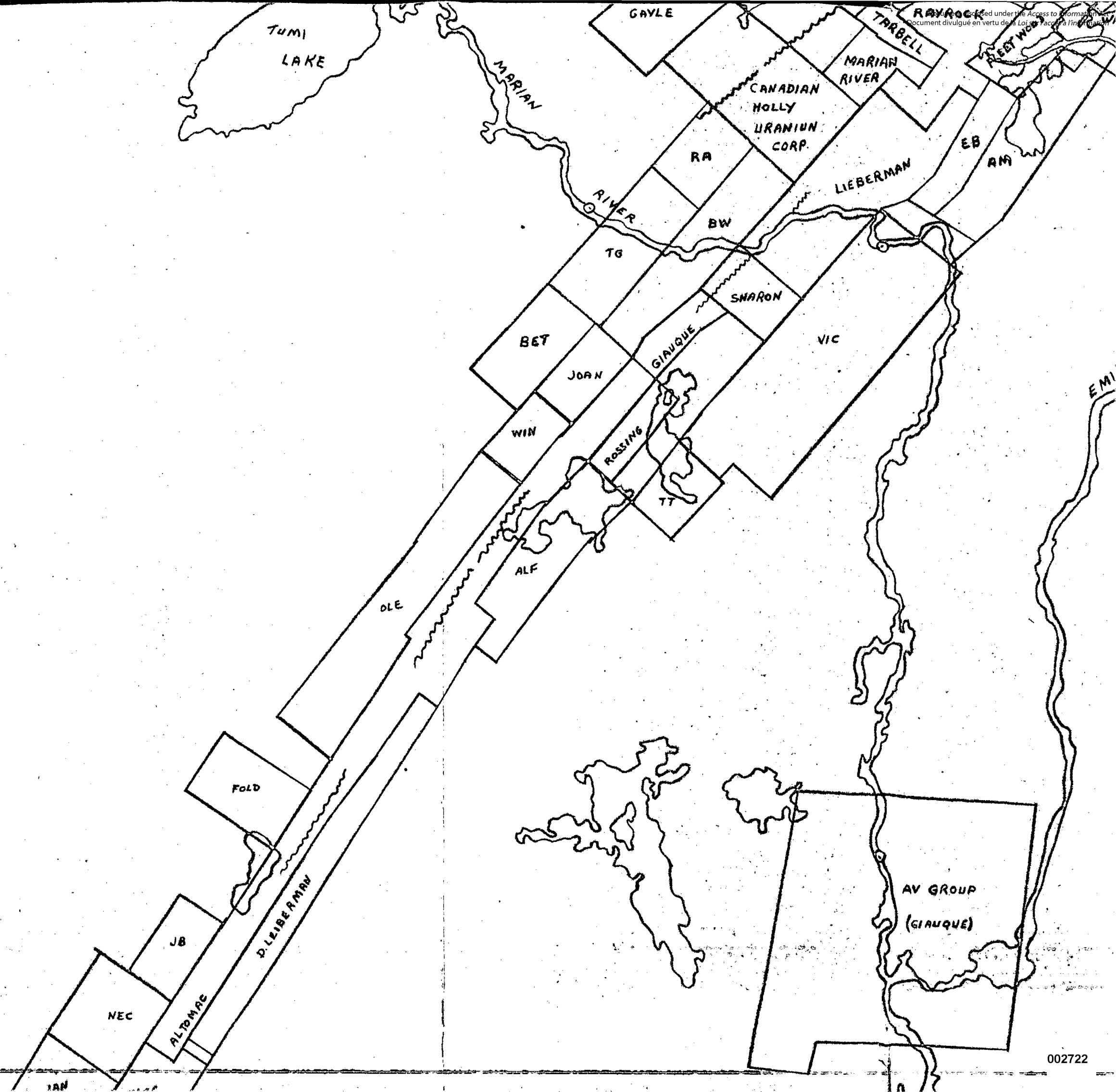
North Admin. & Lands Br. Ottawa, Ont.	
FEB 10 1955	
File No.	351-2-31
Refer To	_____

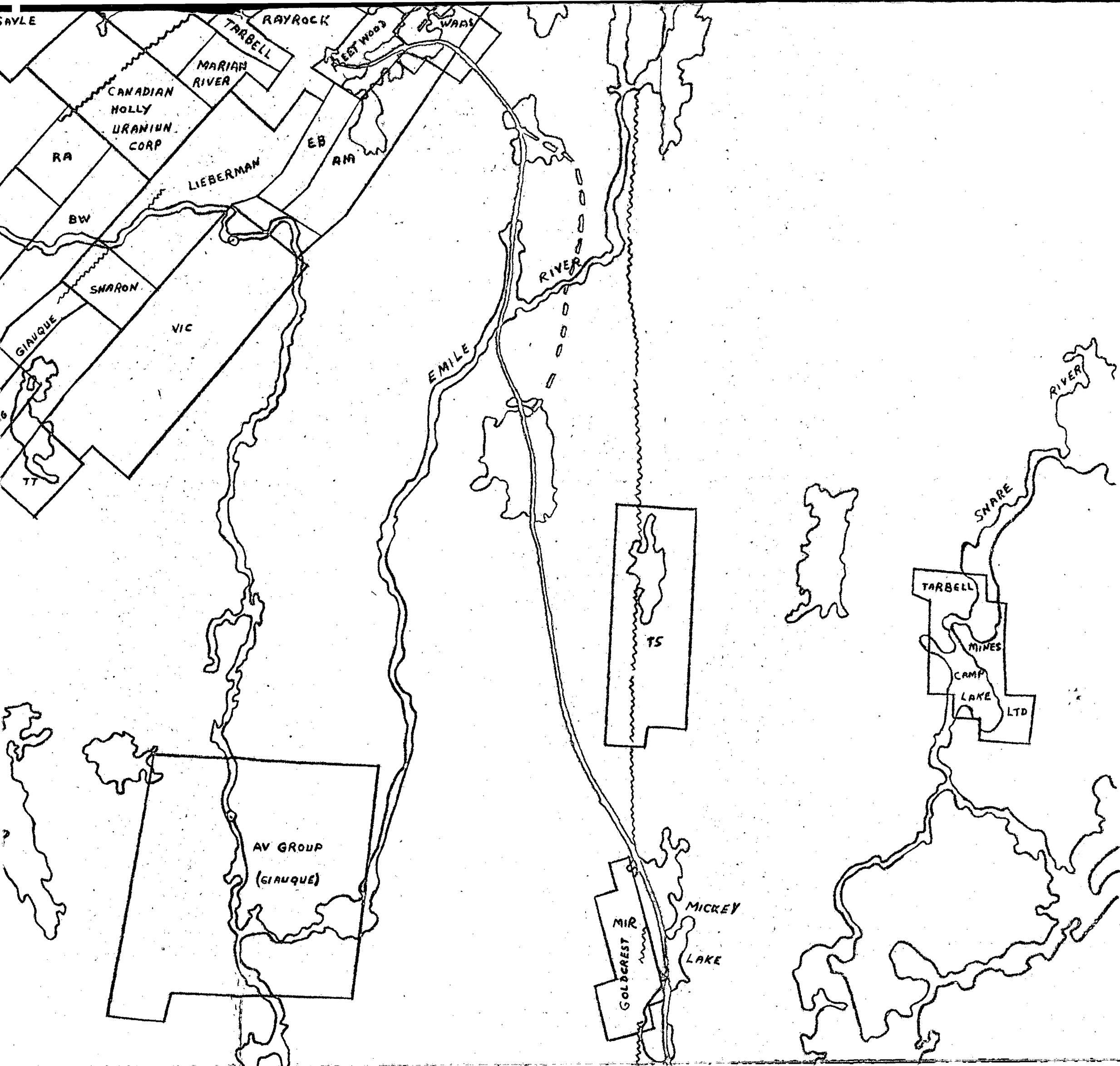
Attachment Pocket
No. Sp. 491B

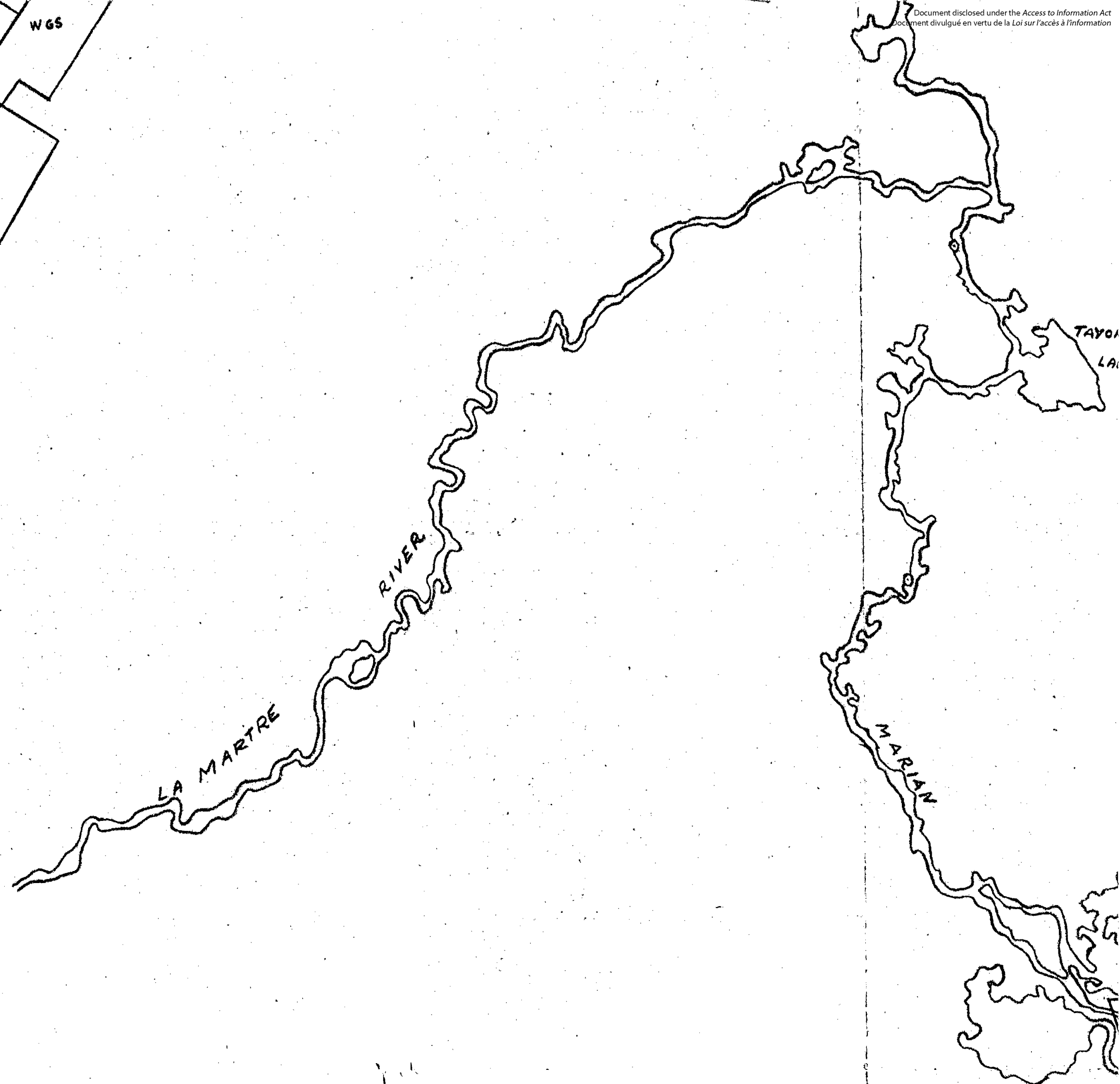
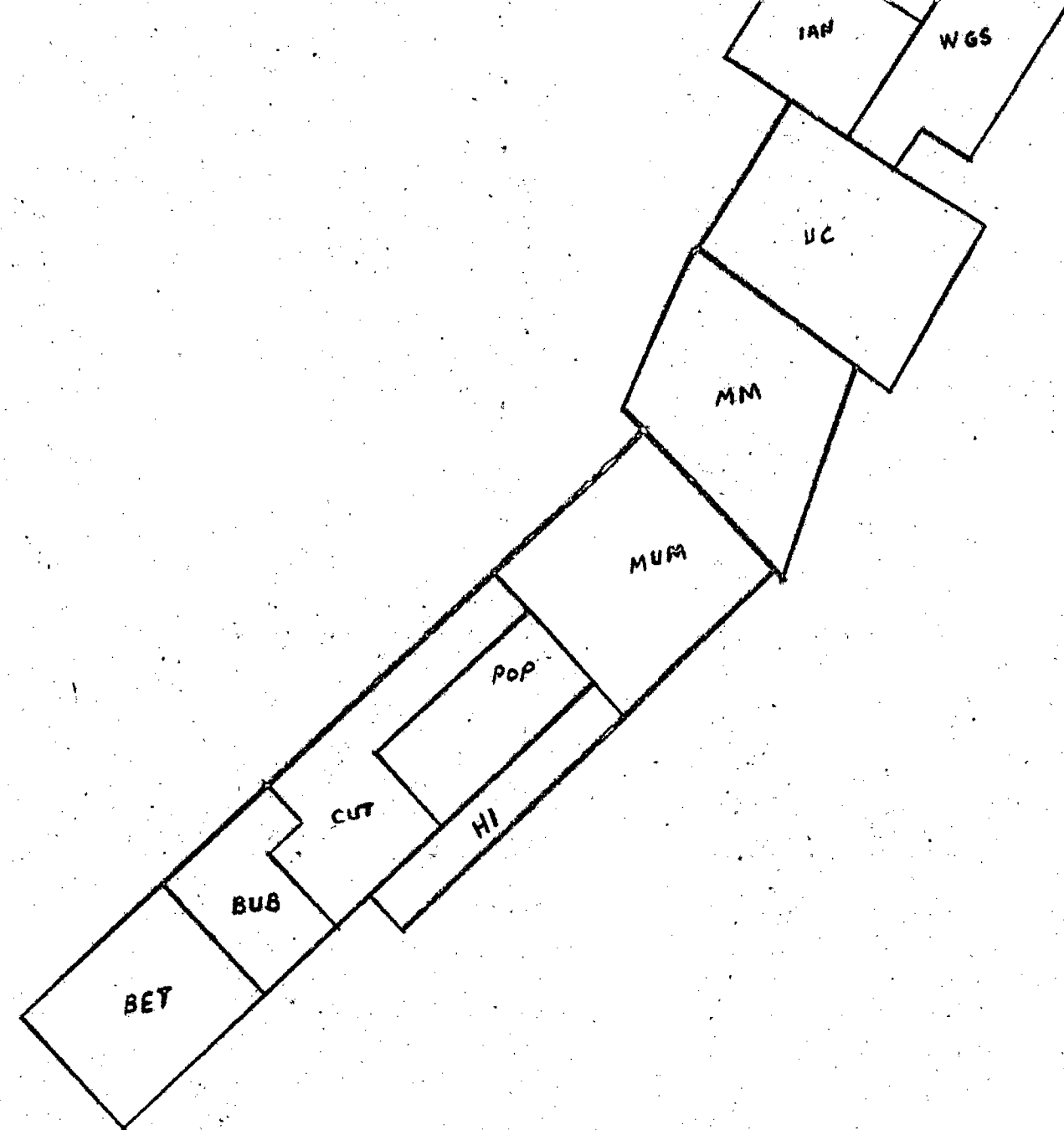


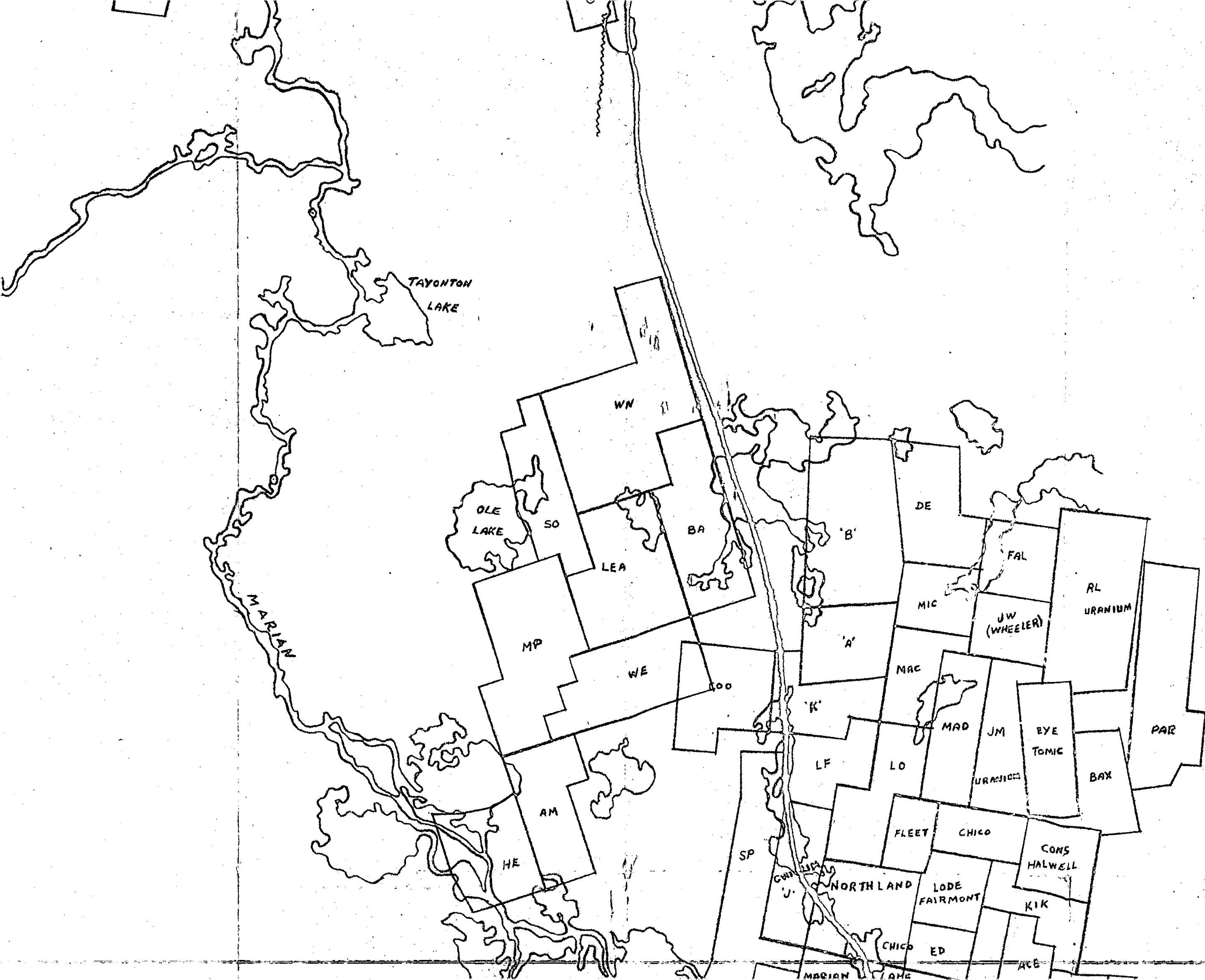




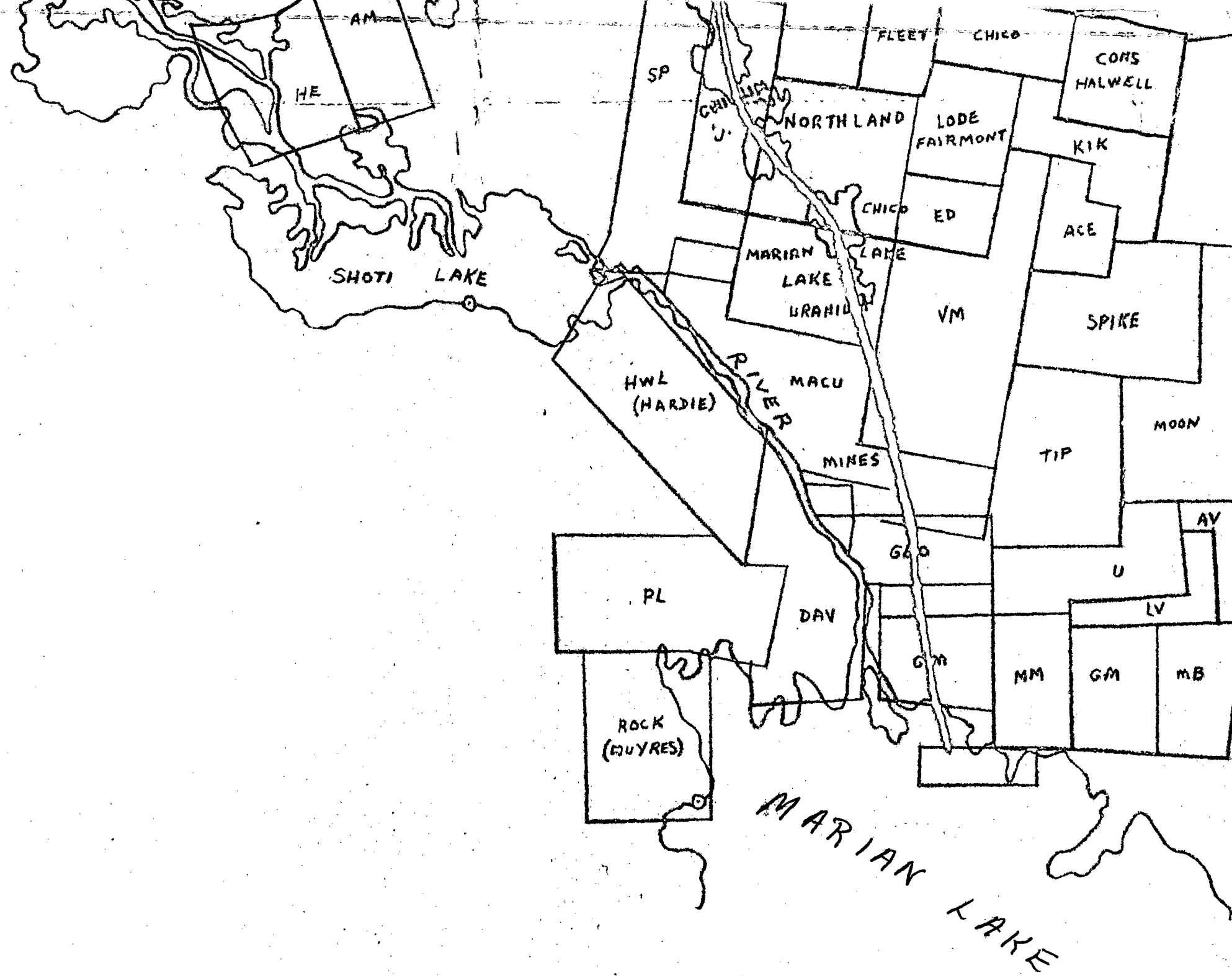












PROPOSED WINTER ROAD
MARIAN LAKE - SHERMAN LAKE
—— ROAD

--- ALTERNATE ROUTE

Scale 2 miles = 1 inch

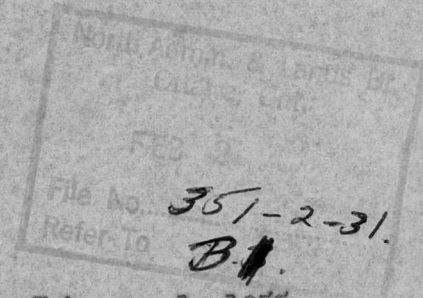
PA/Km

Mar. Admin. & Lands Br.
FEB 10 1953
File No.
Refer To

RAY ROCK
ROAD

CHH:MMH

Mr. Fraser



Ottawa, February 1, 1955.

MEMORANDUM FOR MR. JACKSON

7938

WINTER ROAD FROM MARIAN LAKE TO PROPERTY OF RAYROCK MINES

You asked me for my comments on Mr. Fraser's memorandum of January 13 in which he recommends that we pay 50% of the estimated cost of \$12,000 for this road.

This company, having had satisfactory results from diamond drilling, has reached the stage where it wishes to proceed with underground exploration, and I understand that it has purchased mining machinery from the Negus Mine for that purpose. Officials of the Geological Survey have stated that further exploration in this region "is warranted on geological grounds and should be encouraged".

While it has generally been the policy of the government to confine its assistance to mining roads being built to a proven mine, there have been cases where assistance has been given to a road to a promising area to encourage prospecting and exploration, or where immediate development was not assured. One example of this is the \$2,500 (50% of the cost) which we are giving towards repair work on the Canol road to assist Prospectors Airways in their exploration in the Pelly River region. Another example is the road from Mackenzie Highway to Pine Point. General Young wrote to Mr. Diamond on November 2, 1951 saying "As you know, it is not the policy of the Department to give financial assistance where projects are in the exploratory stage. I gather from your letter that you consider sufficient information has now been obtained to warrant taking steps

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Wate
R 4/2

towards active production. To support our estimates, however, it will be necessary to have firm information on what the development program of your Company is going to be for the coming year". Mr. Diamond replied on November 6 outlining four projects which would be undertaken in 1952, all of them consisting of further exploration and none indicating a decision to bring the mine into production. General Young, however, recommended to the Minister that this could be regarded as satisfactory information on which the government could agree to a 50% contribution to the road. A further case in point is the 50% contribution which the government gave to the 8½ mile road up Keno Hill, when only the first two miles was required to serve a mine which was coming into production and the remaining 6½ were to assist the further exploration of promising prospects.

The report on the Northwest Territories by the Interdepartmental Committee on Territorial Financial Problems describes resource roads as those deemed essential to the effective exploitation of some natural resource and recommends that the capital and maintenance costs of such roads should be borne by the federal government or divided between the federal government and any interested private company.

In view of the fact that this road from Marian River to the Rayrock property comes within the recommendations of the Committee and assistance to it would be supported by precedent, and also in view of the fact that it is the policy of this Department to encourage the economic development of the north, I would recommend that we contribute 50% of the cost of construction of the road, up to a maximum of \$6,000 for the federal contribution.

C. H. HERBERT

C. H. Herbert,
Chief, Economic Division.

cc: Mr. Lamontagne
Mr. Fraser

KM/FH

351-2-31



Ottawa, January 28, 1955

North Admin & Lands Br.
JAN 31 1955
File No.
Refer To

MEMORANDUM FOR MR. C. E. LeCAPELAIN
Chief, Lands Division

In a memorandum dated December 21, to Mr. Hunt, Mr. Homulos, the Mining Inspector at Yellowknife, complied with a request for a report on the Marian River mining area with regard to a proposed winter road to the Rayrock Mines property. With his report Mr. Homulos forwarded a copy of a plan on which he had marked the proposed route. I would appreciate it very much if a second copy of this plan could be obtained from Mr. Homulos.

[Signature]
Acting Chief,
Territorial Division.

KM

JCL:md



CANADA

NORTHERN ADMINISTRATION
AND LANDS BRANCH

DEPARTMENT
OF
NORTHERN AFFAIRS AND NATIONAL RESOURCES

North Admin. & Lands Br.
OFFICE OF THE DIRECTOR

JAN 18 1955

File No.

Refer To

January 14, 1955.

MEMORANDUM FOR FILE 351-2-31

As the only print we have of the Marian River area showing the proposed route and claims staked in the area is being forwarded to the Deputy Minister, I have made arrangements with the Lands Division who also have a copy to either print or trace an extra copy which will be forwarded to this office.

J.C. Lachaine,

*Mr. Christie informed
me that they have not time to
make copy. We should write
Mr. Bomulo for an additional
Copy.
28.1.55*

Kms

NORTHERN ADMINISTRATION & LANDS BRANCH
TEMPORARY FILE

FILE NO.

VOL. NO.

351-2-31

7-80

SUBJECT

Rayrock Mines Road.

MAIN FILE IS CHARGED TO

B-1

17-3

REFERENCE

DISPOSAL

REFERRED TO	REMARKS	DATE	INITIALS	DATE OF P.A. OR T.	DATE OF B.F.	INITIALS	REGISTRY INSPECTION
B-1	13-1-25 A 765	21-3	AK	21-3		J	AK
B.3.	Per request.	27/4	AK	27/4		Jeb	AK
B3	Per request.	27/4	AK	27/4		Jeb	AK
			F on				

F.Y. Cunningham 13-1

002733

DEPARTMENT OF NORTHERN AFFAIRS AND
NATIONAL RESOURCES

Northern Administration & Lands Branch

Date..... 18/3/55

TO: Mr. Fraser

For Action:	XX
For Direct Reply:	
For Preparation of Reply:	
For Comment:	
For Approval:	
To Note & File:	
To Note & Return:	
For Discussion with Undersigned:	
For Signature:	
For Information:	

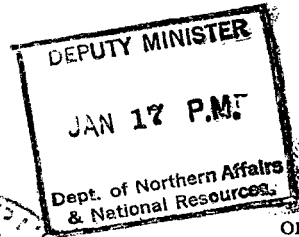
*Pls consult hands on
justification for road.*

JFB

na 28

002734

Mr Cunningham



PLEASE QUOTE
FILE.....351-2-31

NORTHERN ADMINISTRATION
AND LANDS BRANCH

DEPARTMENT OF
NORTHERN AFFAIRS AND NATIONAL RESOURCES 265

OFFICE OF THE DIRECTOR

Ottawa, January 13, 1955.

MEMORANDUM FOR THE DEPUTY MINISTER

*351-2-31
B1*

We have received a request from Mr. J.C. Byrne, President and General Manager of Rayrock Mines Limited, for financial assistance in the construction of a winter tractor trail to service their mining property on Maryleer Lake. The proposed trail will provide access to the mining property from Marian Lake and permit the delivery of mining equipment which is required for further development work.

The company has carried out an extensive diamond drilling programme which outlined from 70 to 80,000 tons of 0.5% uranium oxide. They have now reached a stage where they must proceed with an underground exploration programme for which heavy mining machinery and equipment will be required. In order to deliver the machinery a tractor trail must be located and constructed at an estimated cost of \$12,000. The company has asked for a 50% contribution towards the cost.

I have obtained favourable reports on the property from the Department of Mines and Technical Surveys and from our Mining Inspector at Yellowknife. Copies of these reports are attached.

In the past we have made 50% contributions to the cost of roads constructed to several mining properties in the Northwest Territories and the Yukon, including the winter roads from Yellowknife to Discovery and from Rocher River to O'Connor Lake. A new precedent was established recently when the Department agreed to pay 75% of the cost of the Elsa-Keno City road.

*Memo gone to Doyle
17*

... 2

- 2 -

In view of the promising nature of the Rayrock property and the extensive exploration and development work being carried out in the area, I recommend that we agree to make a 50% contribution towards the cost of this winter tractor road. If you agree, I will prepare the necessary request for 1954-55 supplementary estimates in the amount of \$6,000.

for Fred Krace
F.S.G. Cunningham,
Director.

APPROVED

DEPUTY MINISTER

Mr Cunningham

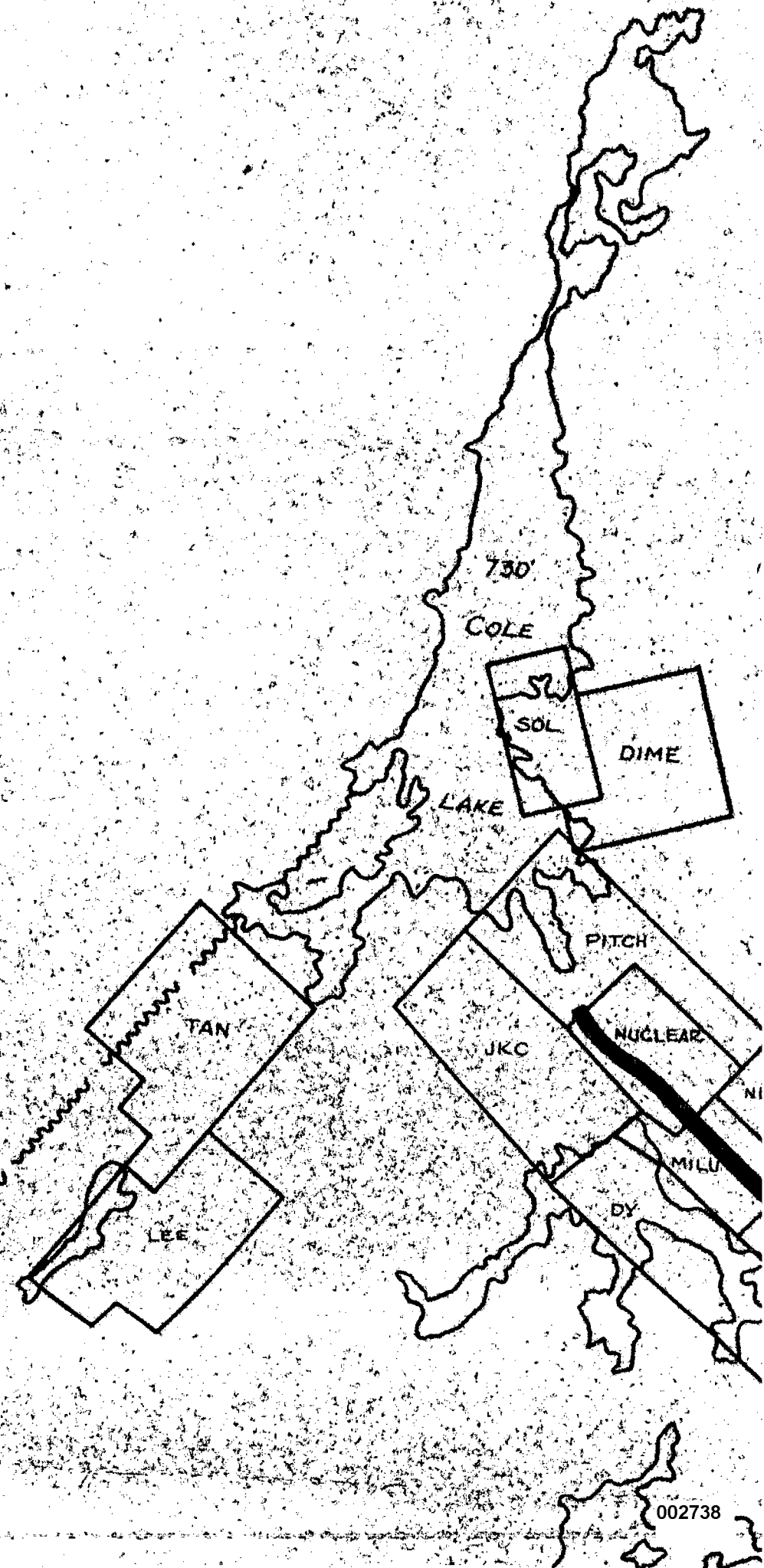
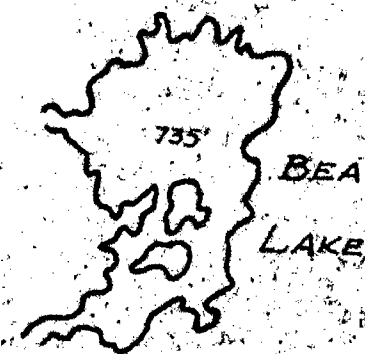
The Minister originally was of the view that this should be held up pending a re-examination of our road policy generally. However, as this may take some time yet, he has agreed that we should seek a supplementary estimate of \$6000 is recommended, but in the 1955-56 estimate, not 1954-55.

MR
17/III/55.

Attachment Pocket
No. Sp. 491B

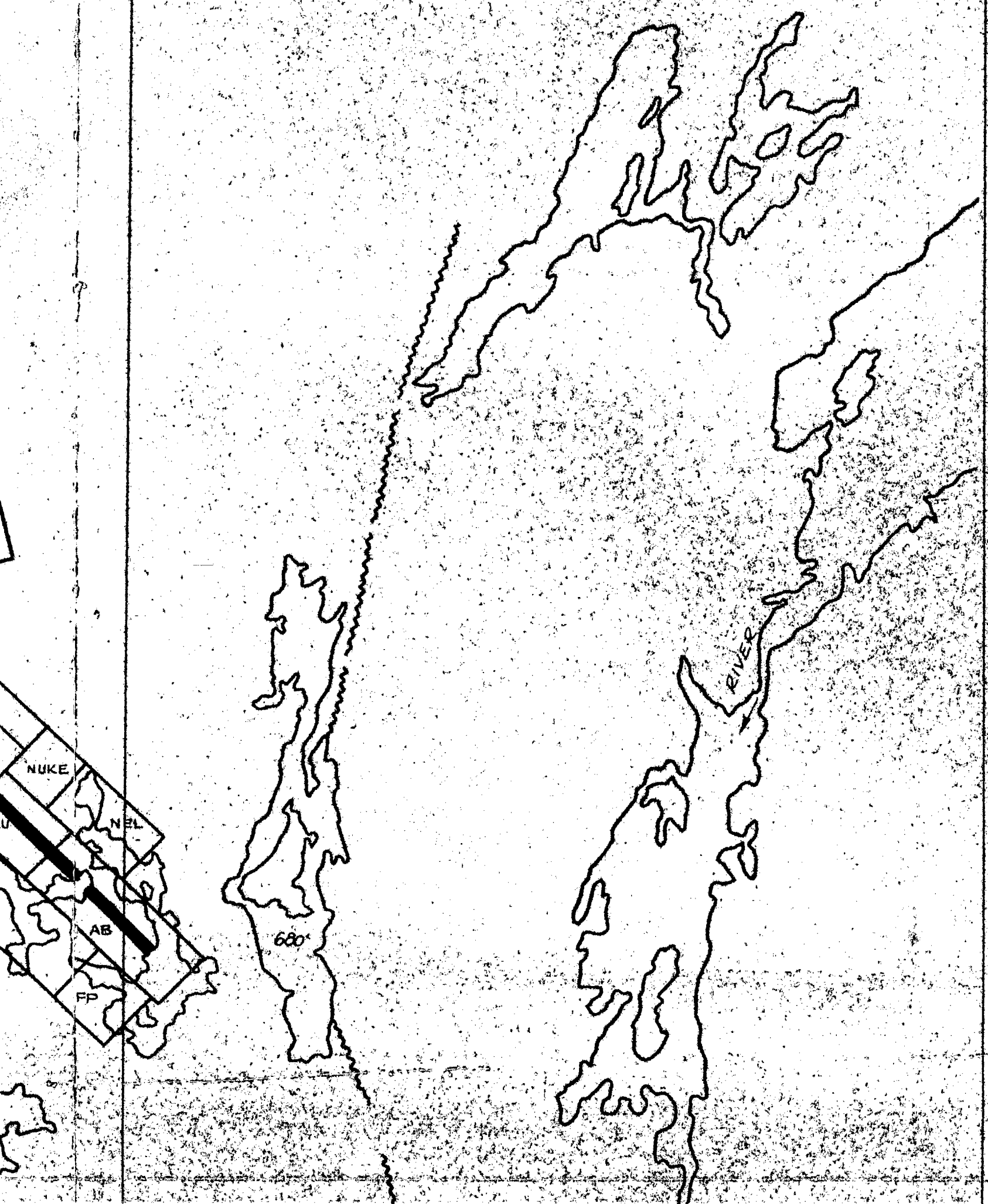


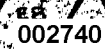
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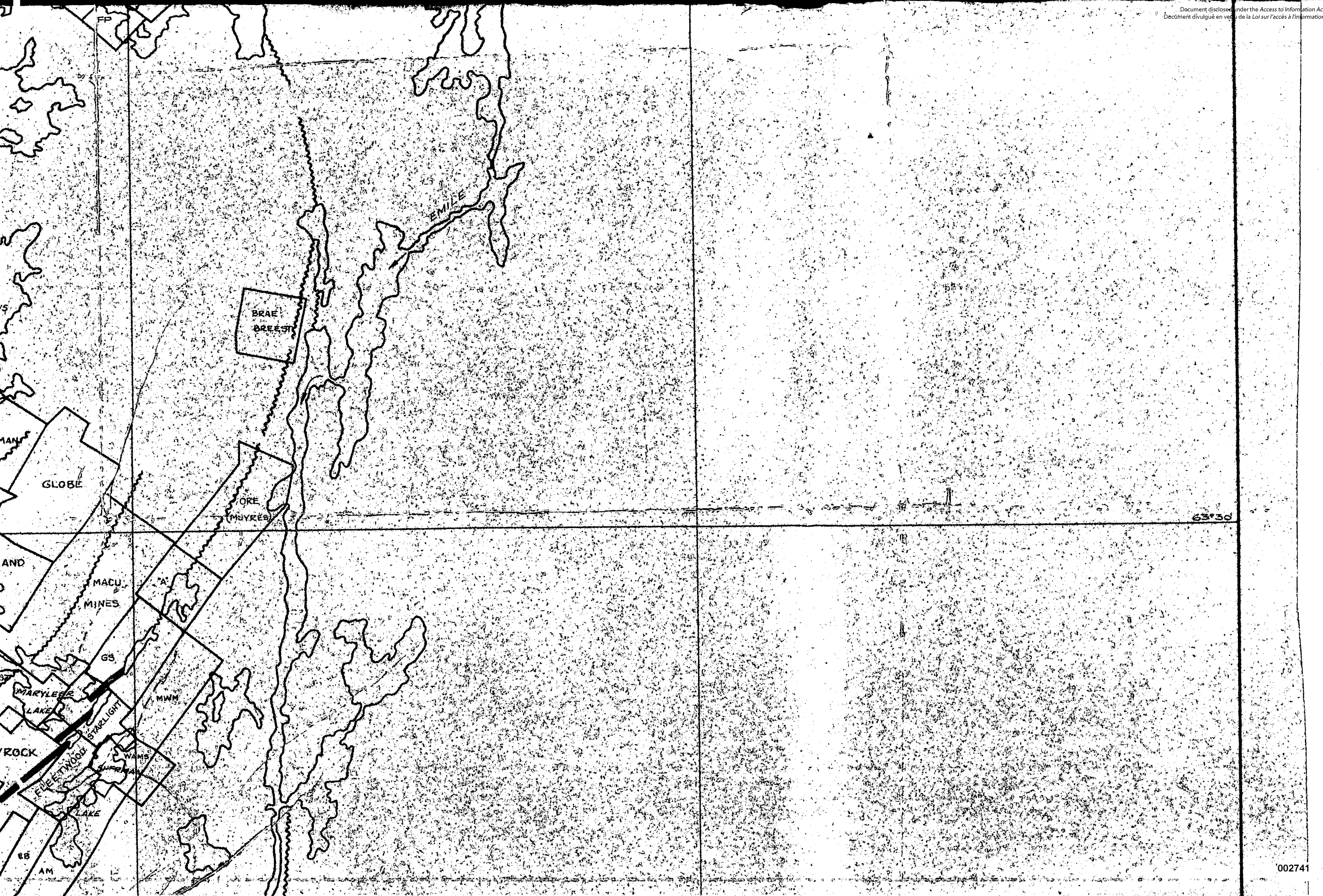


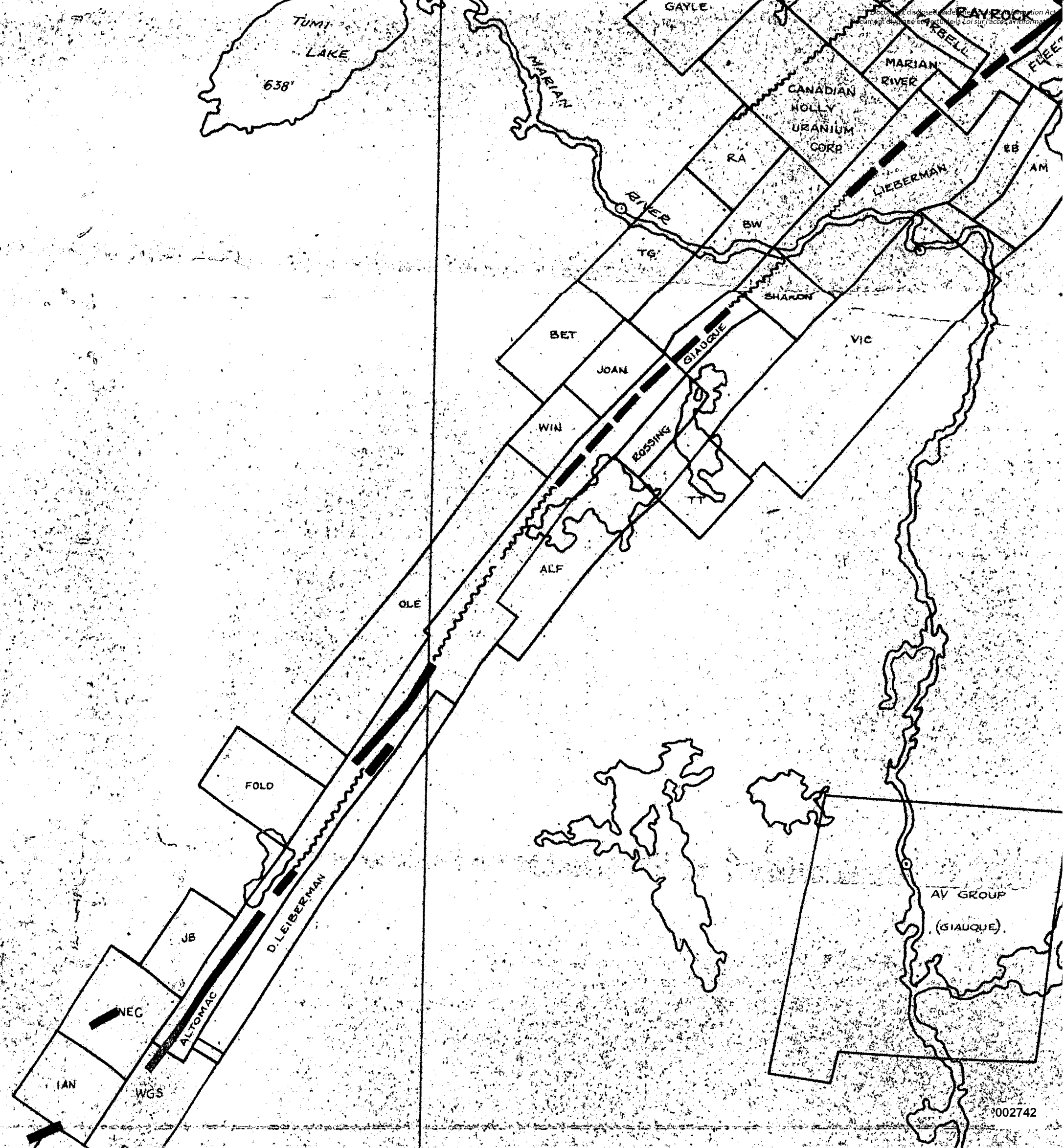
116° 30'

116° 15'

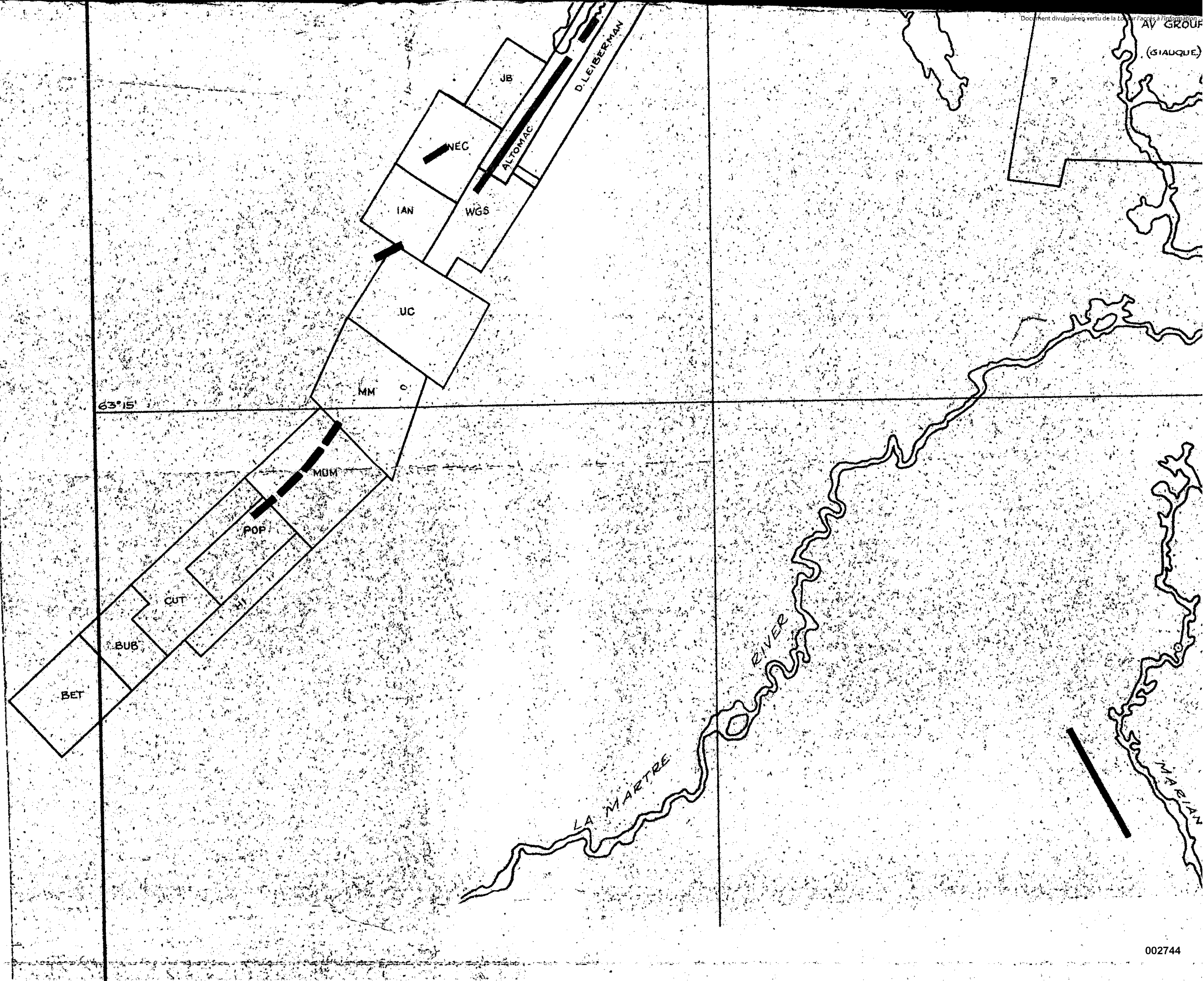














MARIAN RIVER

URANIUM AREA

*YELLOWKNIFE MINING DISTRICT
NORTHWEST TERRITORIES*

SCALE OF MILES



URANIUM ENGINEERING SERVICE LTD. BOX 190, YELLOWKNIFE, N.W.T.

PRICE \$5.00

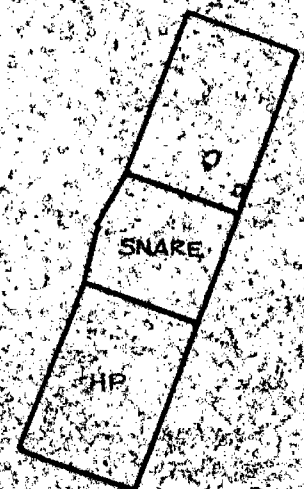
ER

CT
3

PRICE \$5.00



Proposed Winter Road
From Marian Lake to
Sherman Lake

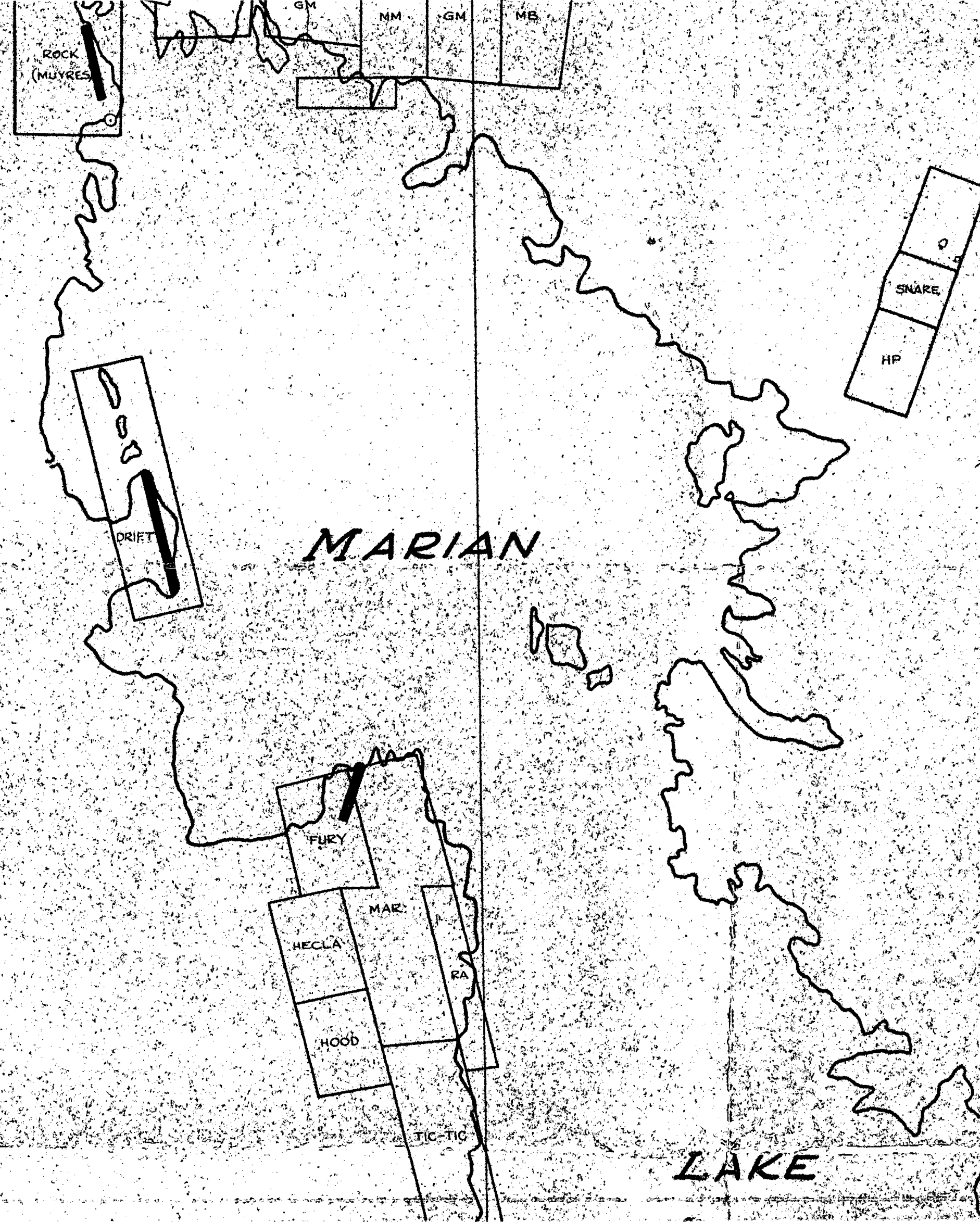


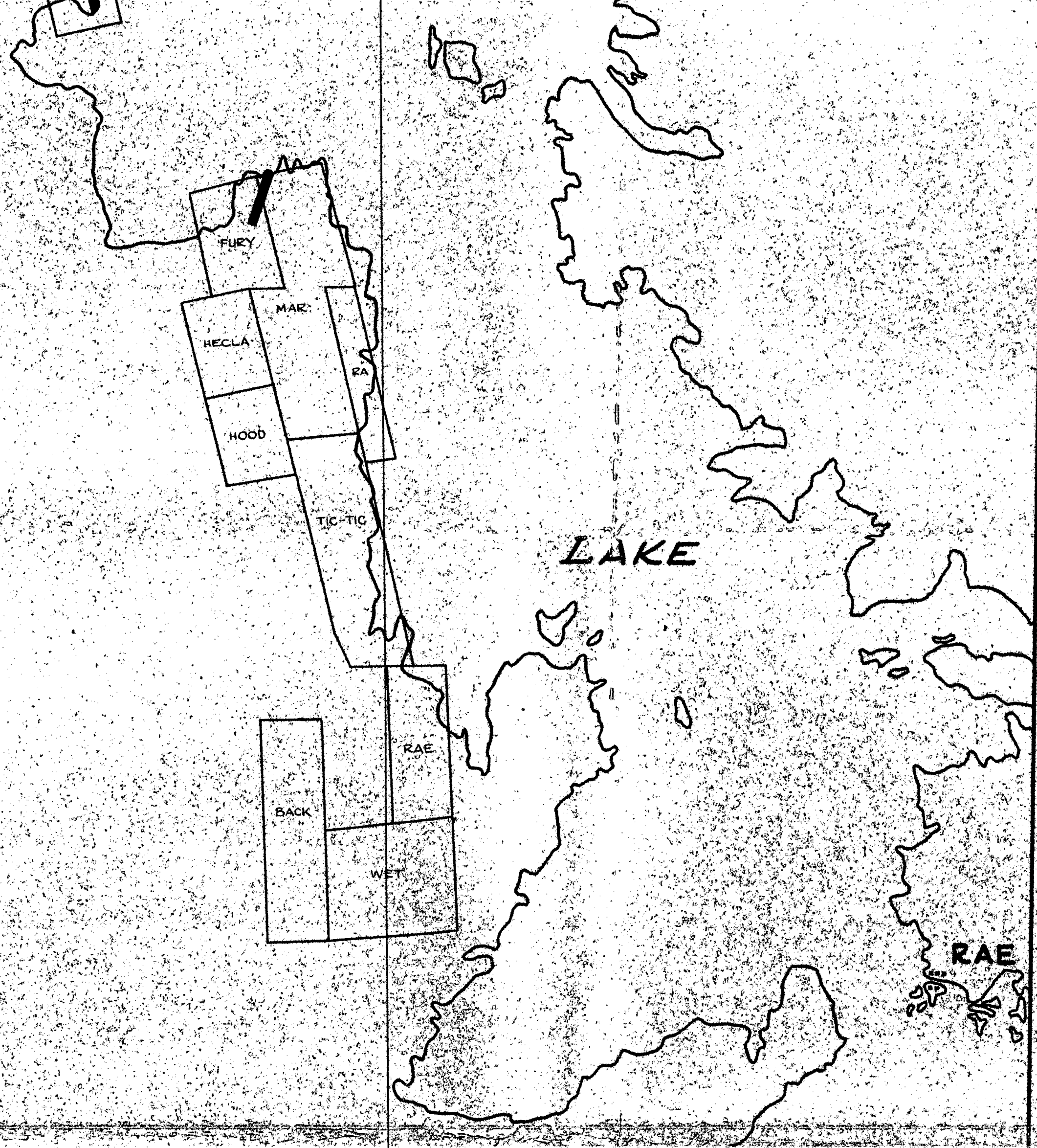
SCALE OF MILES

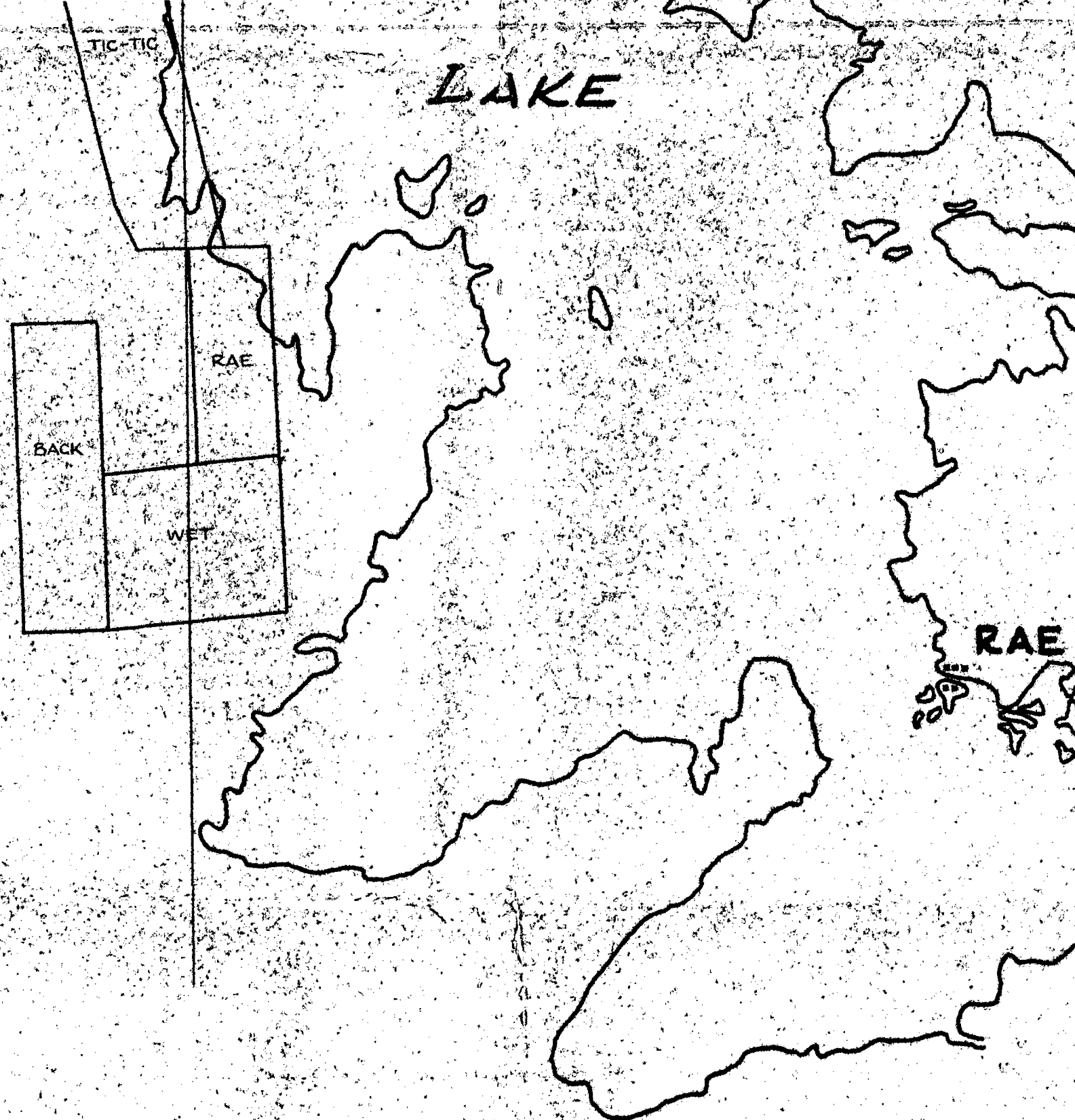


URANIUM ENGINEERING SERVICE LTD. BOX 190, YELLOWKNIFE, N.W.T.

PRICE \$5.00







KM:md

8000
B.F. 30.1.55/KM
mm C 351-2-31
108
Refer To Ottawa, January 13, 1955.

MEMORANDUM FOR THE DEPUTY MINISTER

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The company has carried out an extensive diamond drilling programme which outlined from 70 to 80,000 tons of 0.5% uranium oxide. They have now reached a stage where they must proceed with an underground exploration programme for which heavy mining machinery and equipment will be required. In order to deliver the machinery a tractor trail must be located and constructed at an estimated cost of \$12,000. The company has asked for a 50% contribution towards the cost.

I have obtained favourable reports on the property from the Department of Mines and Technical Surveys and from our Mining Inspector at Yellowknife. Copies of these reports are attached.

In the past we have made 50% contributions to the cost of roads constructed to several mining properties in the Northwest Territories and the Yukon, including the winter roads from Yellowknife to Discovery and from Rocher River to O'Connor Lake. A new precedent was established recently when the Department agreed to pay 75% of the cost of the Elsa-Keno City road.

... 2

- 2 -

In view of the promising nature of the Rayrock property and the extensive exploration and development work being carried out in the area, I recommend that we agree to make a 50% contribution towards the cost of this winter tractor road. If you agree, I will prepare the necessary request for 1954-55 supplementary estimates in the amount of \$6,000.

7

7

F.J.G. Cunningham,
Director.

h

KMM/FH



CANADA

DEPARTMENT
OF

NORTHERN AFFAIRS AND NATIONAL RESOURCES

NORTHERN ADMINISTRATION
AND LANDS BRANCH

North Admin. & Lands Br.
JAN 18 1955
File No.
Refer To
OFFICE OF THE DIRECTOR
PLEASE QUOTE
FILE 351-2-31

Ottawa, January 3, 1955.

MEMORANDUM FOR THE DEPUTY MINISTER

We have received a request from Mr. J. C. Byrne, President and General Manager of Rayrock Mines Limited, for financial assistance in the construction of a winter tractor trail to service their mining property on Maryleer Lake. The proposed trail will provide access to the mining property from Marian Lake and permit the delivery of mining equipment which is required for further development work.

The company has carried out an extensive diamond drilling programme which outlined from 70 to 80,000 tons of 0.5% uranium oxide. They have now reached a stage where they must proceed with an underground exploration programme for which heavy mining machinery and equipment will be required. In order to deliver the machinery a tractor trail must be *located* ~~prospected~~ *constructed* ~~opened up~~ at an estimated cost of \$12,000. The company has asked for a 50% contribution towards the cost.

I have obtained favourable reports on the property from the Department of Mines and Technical Surveys and from our Mining Inspector at Yellowknife. Copies of these reports are attached.

In the past we have made 50% contributions to the cost of roads constructed to ~~numerous~~ *several* mining properties in the Northwest Territories and the Yukon, including the winter roads from Yellowknife to Discovery and from Rocher River to O'Connor Lake. A new precedent was established recently when the Department agreed to pay 75% of the cost of the Elsa-Keno City road.

- 2 -

In view of the promising nature of the Rayrock property and the extensive exploration and development work being carried out in the area, I recommend that we agree to make a 50% contribution towards the cost of ^{winery track} this road. If you agree, I will prepare the necessary request for 1954-55 supplementary estimates in the amount of \$6000.

F. J. G. Cunningham,
Director.

KMM/TH

3F 50.1.55 km

Min. C.	351-2-21
JAN 18 1955	
File No.	
Refer To	

Ottawa, January 3, 1954.

MEMORANDUM FOR THE DEPUTY MINISTER

We have received a request from Mr. J. C. Byrne, President and General Manager of Rayrock Mines Limited, for financial assistance in the construction of a winter tractor trail to service their mining property on Maryleer Lake. The proposed trail will provide access to the mining property from Marian Lake and permit the delivery of mining equipment which is required for further development work.

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Ym

- 2 -

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7

15
F. J. C. Cunningham,
Director.



CANADA

DEPARTMENT
OF

NORTHERN ADMINISTRATION
AND LANDS BRANCH

NORTHERN AFFAIRS AND NATIONAL RESOURCES

Ottawa, 11th January, 1955

North Admin. & Lands Br.
JAN 18 1955
File No.
Refer To.

LANDS DIVISION

MEMORANDUM FOR MR. F. FRASER

I have your memorandum of the 4th of January, 1955, dealing with a proposed change in the manner of dealing with requests from mining companies for financial assistance in constructing resource feeder roads (mining roads) and

- (a) Notes on departmental policy on the construction of mining roads prepared by yourself,
- (b) Draft memo for the Deputy Minister prepared by Mr. K. M. Macdonald,
- (c) Your file 351-2-31.

You give as your opinion that the Lands Division has as much responsibility in dealing with these matters as the Territorial Division. I do not agree with this opinion. We have a great interest in these matters but no responsibility. All funds for the construction of roads are placed in the Territorial Division Estimates. Therefore, the responsibility rests with that division. A division of responsibility would lead to confusion and I am opposed to it. If the Department considers it to be advisable I am prepared to accept full responsibility for this work.

You "would like to have our two Divisions collaborate in future in gathering material". I quite agree that we should collaborate and we have collaborated until this request of Rayrock Mines Limited appeared, when I understand your Division went ahead up to this moment in dealing with the request without asking the Lands Division for information.

You have suggested that Mr. Christie should prepare a joint submission. I consider that the preparation of this material rests with the Territorial Division.

I do not follow your reasoning in the "Notes on Departmental Policy etc.". Perhaps the fact that they are 'notes' would explain that.

I concur with the draft memorandum to the Deputy Minister except for the minor amendments which are suggested.

Your file and the correspondence is returned herewith.

C. K. LeCapelain
C. K. LeCapelain,
Chief, Lands Division.

002760



CANADA

DEPARTMENT
OF

NORTHERN AFFAIRS AND NATIONAL RESOURCES

North Admin. & Lands Br.

JAN 18 1955

File No.

Refer To

FF:rl

PLEASE QUOTE

FILE 351-2-31

OFFICE OF THE DIRECTOR

NORTHERN ADMINISTRATION
AND LANDS BRANCH

Ottawa, 4 January, 1955.

Memorandum for Mr. C.K. LeCapelain:

I am sending you herewith our File 351-2-31, which deals with the application of Rayrock Mines Limited for assistance in the construction of a winter road in the Marian Lake area of the Mackenzie District.

The policy previously has been that this Division deals with such matters. However, I feel that your Division has at least as much responsibility as mine, and I would like to have our two Divisions collaborate in future in gathering material, and submitting our reports and recommendations to the Director, the final memorandum to the Director to be signed by us jointly. I have suggested this to the Director and he agrees.

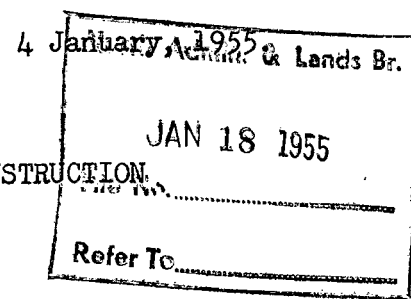
I am attaching a memorandum prepared by Mr. Macdonald, and a memorandum prepared by myself. Mr. Christie could use the material in these memoranda, with his own additions, in the preparation of a joint memorandum to the Director, and a letter from the Director to the Deputy Minister. I will be available any time you wish so that we can go over the final draft of both memoranda.

F. Fraser

F. Fraser,
Chief, Territorial Division.

FF:rl

NOTES ON DEPARTMENTAL POLICY ON THE CONSTRUCTION
OF MINING ROADS



The final policy was discussed and dealt with by the Inter-departmental Committee on Territorial financial problems, and is set out in the reports of the Committee covering the North-west Territories and the Yukon Territory. (7)

The definition of a resource road is clear, and the recommendation was that the capital and maintenance costs of resource roads should be borne by the Federal Government, or divided between the Federal Government and any interested private company, *under agreement made for specific costs, in advance of construction.* The road in question will serve a general area. Previously, the costs of such a road were divided equally between the Federal Government and the mining companies interested. This division was changed in the case of the last mining road approved, i.e. the one from Elsa Camp to Keno City, in the Yukon Territory, where the Federal Government has agreed to pay 75 per cent of the costs because the road will service more than one property, and will be of service in the general development of the mining area.

I think we should now ask the Deputy Minister to approve a policy which will be more clearly defined. Where a mining road is to be constructed which will benefit only one company, or one mining property, the division of cost should be 50 per cent by the Government, and 50 per cent by the mining company. Where the road will serve more than one property, and will assist in the development of properties owned by a number of companies in a limited mining area, the cost should be divided, 75 per cent to the Federal Government, and 25 per cent to the mining companies. Where the road will open a fairly extensive mineral area (such as the proposed road from Carmacks to the Pelly River), the capital cost should be borne entirely by the Federal Government.

The policy seems to me to be clearly defined. That is, each project will be dealt with on its merits. (2)

- 2 -

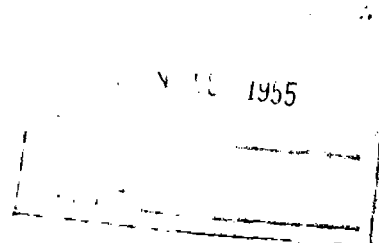
As the eventual exploration and development of mineral resources, particularly in the Northwest Territories, is going to depend largely upon the transportation available, we should lay out on the maps a number of key roads which would service favourable areas, and any road constructed by the Federal Government, with or without participation, should fit into and eventually become part of the projected overall system.

In the particular case in point, it is only a winter road which is asked for, but if these uranium properties prove on development to be potential mines, then the permanent road which will serve them should be so located that it will fit itself to extension to other areas.

As this winter road may not be located as part of a future road system, I think that our contribution should be not more than 50 per cent.

FP:rl

351-2-31



Ottawa, 4 January, 1955.

Memorandum for Mr. C.K. LeCaplain:

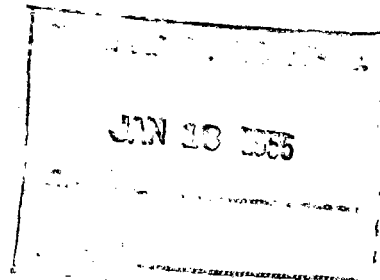
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I am attaching a memorandum prepared by Mr. Macdonald, and a memorandum prepared by myself. Mr. Christie could use the material in these memoranda, with his own additions, in the preparation of a joint memorandum to the Director, and a letter from the Director to the Deputy Minister. I will be available any time you wish so that we can go over the final draft of both memoranda.

F. Fraser,
Chief, Territorial Division.

FF:rl



4 January, 1955.

**NOTES ON DEPARTMENTAL POLICY ON THE CONSTRUCTION
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The road in question will serve a general area. Previously, the costs of such a road were divided equally between the Federal Government and the mining companies interested. This division was changed in the case of the last mining road approved, i.e. the one from Elsa Camp to Keno City, in the Yukon Territory, where the Federal Government has agreed to pay 75 per cent of the costs because the road will service more than one property, and will be of service in the general development of the mining area.

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..... (2)

- 2 -

As the eventual exploration and development of mineral resources, particularly in the Northwest Territories, is going to depend largely upon the transportation available, we should lay out on the maps a number of key roads which would service favourable areas, and any road constructed by the Federal Government, with or without participation, should fit into and eventually become part of the projected overall system.

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As this winter road may not be located as part of a future road system, I think that our contribution should be not more than 50 per cent.

18



CANADA

DEPARTMENT
OF

NORTHERN AFFAIRS AND NATIONAL RESOURCES

Fort Smith, N.W.T., North Admin. & Lands Br.
December 27th, 1954.

PLEASE QUOTE

FILE ~~13~~ 386

Your File ~~351~~

NORTHERN ADMINISTRATION
AND LANDS BRANCH

MEMORANDUM FOR THE DIRECTOR

DEC 29 1954
File No. <u>351-2-31</u>
Refer To <u>B3</u>

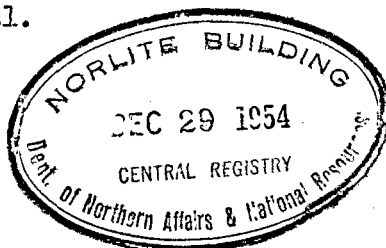
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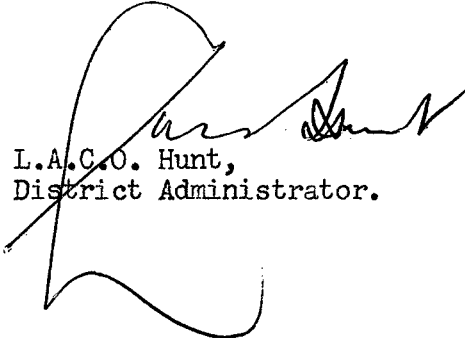
Please refer to your memorandum of December 2nd with enclosure from the President and General Manager of Rayrock Mines, and the request of this Company for financial assistance towards the construction of a winter road to their uranium property in the Marian Lake area, Northwest Territories.

Herewith enclosed is report prepared by the Mining Inspector, Mr. Homulos, and a map of the area showing roughly the proposed route. Although the report is not detailed, there may be sufficient information contained in it for consideration of this proposal.

Mr. Homulos suggests that \$12,000.00 would be sufficient to put in a rough road of approximately thirty-five miles in length, and if the Company are willing to put up 50% of this amount, the other \$6,000.00 could be borne by Government assistance.

Encl.




L.A.C.O. Hunt,
District Administrator.

286

File: 60

Department of Northern Affairs
and National Resources

DEC 27 1954

Northern Administration and Lands Br.
FORT SMITH, N. W. T.



CANADA

DEPARTMENT

OF

LANDS DIVISION

DEVELOPMENT SERVICES

BRANCH

~~RESOURCES AND DEVELOPMENT~~

Northern Affairs and National Resources

Yellowknife, N.W.T.

December 21st, 1954

MEMORANDUM FOR L.A.C.O. HUNT

Re: Winter Road Marian River Area

Due to mild weather making flying almost impossible, I have not been able to make a ground survey or even an aerial survey of the proposed road from Marian Lake to Sherman Lake. However, I have flown this area numerous times both during the summer and winter months and am quite familiar with the terrain. The southern apt of the road consists mostly of muskeg with numerous small outcrops with quite heavy vegetation which would require considerable clearing. The approaches on to and off lakes in this section would be quite flat and would require very little work. From the Emile river north, the terrain is much more rugged and the selection of the road would be a little more difficult. Approaches on to and off lakes would be steeper and possibly in some cases require blasting.

The work this year would consist chiefly of selecting a road and clearing this to make it possible for taking in a mining plant to Rayrock and other properties that may have done sufficient exploratory work in the early part of the winter to warrant some underground development.

The following properties are active and will be serviced by such a road.

Rayrock Mines Limited: Rayrock have completed approximately 10,000 feet of diamond drilling and contemplate doing at least another 5,000 feet during the winter. By this drilling they have outlined 70 to 80,000 tons of Uranium ore running approximately .5% U_3O_8 and have reached a position where it is necessary to do underground exploratory work to check their diamond drill results. They have purchased a mining plant and plan on driving an adit into their No. 6 zone doing approximately 2,000 feet of underground exploratory work. If this exploratory work is favourable and the mine comes into production, then a better type of road would be required to transport the added tonage.

5309

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(2)

Consolidated Northland Mines Limited: This company have taken over the new Glauque find and are presently doing a diamond drilling program on the property. They plan on doing between 5,000 and 15,000 feet of diamond drilling during the winter and if the results of this drilling are favourable and warrant further underground development, it is anticipated that a mining plant will be brought into the property during the latter part of the winter. The surface showing is most encouraging and it is expected that good diamond drilling intersections will be obtained.

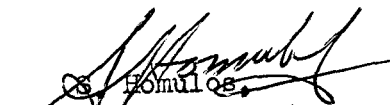
Goldcrest Mines Limited: This company own the MIK group on Mickey Lake approximately midway between Marian Lake and Sherman Lake along the proposed route. A camp has been set up at Mickey Lake and diamond drilling is expected to be done off the ice during the latter part of the winter.

New Athona Mines Limited: This company are presently dickering for a group of claims in the Marian River area, however information as to what claims are to be taken over is not available at the present time. The writer has been assured that the deal will be finalized shortly and considerable diamond drilling done this winter.

Besides the camps discussed above, there are several groups of claims that have uranium showings on them and possibly will be diamond drilled this season.

The entire route of such a road would be approximately 32 to 35 miles and this years work as I mentioned in para one would consist of only clearing and would be chiefly a tractor train road, however if results from underground developments and diamond drilling prove satisfactory it would be desirable another year to improve the road to a winter trucking road and considerable more work would be required. I feel that the estimate of \$12,000 is a fair estimate for this years work and recommend in view of the amount of development work contemplated that the Federal Government pay 50% of the cost. Such a road would encourage other companies to go into the area and do preliminary mining development work.

Enclosed is a map of the Marian River area showing the proposed route and claims staked in the area.


S. H. Mulock
Mining Inspector.

SH/ct
Encl.

c.c. Chief, Lands Division, Ottawa.

002769

COPY

North Admin. & Lands Br.

JAN 18 1955

File No.

File: 60

Yellowknife, N.W.T.
December 21st, 1954

MEMORANDUM FOR L.A.C.O. HONE To

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Consolidated Northland Mines Limited: This company have taken over the new Giaugue find and are presently doing a diamond drilling program on the property. They plan on doing between 5,000 and 15,000

002770

- 2 -

of diamond drilling during the winter and if the results of this drilling are favourable and warrant further underground development, it is anticipated that a mining plant will be brought into the property during the latter part of the winter. The surface showing is most encouraging and it is expected that good diamond drilling intersections will be obtained.

Goldcrest Mines Limited: This company own the MIK group on Mickey Lake approximately midway between Marian Lake and Sherman Lake along the proposed route. A camp has been set up at Mickey Lake and diamond drilling is expected to be done off the ice during the latter part of the winter.

New Athona Mines Limited: This company are presently dickering for a group of claims in the Marian River area, however information as to what claims are to be taken over is not available at the present time. The writer has been assured that the deal will be finalized shortly and considerable diamond drilling done this winter.

Besides the camps discussed above, there are several groups of claims that have uranium showings on them and possibly will be diamond drilled this season.

The entire route of such a road would be approximately 32 to 35 miles and this year's work as I mentioned in para one would consist of only clearing and would be chiefly a tractor train road, however if results from underground developments and diamond drilling prove satisfactory it would be desirable another year to improve the road to a winter trucking road and considerable more work would be required. I feel that the estimate of \$12,000 is a fair estimate for this year's work and recommend in view of the amount of development work contemplated that the Federal Government pay 50% of the cost. Such a road would encourage other companies to go into the area and do preliminary mining development work.

Enclosed is a map of the Marian River area showing the proposed route and claims staked in the area.

Sgd. S. Homulos,
Mining Inspector.

SH/ct
Encl.
c.c. Chief, Lands Division, Ottawa.

Attachment Pocket
No. Sp. 491B



Notes

I called Mr. L.C. He has a
copy of Mr. Komolus report. We have
not received it yet. Holdup is apparently
at H. Smith.

28.12

Khan

1

NORTHERN ADMINISTRATION & LANDS BRANCH
TEMPORARY FILE

351-2-31

FILE NO.

VOL. NO.

SUBJECT

351-2-31

T349

Roads NW T

MAIN FILE IS CHARGED TO

B3

14-12

REFERENCE

DISPOSAL

REFERRED TO	REMARKS	DATE	INITIALS	DATE OF P.A. OR T.	DATE OF B.F.	INITIALS	REGISTRY INSPECTION
B1	13-12-54/H 5074	15-12	mmc	T		SL	mmc
B3	"	15-12	T	15/12/54		SL	mmc
B1	14-12-54/H 5242	20-12	mmc	T		SL	mmc
B3	action	20/12	T	any main file		SL	mmc
Mr. Heven	Create new file & return	29/12	K Mc	29/12		SL	mmc

2 C Byrne 13-12
Mr. Boyer 14-12

002774

NORTHERN ADMINISTRATION AND LANDS BRANCH
DEPARTMENT OF NORTHERN AFFAIRS AND
NATIONAL RESOURCES

DATE 16/12/54

TO: Mr. Fraser

FOR ACTION:	✓
FOR DIRECT REPLY:	
FOR PREPARATION OF REPLY:	
FOR COMMENT:	✓
FOR APPROVAL:	
TO NOTE AND FILE:	
TO NOTE AND RETURN:	
FOR DISCUSSION WITH UNDERSIGNED:	
FOR SIGNATURE:	
FOR INFORMATION:	

*Please phone Mr. Macpherson, or
if this is now in his hands,
refer this to him for action.*

002775

Department of Northern Affairs and
National Resources

OFFICE OF THE DEPUTY MINISTER

DATE 15/12/54

TO: MR. CUNNINGHAM

FOR ACTION:

FOR DIRECT REPLY:

FOR PREPARATION OF REPLY:

FOR COMMENT:

FOR APPROVAL:

TO NOTE AND FILE: ☒ AND RETURN: ☐

FOR DISCUSSION WITH UNDERSIGNED:

✓
XXXX

Do we have a request
on which a decision is now
necessary?

W.R.

002776

copy

DEPUTY MINISTER OF MINES AND TECHNICAL SURVEYS

Ottawa, December 14, 1954

DEC 5 1954
File No. 357-231
81
B3

Dear Mr. Robertson,

This will acknowledge your letter of December 3 in which you request geological information useful in assessing the value of a winter road to the property of Rayrock Mines, Ltd., Marian River Area, N.W.T.

The geology near the Rayrock property and along the route of the proposed road was mapped by Dr. C.S. Lord during 1938-39, and several radioactive mineral occurrences on or in the vicinity of Rayrock have since been inspected briefly by Dr. A.H. Lang and Dr. Lord. Unfortunately, neither officer has visited the area since the summer of 1953 and, as you are aware, most of the reported encouraging diamond drill intersections of radiocative material at Rayrock were made during 1954. We do not, therefore, have sufficient information to evaluate the reports of recent work at Rayrock, Northland, and other properties. We have, however, no reason to doubt the accuracy of any reports prepared by Mr. N.W. Byrne, consulting mining engineer for the Rayrock company.

The general geology near Rayrock (approx. lat. $63^{\circ}27'$, $116^{\circ}32'$) and along the proposed road is shown on Geological Survey Map 690A, and described in Memoir 325. A complex assemblage of Proterozoic sedimentary and volcanic formations have been invaded by a variety of granitic rocks and cut by a series of strong northeasterly and northerly trending faults. Some of these faults are occupied by quartz stockworks locally known as "giant quartz veins". Pitchblende has been reliably reported to occur at Rayrock and adjacent properties in irregular seams in altered granitic and other rock adjacent to these quartz stockworks and faults. The general geological environment has, therefore, various features in common with the Port Radium area of Great Bear Lake. Although the Rayrock area contains numerous reported radioactive mineral occurrences no property has advanced beyond the initial prospect stage and, although the area warrants further exploration, there is no assurance that this work will result in the discovery of mineable pitchblende orebodies. From past experience, however, we are satisfied that exploration done under the direction of Mr. N.W. Byrne, Rayrock's consultant, will be conducted on a sound engineering basis and will afford accurate well-presented records. It might be worth noting that Rayrock Mines, Consolidated Northland Mines, New Athona Mines, and Goldcrest Mines probably are interconnected through management and finances.

Dr. Lang and Dr. Lord agree that further exploration in the Marian River area by Rayrock or similarly well engineered companies is warranted on geological grounds and should be encouraged.

Yours very truly,

"Marc Boyer"
Deputy Minister.

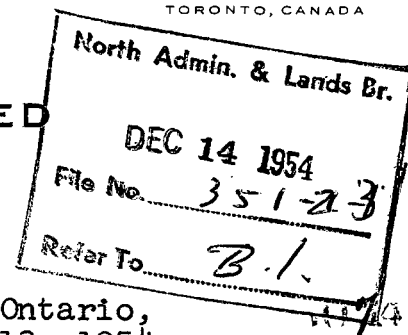
002777

MINE OFFICE
YELLOWKNIFE
N.W.T.

HEAD OFFICE
1201 STAR BUILDING
80 KING STREET WEST
TORONTO, CANADA

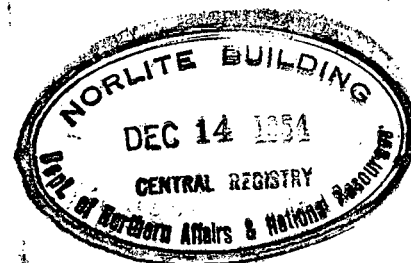
RAYROCK MINES LIMITED

TELEPHONE EMPIRE 4-5588



Toronto, Ontario,
December 13, 1954.

F. J. G. Cunningham,
Director,
Department of Northern Affairs and
National Resources,
Northern Administration and Lands Branch,
OTTAWA, Ontario.



Dear Mr. Cunningham: Re: Your File No. 351-236

We acknowledge with thanks receipt of your letter of November 29th reference our application for assistance in the construction of a rough winter road to our uranium property located in the Marian River Area, N.W.T.

We will look forward to hearing from you at a later date reference the decision of your Department.

Yours very truly,

RAYROCK MINES LIMITED

J. C. Byrne
President and General Manager

/mle

NORTHERN ADMINISTRATION & LANDS BRANCH TEMPORARY FILE

FILE NO. *351-231* VOL. NO. *T325*
SUBJECT *roads NWT*

MAIN FILE IS CHARGED TO

B1 23-11-81

REFERENCE				DISPOSAL			
REFERRED TO	REMARKS	DATE	INITIALS	DATE OF P.A. OR T.	DATE OF B.F.	INITIALS	REGISTRY INSPECTION
<i>0</i>	<i>22-11-81 # 3782</i>	<i>24-11-81</i>	<i>mm</i>	<i>T</i>		<i>VJB</i>	<i>SS</i>
<i>B1</i>	<i>plse discuss with me</i>	<i>24.11</i>	<i>VJB</i>	<i>T</i>		<i>VJB</i>	<i>SS</i>
<i>B1</i>	<i>for action</i>	<i>29.11</i>	<i>Z</i>	<i>T</i>	<i>20/12</i>	<i>mm</i>	<i>SS</i>
<i>B1</i>	<i>2 for sig</i>	<i>2/12/81</i>	<i>mm</i>	<i>T</i>		<i>mm</i>	<i>SS</i>
<i>Opn</i>	<i>for signature</i>	<i>2/12</i>	<i>S</i>	<i>T</i>		<i>mm</i>	<i>SS</i>
<i>B-1</i>	<i>File returned from H1</i>	<i>3-12</i>	<i>mm</i>	<i>T</i>		<i>S</i>	<i>mm</i>
<i>DO</i>	<i>for information</i>	<i>6/12</i>	<i>S</i>	<i>20.12</i>		<i>VJB</i>	<i>mm</i>

J C Byrne 22-11-81

MM/FH

251-1

351-2-31

3

Ottawa, 3 December, 1954.

Marc Boyer, Esq.,
Deputy Minister,
Department of Mines and Technical Surveys,
Ottawa.

Dear Mr. Boyer:

Mr. J. C. Byrne, President and General Manager, Bayrock Mines Limited, has asked that the Federal Government assist financially in the construction of a rough winter road to their uranium property located in the Marian River area, N.W.T. It would start from the Marian Lake and would have an approximate length of thirty miles. He reports that a diamond drilling programme was initiated on this property some months ago and will be continued. He further advises that there are other promising uranium prospects in the area to be served by the proposed winter road. These are:

1. Associated Mining Company
2. Consolidated Northland Mines
3. New Athona Mines
4. Goldcrest Mines.

It is necessary that we have as much information as possible on the mineral possibilities of the area through which this winter road would pass. It would be appreciated if you would forward any geological information which your Department may have on this area that would be of assistance to us in assessing the value of such a road.

Yours sincerely,

mm

R. G. Robertson,
Deputy Minister

002780

Mr Fraser

MM/FH

(2)

mm

351-231
351-1

#402
B.F.
20 Dec
K.M.
SS

Ottawa, December 2, 1954.

MEMORANDUM FOR MR. L. A. C. C. HUNT

I am enclosing two copies of a letter of the 22nd of November from Mr. J. C. Byrne, President and General Manager, Rayrock Mines Limited, in which he asks for financial assistance from the Government towards the construction of a rough winter road to their uranium property in the Marian River area, N.W.T.

As you know it is necessary that we have as much information as possible in regard to the mineral possibilities of the area through which this road would pass and for the properties which it would serve before we can decide to what extent the Federal Government would assist in the construction of such a road. Would you please request Mr. Homulos to prepare a report giving all available information as to the present developments and the future possibilities of the mining properties in the Marian River area which would be affected by such a road. He should indicate on the map of the area the location of the mineral claims of the various companies referred to in Mr. Byrne's letter and the proposed route for this winter road. We are also requesting the Geological Survey to provide us with information on the mineral possibilities of the area. If after we have received the required reports it is considered that Federal financial assistance should be given towards the construction of this winter road, an item could be included in our supplementary estimates for the year 1955-56 which are usually considered by Treasury Board early in the new year. Would you therefore ask Mr. Homulos to forward this report as soon as possible.

mm

J

F. J. G. Cunningham,
Director.

Ottawa, December 2, 1954.

MEMORANDUM FOR MR. L. A. C. C. HUNT

I am enclosing two copies of a letter of the 22nd of November from Mr. J. C. Byrne, President and General Manager, Rayrock Mines Limited, in which he asks for financial assistance from the Government towards the construction of a rough winter road to their uranium property in the Marian River area, N.W.T.

As you know it is necessary that we have as much information as possible in regard to the mineral possibilities of the area through which this road would pass and for the properties which it would serve before we can decide to what extent the Federal Government would assist in the construction of such a road. Would you please request Mr. Homalos to prepare a report giving all available information as to the present developments and the future possibilities of the mining properties in the Marian River area which would be affected by such a road. He should indicate on the map of the area the location of the mineral claims of the various companies referred to in Mr. Byrne's letter and the proposed route for this winter road. We are also requesting the Geological Survey to provide us with information on the mineral possibilities of the area. If after we have received the required reports it is considered that Federal financial assistance should be given towards the construction of this winter road, an item could be included in our supplementary estimates for the year 1955-56 which are usually considered by Treasury Board early in the new year. Would you therefore ask Mr. Homalos to forward this report as soon as possible.

mm

7

F. J. G. Cunningham,
Director.



North Admin. & Br.
NO: 251-231
File No: 357
Refer To:

351-1

Ottawa, 29 November, 1954.

J.C. Byrne, Esq.,
President and General Manager,
Rayrock Mines Limited,
Toronto, Ontario.

Dear Mr. Byrne:

I have your letter of November 22nd. We here in Ottawa have of course heard the good news about the Marian River area, and hope to hear that the preliminary results are confirmed by further drilling and development work.

There will be some delay in considering your request until we have reports from the Mining Inspector at Yellowknife, and from the Geological Branch of the Department of Mines and Technical Surveys. As soon as I have their reports to hand, consideration will be given to a contribution by this Department towards the cost of a road. I may say that our main estimates have been presented to Treasury Board, and are now under consideration there, so that it will be impossible to place any item in the main estimates in the event that a decision is made to grant the assistance which you request. However, at a later date there may be an opportunity to include an item in the supplementary estimates, which are generally considered by Treasury Board in the first weeks of the New Year.

Yours very truly,

F.J.G. Cunningham,
Director.

351-2-31

351-1

Ottawa, 29 November, 1954.

J.C. Byrne, Esq.,
President and General Manager,
Rayrock Mines Limited,
Toronto, Ontario.

Dear Mr. Byrne:

I have your letter of November 22nd. We here in Ottawa have of course heard the good news about the Marian River area, and hope to hear that the preliminary results are confirmed by further drilling and development work.

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Yours very truly,

J

F.J.G. Cunningham,
Director.



CANADA

NORTHERN ADMINISTRATION
AND LANDS BRANCH

DEPARTMENT
OF
NORTHERN AFFAIRS AND NATIONAL RESOURCES

OFFICE OF THE DIRECTOR

Ottawa, 29 November, 1954.

MEMORANDUM FOR MR. MEILLÉ:

*P.A.
mm*

-- I enclose copy of a letter from Rayrock Mines
-- Limited, and a copy of the interim reply given to them.

Will you please take the necessary action to obtain reports about the potentialities of the Marian River area so that we can place the facts before the Deputy Minister and approve, or otherwise, the application for assistance.

Please keep in mind that the assistance granted to the United Keno Hill Mines Limited for the road to be constructed between Elsa and Keno by this Department will be 75 per cent of the cost, rather than the 50 per cent which was formerly our policy.

When we make our submission to the Deputy Minister, we should then be in a position to say whether the road will benefit the area generally, or will only be of benefit to the one Company.

Fred L. Cunningham
F.J.G. Cunningham,
Director.

3
Ottawa, 29 November, 1954.

MEMORANDUM FOR MR. MEIKLE: *mm*

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-- Limited, and a copy of the interim reply given to them.

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F. J. G. Cunningham
F. J. G. Cunningham,
Director.

Ottawa, 29 November, 1954. pg

MEMORANDUM FOR MR. MEYER: X

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J
F.J.G. Cunningham,
Director.

COPY

RAYROCK MINES LIMITED.

Toronto Ontario.
November 22, 1954.

351-2-31

F. J. G. Cunningham, Esq.,
Director,
Department of Northern Affairs and
National Resources,
Ottawa.

Dear Mr. Cunningham:

We herewith make application for assistance in the construction of a rough winter road to our uranium property located in the Marian River area, N.W.T. A diamond drilling programme initiated some months ago, and which will continue for some time yet, has given sufficient positive indications to warrant an underground programme. Our engineers have recommended the driving of an adit 850 feet in length, to provide backs of 200 to 300 feet, plus drifting, raising and diamond drilling from underground. We have a complete mining plant equipment and supplies available at Yellowknife, to be moved into the Marian River area by tractor train as soon as ice conditions permit.

Expenditures on the property to October 31st, including geological mapping, rock trenching, diamond drilling and sampling, approximate \$100,000. Additional expenditures for surface diamond drilling will be in the neighbourhood of \$40,000. The underground programme as outlined above will cost us about \$135,000.

If underground exploration and development confirms results indicated by diamond drilling, then prospects are good for a profitable uranium mining and milling operation.

There are other promising uranium prospects in the area to be served by the same winter road. Associated mining companies, Consolidated Northland Mines, New Athona Mines and Goldcrest Mines, will carry out diamond drilling programmes on at least two properties this winter. The winter road to the Rayrock property would start from Marian Lake and would be approximately thirty miles long. We would ultimately require a good winter road similar to the Consolidated Discovery Mine Road at an estimated cost of \$30,000. We do not, however, plan to build such a road this winter.

- 2 -

Estimated cost of a rough access road for tractor operation this winter, including cost of road reconnaissance, would be about \$12,000. We would appreciate a Government assistance in the amount of 50% of this estimate, or up to \$6,000. Should the underground programme be successful, we would then plan on constructing a good winter road the following year.

We realize that we are giving you very little advance notice, and appreciate that your 1955 estimates have already been prepared and the money voted by Parliament. Since the amount of assistance is not a substantial figure, it is our hope that you will be able to provide assistance from funds already voted for a similar purpose. We would respectfully request that your 1956 estimates include an additional \$9,000 as assistance for road improvements and conversion to a good winter road to the Rayrock property.

We would appreciate a reply at your earliest convenience.

Yours very truly,

J. C. Byrne,
President and General Manager,
RAYROCK MINES LIMITED.

c.c. Mr. S. Homalos, Yellowknife
Mr. N. W. Byrne, Yellowknife

MINE OFFICE
YELLOWKNIFE
N. W. T.

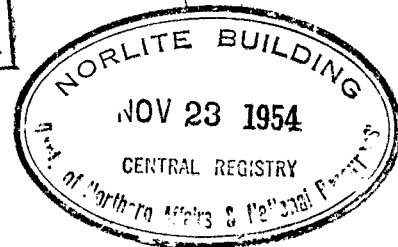
HEAD OFFICE
1201 STAR BUILDING
80 KING STREET WEST
TORONTO, CANADA

RAYROCK MINES LIMITED

TELEPHONE EMPIRE 4-5588

North Admin. & Lands Br.
NOV 23 1954
File No. 357-231
Refer To D.O.

Toronto, Ontario,
November 22, 1954.



F. J. G. Cunningham, Esq.,
Director,
Department of Northern Affairs and
National Resources,
Northern Administration and Lands Branch,
OTTAWA, Ontario.

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- 2 -

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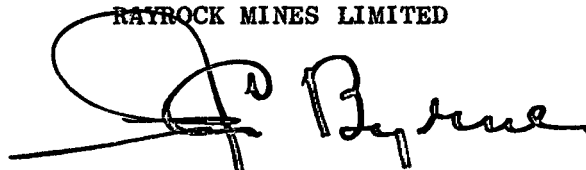
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We would appreciate a reply at your earliest convenience.

Yours very truly,

RAYROCK MINES LIMITED



J. C. Byrne

President and General Manager

JCB:mle

cc: Mr. S. Homulos, Yellowknife, N.W.T.
Mr. N. W. Byrne, Yellowknife, N.W.T.