

351-2-31 VOL 2

DEPARTMENT OF RESOURCES AND DEVELOPMENT  
NORTHERN ADMINISTRATION AND LANDS BRANCH

FILE No. 351-2-31

**CLOSED**

Vol. 2

SUBJECT:

**DORMANT**

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

CN **IND**  
DISPOSAL  
THIS VOLUME

FROM JAN. 1956 TO July 1956

Vol. 2

**CLOSED**

FILE No. 351-2-31

**IND**

REFERENCE				DISPOSAL			
REFERRED TO	REMARKS	DATE	INITIALS	P.A. DATE OR T.	B.F. DATE	INITIALS	REGISTRY INSPECTION
Parker	request	20-6	RL	T		RL	11/16
K1	copy	21-6	RL	21/6		RL	11/16
K1	6-7-56 # 7973	9-7	RL	9/7	6/8/56	JL	12/7
DO	In signature	10/7	J	10/7		B	12/7
AI	the request	11/7	HR		1-8-56	W	12/7
K1	12-7-56 # 8198	13-7	ML	21/7		JL	12-25-7
K1	13-7 # 8309	17-7	MLT	21/7		JL	12-25-7
K1	13-7 # 8310	17-7	MLT	T		JL	12-25-7
DO	Draft memo	21/7	J	25/7		JL	12-25-7
Ward	request	26/7	ML		1/8	JL	12-30-7
K1	the 1st	1-8-56	ML	1/8		JL	12-3-8
JCL	6-7-56 # 7973 BF	3-8	ML	14/8		JL	15-8
A2	Pres PA forms made	15/8	JL	15/8/57		JL	15-8
Kuchner	request	16/8	JL	16/8		JL	16-8
JCL	request	20-8	ML	T		JL	16-21-8
PO	40 approval ps	20/8	JL	21/8		JL	16-21-8
JCL	request	22-8	RL	24/8		JL	16-21-8
Mr Adams	per request	11-9-56	RL	12/9		JL	16-12-9
DO	per request	27-9	JL	1-10-56		JL	16-1-10
JCL	request	29-10	RL	30/10		JL	16-30-10
JCL	request	16-1	ML	16/1/57		JL	16-16-1
McManis	request	18-2	JL	21/2		JL	16-21-2
JCL	request	21-3	JL	1/4/57		JL	16-1/4
St. J. M.	request	4/4/57	H.L.	7/4/57		JL	16-3/4
K-1	request	15-4-57	JL	25/4		JL	APR 28 1958
VAK	request	27-2	ML	2-2		JL	MAR 2 1958

RELATED FILES

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



The allotment is \$140,000 and payments made to Rayrock Mines to date amount to \$100,676 leaving \$39,324 unexpended. The last payment made was on January 30, 1957, of \$12,000 being an interim advance on claim #6.

001032

CLOSED

From: January/56

To: July/56

NORTHERN ADMINISTRATION & LANDS BRANCH  
 TEMPORARY FILE

FILE NO. 351-2-31 VOL. NO. T-1970

SUBJECT Road from Marion Lake to Sherman Lake Area North of Fort Rae

MAIN FILE IS CHARGED TO K1 18-7

REFERENCE				DISPOSAL			
REFERRED TO	REMARKS	DATE	INITIALS	DATE OF P.A. OR T.	DATE OF B.F.	INITIALS	REGISTRY INSPECTION
K1	13-7 # 8424	19-7	JL	T		JL	31-7
A1	for payment jls	19/7	JL	T		D	31-7
A3	" " "	23-7-56	D	31/7/56		JL	31-7
K1	31-7-56 # 8993	1-8	W.C.	T		JL	3-8
DO	8993	1/8	JL	T		JL	3-8
B1	For info "	2-8	B.G.S.	#38		JL	3-8

F. C. Humphreys  
 & C. Kelly 31-7 001034

# ELDORADO MINING and REFINING LIMITED

No. 4, TEMPORARY BUILDING, OTTAWA, CANADA

MAILING ADDRESS : P. O. BOX 379, OTTAWA, CANADA

FILE REF.

July 31st, 1956.

Mr. F. J. G. Cunningham,  
Director of Northern Administration and Lands Branch,  
Department of Northern Affairs and National Resources,  
150 Wellington St.,  
Ottawa, Ont.

Northern Admin. & Lands Br.	
Ottawa, Ont.	
AUG 11 1956	
File No.	351-2-31
Refer To	K1

Dear Sir:

Re: Rayrock Mines Ltd.

8993

With reference to our telephone conversation of to-day's date we wish to confirm that the above indicated has received from this Company a letter of intent to purchase its production of uranium concentrates. It is expected that a contract will be signed in the near future.

We have noted that Rayrock is constructing a road from the mine to the north arm of Great Slave Lake and that the cost is being shared equally between the mining company and your Department.

Yours truly,

ELDORADO MINING AND REFINING LTD.

*[Handwritten signature]*  
ECK:tc

*E. C. Kelly*  
E. C. Kelly  
Assistant Secretary.

STATEMENT OF EXPENDITURES NO. 1

VOUCHER NUMBER	DESCRIPTION	VENDOR	AMOUNT
01	June Hospitalization Premium	Yellowknife Hospital Services	\$ 3.00
02	Construction Labour, May	J.M. Perkins	10,066.50
03	May Payroll	Hans Egli	209.15
04	Legal fees re contract between J.M. Perkins and the Company	Parker & Parker	125.00
05	Administration fee for May	Norman W. Byrne	150.00
06	Aerial Mosaics and Report	Spartan Air Services Ltd.	1,863.50
07	May accommodation at Yellowknife for Hans Egli	Norman W. Byrne	2.50
			<u>12,419.65</u>

Goods Received - Services Rendered  
 Prices Fair & Just - Certifies Correct  
 RECOMMENDED FOR PAYMENT

*[Signature]*

APPROVED  
*[Signature]*  
 Chief, Works & Services

PASSED FOR PAYMENT 50%  
 P.O. No. *1014* DATE *JUL 31 1956*  
*001-211-20-820*  
 81,209.83



*Re.*  
*u*

351-2-31

JIN/dd

Ottawa, 27 July 1956  
1956  
John & Lane Bt.

JUL 27 1956	
File No.	.....
Refer To	.....

MEMORANDUM FOR MR. W.D. DOHERTY  
LEGAL DIVISION

PERFORMANCE BONUS - RAYROCK MINES LTD.

Rayrock Mines Limited have asked us to participate in the payment of a performance bonus to their contractor who is constructing the road between Marian Lake and Sherman Lake. We outlined the situation in our memorandum to the Deputy Minister of the 24th of July and on the 25th of July Mr. Jackson indicated that we should draft a Submission to Council seeking the necessary authority. You will find enclosed two copies of a draft of this submission and I would be pleased if you would review it and amend it where required. If you will return one copy with your suggestions, I will arrange to have the draft prepared in its final form.

2. Your assistance in this regard is greatly appreciated.

John M. Nicol,  
Chief,  
Works and Services.

JIN/dd

351-2-31

TO HIS EXCELLENCY

THE GOVERNOR GENERAL IN COUNCIL

The undersigned has the honour to report:

THAT under authority of Order in Council P.C. 1956-28/558 dated the 12th of April, 1956, the undersigned was empowered to enter into an agreement with Rayrock Mines Limited to contribute Fifty Per Cent (50%) of the cost incurred on or after the 1st of February, 1956, of the construction of a 35 mile all-weather road from Sherman Lake to Marian Lake or One Hundred and Forty Thousand Dollars (\$140,000), whichever is the lesser;

THAT Rayrock Mines Limited, through their contractor J.M. Perkins of Yellowknife, N.W.T., have proceeded with this work in an efficient manner, however, there is some doubt as to whether the road will be completed this year;

THAT Rayrock Mines Limited are particularly anxious to complete this road this year and wish to pay a performance bonus to the contractor and the construction superintendent up to a maximum total of Five Thousand Dollars (\$5,000) if the road is passable to trucks this Fall and have asked the Department to pay Fifty Per Cent (50%) of such a bonus;

THAT it is the opinion of the undersigned that early completion of this road would be of great assistance to the development of this mine and other properties in the area and it would be desirable for the Federal Government to participate in the payment of this performance bonus;

THAT the Company have advised their contractor that this bonus will only be paid if the contractor pays a substantial portion to his machine operators and other members of the crew working on the road;

THAT the Company intends to pay the full cost of any bonus payment if the Federal Government refuses to participate;

THAT participation in the payment of this bonus will not increase the maximum amount payable under the terms of the agreement with Rayrock Mines Limited and could result in a smaller federal contribution should non-payment of the bonus mean that the work is carried over into the next fiscal year.

-2-

The undersigned, therefore, has the honour to recommend that he be empowered to amend the agreement with Rayrock Mines Limited dated the 15th of May, 1956, for the construction of the all-weather road from Sherman Lake to Marian Lake in order to permit Rayrock Mines Limited to include the payment of a performance bonus up to a maximum of Five Thousand Dollars (\$5,000) as a part of the cost of the road provided that the road is passable to trucks this year and payment of the federal share of this amount will not increase the maximum amount payable by Her Majesty under the terms of the agreement with Rayrock Mines Limited.

Respectfully submitted,

Minister of Northern Affairs  
and National Resources.



CANADA  
DEPARTMENT  
OF

DEVELOPMENT SERVICES  
BRANCH

~~RESOURCES DEVELOPMENT~~

Northern Affairs and National Resources

Yellowknife, N.W.T.  
July 26th, 1956.

Please Quote

File: 40956 Admin. & Lands Br.

*PA*  
*[Handwritten initials]*

110 8 1956
File No. ....
Refer To: LANDS DIVISION

North Admin. & Lands Br. Ottawa, Ont.
JUL 30 1956 351-2-31
File No. ....
Refer To: <i>[Handwritten initials]</i>

MEMORANDUM FOR THE DIRECTOR

Progress Report on Rayrock Road

An inspection was made on this road on July 17th, and July 24th. The entire roadway has been cleared from the Marian Lake end to Rayrock and there is approximately eight miles of roadway up-graded and ready for the top surface. About six miles from the Marian Lake end of the road they located a sand and gravel pit which will be used for the surface material. Culverts are being put in where necessary, however some of the culverts are only 12" in diameter and in my opinion, a little small to take care of the spring run off.

Equipment presently being used on the road consists of four D-7 caterpillar tractors with blade, two scrapers or carry-alls, a 2½ yd. overhead loader, six dump trucks, and a jeep. There are approximately twenty-five men employed on this project. Progress is at the rate of one-half mile of road per day and the roadway will be about 22' wide from shoulder to shoulder. The material used for up-grading is mostly glacial silt, however some good clay has been located recently.

Enclosed herein are the June accounts for this road. The item for mine rock fill placed on Marian Lake Road done during February and March and April, which is voucher No. 15, I did not certify as the contract was signed on May 15th. Mr. Byrne's office informed me that some arrangements were made for this strip of roadway between Northland Mines and the Marian Lake - Rayrock Road to be included in this contract, however I have no authority to certify this account as it is not included in the terms of the contract. This rock fill has been placed on the portion of the road as indicated between Northland Mines and the said Marian Lake road.

*Copy handed to Mr. Christie*

*[Handwritten signature]*  
S. Homilos,  
Mining Inspector.

SH/ct

001040

337-2-31

# 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

IN ACCOUNT WITH:

Rayrock Mines Limited (Road Construction),  
509 - 25 Adelaide Street West,  
TORONTO, Ontario.

June 30th, 1956.

TO:- Mine Rock Fill placed on Marian Lake Road:

February:	162	hours
March:	152	"
April:	172	"
May:	216	"
<hr/>		
TOTAL:	702	hours @ \$8.00 = \$ 5,616.00

Above costs include tractor and truck drivers wages, gasoline, lubricants, repairs and depreciation at \$8.00 per hour running rate in Yellowknife District.

**PAID**  
JUN 13/56  
Chlo.

PLEASE RECEIPT & RETURN

CONS. NORTHLAND MINES LTD.  
(NO PERSONAL LIABILITY)

VOUCHER No.

15

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

Date: .....30-7-56.....

TO: Mr. Nicol

For Action: XXX

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:

As Requested:



001042

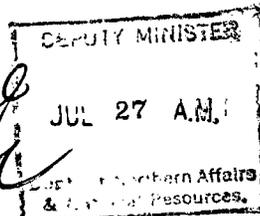


CANADA

DEPARTMENT

OF

NORTHERN AFFAIRS AND NATIONAL RESOURCES



40 7-18  
PLEASE QUOTE  
FILE 351-2-31  
JIN/dd  
H. Cunningham

NORTHERN ADMINISTRATION  
AND LANDS BRANCH  
Office of the Director  
of Northern Affairs & National Resources

OFFICE OF THE DIRECTOR

Ottawa, 26 July, 1956.

MEMORANDUM FOR THE DEPUTY MINISTER

North Admin & Lands Br. for action

CONSTRUCTION OF ROAD TO RAYROCK MINE

We have received an additional letter from Mr. Byrne, President and General Manager of Rayrock Mines Limited, which reads in part,

File No.  
Refer to

"In the wired reply received from our Manager of Mines, Mr. R.J. Kilgour, advising hourly rate for the grader, Mr. Kilgour also mentions that it is now imperative that our road foreman be supplied with a jeep for transportation as road construction is now spread over a several mile length.

Mr. Perkins, the road contractor, will supply a jeep for our foreman at an hourly rate of \$1.50. Mr. Kilgour advises that the jeep would be used a maximum of eight hours per day.

We are also informed that Mr. Perkins wishes to put a pick-up truck on the road for servicing, at a rate of \$1.50 per hour. We are not clear as to the exact function to be performed by this truck as we note there is provision in the contract for a 2-ton utility truck, at \$4.00 per hour. It could very well be that they require a lighter vehicle for faster servicing and for handling loads up to, say, one-half ton.

The jeep is definitely a necessity and in all probability, can be classed in this category. We, therefore, wish to obtain permission to include these two items of equipment at an hourly rate of \$1.50 each in the contract between Rayrock Mines Limited and J.M. Perkins."

-2-

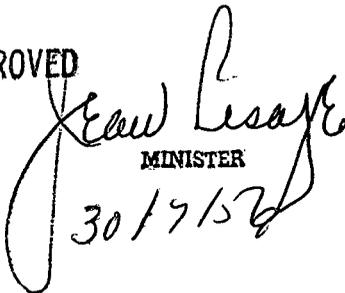
2. These rental rates will alter the agreement between Rayrock Mines Limited and J.M. Perkins of Yellowknife which was approved originally by the Minister. Presumably, any alteration to the contract must also receive the Minister's approval. We feel that the request of this Company is reasonable and the rates set out as rental rates for the vehicles are also reasonable.

3. The Minister's approval of these rates is, therefore, recommended.



F.J.G. Cunningham,  
Director.

APPROVED



MINISTER  
30/9/52

NORTHERN ADMINISTRATION & LANDS BRANCH  
 TEMPORARY FILE

FILE NO.

351-2-31

VOL. NO.

T-1017

SUBJECT

Road from Main Lake to L'Esperance Lake

MAIN FILE IS CHARGED TO

K1 23-7

REFERENCE

DISPOSAL

REFERRED TO	REMARKS	DATE	INITIALS	DATE OF P.A. OR T.	DATE OF B.F.	INITIALS	REGISTRY INSPECTION
K1	23-7-56 # 8699	25-7	mg	T		J	30-7
DO	to man	26/7	J	27-7		to	30-7

JC Byrne 23-7

*[Handwritten signature]*

North Admin. & Lands Br.

JUL 26 1956

File No. ....

Refer To .....

*pa*  
*mm.*  
*lmr*

351-2-31  
JIN/dd

Ottawa, 26 July, 1956.

MEMORANDUM FOR THE DEPUTY MINISTER

CONSTRUCTION OF ROAD TO RAYROCK MINE

We have received an additional letter from Mr. Byrne, President and General Manager of Rayrock Mines Limited, which reads in part,

"In the wired reply received from our Manager of Mines, Mr. R.J. Kilgour, advising hourly rate for the grader, Mr. Kilgour also mentions that it is now imperative that our road foreman be supplied with a jeep for transportation as road construction is now spread over a several mile length.

Mr. Perkins, the road contractor, will supply a jeep for our foreman at an hourly rate of \$1.50. Mr. Kilgour advises that the jeep would be used a maximum of eight hours per day.

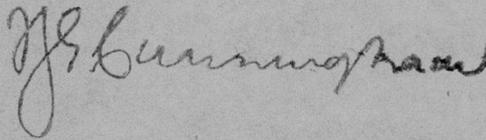
We are also informed that Mr. Perkins wishes to put a pick-up truck on the road for servicing, at a rate of \$1.50 per hour. We are not clear as to the exact function to be performed by this truck as we note there is provision in the contract for a 2-ton utility truck, at \$4.00 per hour. It could very well be that they require a lighter vehicle for faster servicing and for handling loads up to, say, one-half ton.

The jeep is definitely a necessity and in all probability, can be classed in this category. We, therefore, wish to obtain permission to include these two items of equipment at an hourly rate of \$1.50 each in the contract between Rayrock Mines Limited and J.M. Perkins."

-2-

2. These rental rates will alter the agreement between Rayrock Mines Limited and J.M. Perkins of Yellowknife which was approved originally by the Minister. Presumably, any alteration to the contract must also receive the Minister's approval. We feel that the request of this Company is reasonable and the rates set out as rental rates for the vehicles are also reasonable.

3. The Minister's approval of these rates is, therefore, recommended.



F.J.G. Cunningham,  
Director.

80  
2



North Admin. & Lands Br.
JUL 26 1956
File No. ....
Refer To .....

351-2-31  
JIN/dd

Ottawa, 26 July, 1956.

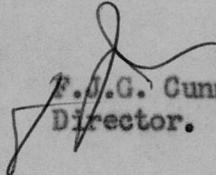
J.C. Byrne, Esq.,  
President & General Manager,  
Rayrock Mines Limited,  
Suite 509, 25 Adelaide St. West,  
Toronto 1, Ontario.

Dear Mr. Byrne:

On the 12th of July, 1956, you asked for our Minister's permission to provide a grader, the property of your Company, to J.M. Perkins of Yellowknife for the construction of the all-weather road to Rayrock Mine. You submitted as well a rate of \$9.50 per hour in a telegram dated July 23rd.

I am pleased to advise that the Minister has approved your request and you are authorized to place your grader on this work at the rate set out in your telegram.

Yours sincerely,

  
F.J.G. Cunningham,  
Director.

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

Date: .....25-7-56.....

TO: Mr. Nicol

For Action: XXX

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:

As Requested:



*J. Cunningham*



pa mem. 7-15

PLEASE QUOTE FILE 351-2-31

NORTHERN ADMINISTRATION AND LANDS BRANCH

DEPARTMENT OF NORTHERN AFFAIRS AND NATIONAL RESOURCES

JIN/dd OFFICE OF THE DIRECTOR

Ottawa, 24 July, 1956.

MEMORANDUM FOR THE DEPUTY MINISTER

DEPUTY MINISTER  
JUL 25 A.M.  
Dept. of Northern Affairs & National Resources

We have received a letter from Mr. J.C. Byrne of Rayrock Mines Limited indicating that they wish to pay a bonus to the contractor on the construction of the road to Rayrock Mine - a performance bonus in an amount up to a maximum of \$5,000 if the road is passable to trucks this Fall.

2. It is their thought that the bonus would be paid to the contractor and the construction superintendent and the contractor would split his bonus with his machine operators. In other words, they expect that with such an incentive the crew would do more work without adding to its numbers. It is their thought that the bonus would not increase the maximum amount payable by the federal government and it is possible that an overall saving in contribution might be made.

3. I understand that Treasury Board has on occasion approved incentive awards where there is some justification. The most recent example is the agreement for the construction of the airport at East 3. Essentially, any speed-up in the construction of this road would benefit the Rayrock Mine. If the bonus payment is made and the road is passable this year the cost would be less than it would be if the work were carried over and completed next season. In the latter case, we would probably have to include a small amount in our Estimates next year if the road were not completed. This matter has been discussed with the Chief Treasury Officer and he is of the opinion that if the mine would benefit from the completion of the road this year, then surely the government will benefit by the advancement of the development of the mine and the earlier payment of substantial taxes, etc.

4. I am not convinced entirely that we should approach Council for permission to amend the agreement to permit the participation in

-2-

this bonus as the benefits which will result to the federal government are somewhat nebulous. It is possible that an overall saving might be made in the cost of construction of this road if it is completed this year and certainly it would assist matters administratively if we did not have to include an item in next year's estimates for the completion of the road. However, before preparing a draft memorandum to the Governor in Council, I would like to have your opinion of this matter.

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

*Pro Cunningham*

*The amount of the contract is substantial and would I think justify a bonus payment. Suggest your draft submission to Council.*

*25/7/56*

*WJ*

NORTHERN ADMINISTRATION & LANDS BRANCH  
 TEMPORARY FILE

FILE NO.

VOL. NO.

351-2-31

7-1010

SUBJECT

*road from Main Lake to Shumway Lake*

MAIN FILE IS CHARGED TO

*A 123-7*

REFERENCE

DISPOSAL

REFERRED TO	REMARKS	DATE	INITIALS	DATE OF P.A. OR T.	DATE OF B.F.	INITIALS	REGISTRY INSPECTION
<i>A 1</i>	<i>23-7-56 # 8663</i>	<i>24-7</i>	<i>ML</i>	<i>T</i>		<i>ML</i>	<i>ML 13-8</i>
<i>A 2</i>	<i>23-7 # 5663</i>	<i>24-7</i>	<i>ML</i>	<i>13/8/56</i>		<i>ML</i>	<i>ML 13-8</i>
	<i>ML</i>						

*D.L. Hamilton 23-7*

MINE OFFICE  
YELLOWKNIFE  
N. W. T.

HEAD OFFICE  
SUITE 509  
25 ADELAIDE STREET WEST  
TORONTO 1, CANADA

# RAYROCK MINES LIMITED

TELEPHONE EMPIRE 4-5588

North Admin. & Lands Br. Ottawa, Ont.
JUL 23
File No. 351-2-31
Refer to K-1
AZ

653

Toronto

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

File 351-2-31

Dear Mr. Cunningham:

We acknowledge your letter of July 18  
re Winter Road, Marian Lake to Sherman Lake.

As requested we enclose herewith our  
cheque in the amount of \$54.95 .

Yours very truly,

RAYROCK MINES LIMITED

*D. S. Hamilton per D.S.*  
D.S. Hamilton  
Secretary-Treasurer.

dl  
encl.1

*Refund - overpayment claim -  
Re - Road Bldg. agreement.  
per J.C.L.*

CENTRAL REGISTRY North Admin. & Lands Br.	
Cash No:	1370
JUL 24 1956	
Received	54.95
Nature	cheque
Initials	J.S.

Cash # 1370

No 34122



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

Insert Impression of Office  
Date Stamp in this space  
July 24 1956

GENERAL RECEIPT ORIGINAL COPY MAILED  
BY: J.B. DATE: 24-7-56

\$ 54.95

Received from Ramrock Mines Limited

of Toronto, Ontario

the sum of Fifty-four <sup>95</sup>/<sub>100</sub> Dollars

in payment for Refund - ~~overpayment~~ claim re - Road

Building Agreement for J.C.P.

R 5011 cheque # 1106.

TRIPPLICATE  
Coupon for Branch

*[Handwritten signature]*

F. J. G. Cunningham  
Director

*[Handwritten initials]*

001054

MINE OFFICE  
YELLOWKNIFE  
N. W. T.

HEAD OFFICE  
SUITE 509  
25 ADELAIDE STREET WEST  
TORONTO 1, CANADA

# RAYROCK MINES LIMITED

699

TELEPHONE EMPIRE 4-5588

Toronto  
July 23, 1956

Mr. John I. Nicol,  
Chairman of Works and Services,  
Department Northern Affairs and Natural Resources,  
Ottawa, Ontario.

North Atlantic & Canada  
Ottawa. Ont  
JUL 25 1956  
File No. 351-2-31  
Refer to K-1

Dear Mr. Nicol:

We replied today to your wire of July 20th  
re hourly rate for road-grader.

In the wired reply received from our Manager,  
of Mines, R.J.Kilgour, advising hourly rate for the grader,  
Mr. Kilgour also mentions that it is now imperative that our  
road foreman be supplied with a jeep for transportation as  
road construction is now spread over a several mile length.

Mr. Perkins, the road contractor, will supply  
a jeep for our foreman at an hourly rate of \$1.50. Mr. Kilgour  
advises that the jeep would be used a maximum of eight hours  
per day.

We are also informed that Mr. Perkins wishes to  
put a pick-up truck on the road for servicing, at a rate of  
\$1.50 per hour. We are not clear as to the exact function to  
be performed by this truck as we note there is provision in  
the contract for a 2-ton utility truck, at \$4.00 per hour. It  
could very well be that they require a lighter vehicle for  
faster servicing and for handling loads up to, say, one-half  
ton.

The jeep is definitely a necessity and in all  
probability, can be classed in this category. We, therefore,  
wish to obtain permission to include these two items of  
equipment at an hourly rate of \$1.50 each in the contract  
between Rayrock Mines Limited and J.M.Perkins.

A reply at your earliest convenience would be  
appreciated.

Yours very truly,  
RAYROCK MINES LIMITED

*J. C. Byrne per D.L.*  
J.C.Byrne  
President and General Manager

JCB:dl  
cc NWByrne, RJKilgour  
FJGCunningham

**RAYROCK MINES LIMITED**

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



Mr. F.J.G. Cunningham, Director  
Northern Administration and Lands Branch  
Norlite Bldg.  
150 Wellington Street,  
OTTAWA, Ontario.

TELEPHONE  
EMPIRE 4-5588

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

North Admin. & Lands  
Ottawa, Ont.  
JUL 26 1956  
File No. \_\_\_\_\_  
Refer To \_\_\_\_\_

Toronto  
July 23, 1956.

Mr. John I. Nicol,  
Chairman of Works and Services,  
Department Northern Affairs and Natural Resources,  
Ottawa, Ontario.

Dear Mr. Nicol:

We replied today to your wire of July 20th  
re hourly rate for road-grader.

In the wired reply received from our Manager  
of Mines, R.J.Kilgour, advising hourly rate for the grader,  
Mr. Kilgour also mentions that it is now imperative that our  
road foreman be supplied with a jeep for transportation as  
road construction is now spread over a several mile length.

Mr. Perkins, the road contractor, will supply  
a jeep for our foreman at an hourly rate of \$1.50. Mr. Kilgour  
advises that the jeep would be used a maximum of eight hours  
per day.

We are also informed that Mr. Perkins wishes to  
put a pick-up truck on the road for servicing, at a rate of  
\$1.50 per hour. We are not clear as to the exact function to  
be performed by this truck as we note there is provision in  
the contract for a 2-ton utility truck, at \$4.00 per hour. It  
could very well be that they require a lighter vehicle for  
faster servicing and for handling loads up to, say, one-half  
ton.

The jeep is definitely a necessity and in all  
probability, can be classed in this category. We, therefore,  
wish to obtain permission to include these two items of  
equipment at an hourly rate of \$1.50 each in the contract  
between Rayrock Mines Limited and J.M.Perkins.

A reply at your earliest convenience would be  
appreciated.

Yours very truly,  
RAYROCK MINES LIMITED  
*J.C. Byrne*  
J.C.Byrne  
President and General Manager

JCB:dl  
cc NWByrne, RJKilgour  
FJGCunningham



EXCLUSIVE CONNECTION WITH WESTERN UNION CABLE SERVICE

Form 6102 (6 55)

# CANADIAN NATIONAL



# TELEGRAPHS

J. R. WHITE, GENERAL MANAGER  
TORONTO

CLASSIFIED BY	
FULL RATE	
DAY LETTER	
NIGHT MESSAGE	
NIGHT LETTER	
PLACE X OPPOSITE SERVICE DESIRED	

CHECK

RECEIVERS NO.

TIME FILED

CHARGE TO DEPT. OR ADDRESS

12:10

Straight Wire

Send the following message, subject to the terms on back hereof, which are hereby agreed to

*JIC PA*

North Admin. & Land Br.  
Ottawa, Ont.  
25  
(K1)

July 23, 1956 & Land Br.  
JUL 25 1956  
File No. 351-2-31  
Refer to

John I. Nicol  
Chief Works and Services  
Government of Canada  
Ottawa, Ontario

Central 2-8211  
Loc. 2-3126

RETEL HOURLY RATE FOR ROAD GRADER NINE DOLLARS AND FIFTY CENTS CALCULATED AS FOLLOWS RENT TO RAYROCK FROM PERKINS THREE DOLLARS FIFTY CENTS OPERATOR ONE DOLLAR SEVENTY FIVE CENTS FUEL ONE DOLLAR TWENTY FIVE CENTS MAINTENANCE TWO DOLLARS COOKERY LOSS OVERHEAD AND TRANSPORTATION ONE DOLLAR

c.c. N.W.B.  
R.J.K.  
J.I. Nicol ✓

J. C. Byrne  
Rayrock Mines Limited

# CANADIAN NATIONAL TELEGRAPH COMPANY

(operating its own lines and those of the Great North Western Telegraph Company,  
the Grand Trunk Pacific Telegraph Company and Canadian Government Railways).

HEREINAFTER CALLED THE COMPANY.

TERMS AND CONDITIONS UPON WHICH TELEGRAPH AND CABLE MESSAGES SHALL BE TRANSMITTED ARE PRESCRIBED BY ORDER NO. 49274, DATED DECEMBER 5TH, 1932, OF THE BOARD OF TRANSPORT COMMISSIONERS FOR CANADA AND PUBLISHED IN THE CANADA GAZETTE.

It is agreed between the sender of the message on the face of this form and this Company that said Company shall not be liable for damages arising from failure to transmit or deliver, or for any error in the transmission or delivery of any unrepeatable telegram, whether happening from negligence of its servants or otherwise, or for delays from interruptions in the working of its lines, for errors in cipher or obscure messages, or for errors from illegible writing, beyond the amount received for sending the same.

To guard against errors, the Company will repeat back any telegram for an extra payment of one-half the regular rate; and, in that case, the Company shall be liable for damages suffered by the sender to an extent not exceeding \$200.00, due to the negligence of the Company in the transmission or delivery of the telegram.

Correctness in the transmission and delivery of messages can be insured by contract in writing, stating agreed amount of risk, and payment of premium thereon at the following rates, in addition to the usual charge for repeated messages, viz.: one per cent for any distance not exceeding 1,000 miles, and two per cent for any greater distance.

This Company shall not be liable for the act or omission of any other Company, but will endeavour to forward the telegram by any other Telegraph Company necessary to reaching its destination, but only as the agent of the sender and without liability therefor. The Company shall not be responsible for messages until the same are presented and accepted at one of its transmitting offices; if a message is sent to such office by one of the Company's messengers, he acts for that purpose as the sender's agent; if by telephone, the person receiving the message acts therein as agent of the sender, being authorized to assent to these conditions for the sender. This Company shall not be liable in any case for damages, unless the same be claimed, in writing, within sixty days after receipt of the telegram for transmission.

No employee of the Company shall vary the foregoing.

## CLASSES OF SERVICE

### FULL RATE TELEGRAM

A full-rate expedited service.

### DAY LETTER

A deferred day service at rates lower than the standard telegram rates as follows: One and one-half times the ten-word day message rate for the transmission of 50 words or less, and one-fifth of the initial rate for such 50 words for each additional 10 words or less.

Day letters may be forwarded by the Company as a deferred service, and the transmission and delivery of such Day Letters are, in all respects, subordinate to the priority of transmission and delivery of full-rate messages.

Day Letters may be delivered by the Company by telephoning the same to the addressee, and such deliveries shall be a complete discharge of the obligation of the Company to deliver.

Day Letters are received subject to the express understanding and agreement that the Company does not undertake that a Day Letter shall be delivered on the day of its date absolutely and at all events, but that the Company's obligation in this respect is subject to the condition that there shall remain sufficient time for the transmission and delivery of such Day Letter on the day of its date during regular office hours, subject to the priority of the transmission of full-rate messages under the conditions named above.

### NIGHT MESSAGE

Accepted up to 2 a.m. at reduced rates, to be sent during the night and delivered on the morning of the next day after their date. At places where the Company's offices are not open on Sundays, delivery will be made on the morning of the next ensuing business day.

### NIGHT LETTER

Accepted up to 2 a.m. at reduced rates, to be sent during the night and delivered on the morning of the next day after their date. At places where the Company's offices are not open on Sundays, delivery will be made on the morning of the next ensuing business day. The rates for Night Letters are still lower than the standard Night Message rates, as follows: The standard day rate for 10 words for the transmission of 50 words or less and one-fifth of the initial rate for such 50 words for each additional 10 words or less. The minimum charge for transmission over the Company's lines of any Night Letter will be 30 cents.

Night Letters may, at the option of the Company, be mailed at destination to the addressee, and the Company shall be deemed to have discharged its obligation in such cases with respect to delivery by mailing such Night Letters at destination postage prepaid.

001059

*F. Cunningham*



CANADA

DEPUTY MINISTER  
JUL 24 A.M.  
Dept. of Northern Affairs  
& National Resources

PLEASE QUOTE  
FILE 351-2-31  
JIN/dd

NORTHERN ADMINISTRATION  
AND LANDS BRANCH

DEPARTMENT  
OF  
NORTHERN ADMINISTRATION  
AND NATIONAL RESOURCES

OFFICE OF THE DIRECTOR

*Mr. [unclear]*

NORTHERN ADMINISTRATION  
AND LANDS BRANCH  
JUL 25 1956  
Office of the Director  
of Northern Affairs & National Resources

Ottawa, 23 July, 1956.

MEMORANDUM FOR THE DEPUTY MINISTER

*2*

CONSTRUCTION OF ROAD TO  
RAYROCK MINE

JUL 27 1956  
FILE 351-2-31  
Refer to

Adverting to my memorandum of July 17th and your minute of July 18th concerning the rental of a motor grader, the property of Rayrock Mines, to the contractor, I wish to advise that the hourly rate for the grader will be \$9.50. This rate is inclusive of operator, fuel, maintenance and overhead.

2. I might add that the rate seems reasonable and the Minister's approval is recommended.

*[Handwritten mark]*

*F.J.G. Cunningham*

F.J.G. Cunningham,  
Director.

APPROVED

*Eau Lesage*  
MINISTER  
JUL 24 1956



EXCLUSIVE CONNECTION WITH WESTERN UNION CABLE SERVICE  
 CORRESPONDANCE EXCLUSIVE AVEC WESTERN UNION CABLE SERVICE

Form 6102.B (6-55)

# CANADIAN NATIONAL



J. R. WHITE  
 GENERAL MANAGER GÉRANT GÉNÉRAL  
 TORONTO

# TELEGRAPHS

DEPARTMENT OF SERVICE DES PARTS GENRE DE SERVICE	
FULL RATE PLEIN TARIF	
DAY LETTER LETTRE DE JOUR	
NIGHT MESSAGE DÉPÊCHE DE NUIT	
NIGHT LETTER LETTRE DE NUIT	<input checked="" type="checkbox"/>
PLACE X OPPOSITE SERVICE DESIRÉ INDIQUEZ PAR UN X LE GENRE DE SERVICE DÉSIRÉ	

CHECK

RECEIVERS NO.

TIME FILED

CHARGE TO  
DEPT. OR  
ADDRESS

North. Admin. & Lands Br.  
 Dept. North. Aff. & Nat. Res.

Send the following message, subject to the terms on back hereof, which are hereby agreed to  
 Veuillez expédier la dépêche suivante aux conditions mentionnées au verso auxquelles je consens par les présentes

*PA.*  
*m.m.*  
 J.C. Byrne, Esq.,  
 President & General Manager,  
 Rayrock Mines Limited,  
 Suite 509, 25 Adelaide St. West,  
 Toronto 1, Ont.



Ottawa, *North Admin. 2956* Lands Br. JIII/dd

JUL 26 1956	
File No. <u>351-2-31</u>	
Refer To.....	

Rental rate omitted for grader which you wish to rent to Perkins for construction  
 all weather road. Please wire rental rate as soon as possible so Minister's  
 approval may be sought.

FILE

*John I. Nicol*  
 John I. Nicol, Chief,  
 Works and Services.

## CANADIAN NATIONAL TELEGRAPH COMPANY

(OPERATING ITS OWN LINES AND THOSE OF THE GREAT NORTH WESTERN TELEGRAPH COMPANY, THE GRAND TRUNK PACIFIC TELEGRAPH COMPANY AND CANADIAN GOVERNMENT RAILWAYS). HERINAFTER CALLED THE COMPANY.

TERMS AND CONDITIONS UPON WHICH TELEGRAPH AND CABLE MESSAGES SHALL BE TRANSMITTED ARE PRESCRIBED BY ORDER NO. 49274, DATED DECEMBER 5TH, 1932, OF THE BOARD OF TRANSPORT COMMISSIONERS FOR CANADA AND PUBLISHED IN THE CANADA GAZETTE.

It is agreed between the sender of the message on the face of this form and this Company that said Company shall not be liable for damages arising from failure to transmit or deliver, or for any error in the transmission or delivery of any unrepeatable telegram, whether happening from negligence of its servants or otherwise, or for delays from interruptions in the working of its lines, for errors in cipher or obscure messages, or for errors from illegible writing, beyond the amount received for sending the same.

To guard against errors, the Company will repeat back any telegram for an extra payment of one-half the regular rate; and, in that case, the Company shall be liable for damages suffered by the sender to an extent not exceeding \$200.00, due to the negligence of the Company in the transmission or delivery of the telegram.

Correctness in the transmission and delivery of messages can be insured by contract in writing, stating agreed amount of risk, and payment of premium thereon at the following rates, in addition to the usual charge for repeated messages, viz.: one per cent for any distance not exceeding 1,000 miles, and two per cent for any greater distance.

This Company shall not be liable for the act or omission of any other Company, but will endeavour to forward the telegram by any other Telegraph Company necessary to reaching its destination, but only as the agent of the sender and without liability therefor. The Company shall not be responsible for messages until the same are presented and accepted at one of its transmitting offices; if a message is sent to such office by one of the Company's messengers, he acts for that purpose as the sender's agent; if by telephone, the person receiving the message acts therein as agent of the sender, being authorized to assent to these conditions for the sender. This Company shall not be liable in any case for damages, unless the same be claimed, in writing, within sixty days after receipt of the telegram for transmission.

No employee of the Company shall vary the foregoing.

---

## LA "CANADIAN NATIONAL TELEGRAPH COMPANY"

(EXPLOITANT SES PROPRES LIGNES DE MÊME QUE CELLES DE LA "GREAT NORTH WESTERN TELEGRAPH COMPANY", DE LA "GRAND TRUNK PACIFIC TELEGRAPH COMPANY" ET CELLES DES CHEMINS DE FER DU GOUVERNEMENT CANADIEN)—CI-APRÈS NOMMÉE LA COMPAGNIE.

LES CLAUSES ET CONDITIONS SUIVANT LESQUELLES LES DÉPÊCHES PAR TÉLÉGRAPHE ET PAR CABLE SERONT TRANSMISES, SONT PRÉSCRITES PAR L'ORDONNANCE No. 49274 DE LA COMMISSION DES TRANSPORTS DU CANADA EN DATE DU 5 DÉCEMBRE 1932 ET PUBLIÉE DANS LA GAZETTE OFFICIELLE DU CANADA AINSI QUE PAR L'ORDONNANCE No. 57471 EN DATE DU 22 MAI 1939.

Il est convenu entre la compagnie et l'expéditeur de la dépêche écrite au verso que la dite compagnie n'encourra aucune responsabilité au delà du montant perçu pour la transmission de la dite dépêche, à l'égard de tous dommages pouvant résulter du défaut de transmission ou de livraison, ou d'une erreur dans la transmission ou la livraison de toute dépêche non répétée, que ces dommages soient imputables à la négligence des employés de la dite compagnie ou autrement, ou à des retards causés par une interruption dans le fonctionnement de ses lignes, ou à toute erreur dans des dépêches chiffrées ou de sens obscur, ou à toute erreur due à une écriture illisible.

Pour éviter tout risque d'erreur, la compagnie répètera toute dépêche moyennant un versement supplémentaire de la moitié du tarif régulier, et dans ce cas, la responsabilité de la compagnie vis-à-vis l'expéditeur sera limitée à \$200. À l'égard de tous dommages dus à la négligence de la compagnie dans la transmission ou la livraison de la dépêche.

On peut s'assurer contre tout risque d'erreur dans la transmission et la livraison des dépêches, au moyen d'un contrat écrit stipulant le montant de l'assurance, et sur paiement (en sus du taux ordinaire pour les dépêches répétées) d'une prime calculée sur la base suivante: soit, 1% du montant assuré, pour toute distance n'excédant pas 1000 milles, et 2% pour toute distance plus grande.

La dite compagnie ne sera pas responsable du fait ou de l'omission d'une autre compagnie, mais s'efforcera de transmettre toute dépêche par toute compagnie de télégraphe dont il faudra se servir afin de faire parvenir la dépêche à destination, mais la compagnie n'agira en ce cas qu'en qualité d'agent de l'expéditeur et sans assumer de responsabilité. La compagnie n'assumera de responsabilité qu'à l'égard des dépêches présentées et acceptées à l'un de ses bureaux d'expédition; lorsqu'une dépêche est expédiée à un tel bureau par un messenger de la compagnie, ce messenger sera censé être l'agent de l'expéditeur; lorsqu'une dépêche est communiquée par téléphone, la personne qui la reçoit sera censée agir pour l'expéditeur et avoir l'autorité nécessaire pour consentir aux présentes en son nom. La compagnie ne répondra d'aucuns dommages, à moins qu'avis ne lui en soit donné par écrit dans les 60 jours qui suivront la remise de la dépêche pour transmission.

Aucun employé de la compagnie n'a le droit de changer les présentes conditions.



EXCLUSIVE CONNECTION WITH WESTERN UNION CABLE SERVICE  
CORRESPONDANCE EXCLUSIVE AVEC WESTERN UNION CABLE SERVICE

FORM 6122B

# CANADIAN NATIONAL

(29)...

J. R. WHITE  
GENERAL MANAGER GERANT GÉNÉRAL  
TORONTO

# TELEGRAPHS

STANDARD TIME — HEURE NORMALE

TNA 173 42/32=FD TORONTO ONT 23 1118A= *PA. m. 1956 JUL 23 AM 11 32*

JOHN NICOL= CHIEF WORKS AND SVCS GOVERNMENT OF CDA  
*sent to Albert Blatz*  
(FONE CENTRAL 28211=LOC 23126)= OTTAWA ONT:

45

=RETEL HOURLY RATE FOR ROAD GRADER NINE DOLLARS AND FIFTY CENTS CALCULATED AS FOLLOWS RENT TO RAYROCK FROM PERKINS \$3.50 OPERATOR \$1.75 FUEL \$1.25 MAINTENANCE \$2. COOKERY LOSS OVERHEAD AND TRANSPORTATION \$1.00=

J C BYRNE RAYROCK MINES LTD= *North Admin. & Lands Br.*

TEL. NO. .... JUL 23 1956 TIME  
TO .....  
CALLS LEFT BY  
ATTEMPTS *File No. 1131*  
FILE M IL DELIVER *Refer to 351-2-31* 001063

\$3.50 \$1.75 \$1.25 \$2 \$1.00=

351-2-31

JIN/dd

*Sent  
lwr*

*PA  
m.m.*

Ottawa, 23 July, 1956. 25 1956

North Admin. & Land & Br.
25 1956
File No. _____
Refer to _____

MEMORANDUM FOR THE DEPUTY MINISTER

CONSTRUCTION OF ROAD TO  
RAYROCK MINE

Adverting to my memorandum of July 17th and your minute of July 18th concerning the rental of a motor grader, the property of Rayrock Mines, to the contractor, I wish to advise that the hourly rate for the grader will be \$9.50. This rate is inclusive of operator, fuel, maintenance and overhead.

2. I might add that the rate seems reasonable and the Minister's approval is recommended.

*F.J.G. Cunningham*

F.J.G. Cunningham,  
Director.

*[Handwritten mark]*

PA  
cm. m.  
Galt  
Lorr

351-2-31

JIN/dd

North Admin. & Lands Br.
Ottawa, 24 July, 1956
File No. ....
Refer To. ....

Ottawa, 24 July, 1956

MEMORANDUM FOR THE DEPUTY MINISTER

We have received a letter from Mr. J.C. Byrne of Rayrock Mines Limited indicating that they wish to pay a bonus to the contractor on the construction of the road to Rayrock Mine - a performance bonus in an amount up to a maximum of \$5,000 if the road is passable to trucks this Fall.

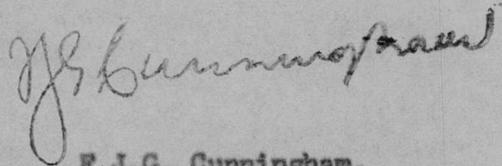
2. It is their thought that the bonus would be paid to the contractor and the construction superintendent and the contractor would split his bonus with his machine operators. In other words, they expect that with such an incentive the crew would do more work without adding to its numbers. It is their thought that the bonus would not increase the maximum amount payable by the federal government and it is possible that an overall saving in contribution might be made.

3. I understand that Treasury Board has on occasion approved incentive awards where there is some justification. The most recent example is the agreement for the construction of the airport at East 3. Essentially, any speed-up in the construction of this road would benefit the Rayrock Mine. If the bonus payment is made and the road is passable this year the cost would be less than it would be if the work were carried over and completed next season. In the latter case, we would probably have to include a small amount in our Estimates next year if the road were not completed. This matter has been discussed with the Chief Treasury Officer and he is of the opinion that if the mine would benefit from the completion of the road this year, then surely the government will benefit by the advancement of the development of the mine and the earlier payment of substantial taxes, etc.

4. I am not convinced entirely that we should approach Council for permission to amend the agreement to permit the participation in

-2-

this bonus as the benefits which will result to the federal government are somewhat nebulous. It is possible that an overall saving might be made in the cost of construction of this road if it is completed this year and certainly it would assist matters administratively if we did not have to include an item in next year's estimates for the completion of the road. However, before preparing a draft memorandum to the Governor in Council, I would like to have your opinion of this matter.



F.J.G. Cunningham,  
Director.



351-2-31

JIN/dd

*P4  
2*



Ottawa, 18 July, 1956.

North *Perkins & Co. Sr.*

JUL 18 FILED

File No. *351-2-31*

Refer To.....

J.C. Byrne, Esq.,  
President & General Manager,  
Rayrock Mines Limited,  
Suite 509, 25 Adelaide Street West,  
Toronto 1, Ontario.

Dear Mr. Byrne:

Performance Bonus - All-weather Road, Marian  
Lake to Sherman Lake

I wish to acknowledge your letter of July 13th out-  
lining your plan to pay a performance bonus to J.M. Perkins  
of Yellowknife, N.W.T.

This request is now under consideration by the  
department and we will advise you further when a decision  
is reached.

Yours sincerely,

F.J.G. Cunningham,  
Director.

892

North Bldg. & Cont. Bldg.

CENTRAL REGISTER SENT

18 FILED

File No. 351-2-31

Refer To

351-2-31

JIN/dd

Ottawa, 18 July, 1956.

J.C. Byrne, Esq.,  
 President & General Manager,  
 Rayrock Mines Limited,  
 Suite 509, 25 Adelaide Street West,  
 Toronto 1, Ontario.

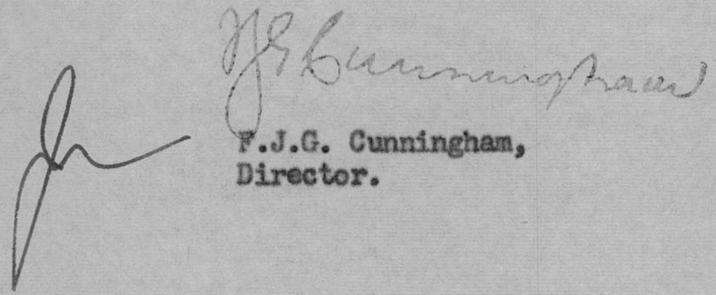
Dear Mr. Byrne:

Winter Road, Marian Lake to Sherman Lake.

I wish to acknowledge your letter of July 13th regarding the item of \$109.88 which was deleted by the auditors from the claim under the winter road agreement.

Unfortunately, the payment of this account could not be authorized in view of the terms of the agreement and our Treasury staff have instructed that recovery of this amount be made. They have taken the stand that such items should have been considered at the time the agreement was signed and provision made for their payment by altering the terms of the agreement to extend the life of the agreement. As a consequence, it would be appreciated if you would refund the amount of \$54.95 by cheque at your earliest convenience.

Yours sincerely,



F.J.G. Cunningham,  
 Director.

99  
L

Front. Mining & Lands Br.

JUL 18 1956

File No. ....

Refer To .....

Scout  
RH

351-2-31  
JIN/dd

Ottawa, 17 July, 1956.

MEMORANDUM FOR THE DEPUTY MINISTER

CONSTRUCTION OF ROAD TO RAYROCK MINE

We have received word from Rayrock Mines Limited that they have purchased a road grader for use in maintaining the above noted road when construction is completed.

2. Apparently the road contractor does not own a motor grader nor can he readily obtain one by rental. As a consequence, the mine proposes to rent the grader to the contractor engaged on the construction of the road. Under the terms of the agreement with Rayrock Mines Limited, Section 1(e) provides "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". A motor grader is very definitely required in the construction of a road of this type and we were somewhat surprised to learn that the contractor did not possess this equipment. As the mine will be using the motor grader to maintain the road after construction is completed, it would seem to be a practical solution to the problem. Furthermore, there would be a saving from the fact that the motor grader would not have to be shipped back after construction was completed.

3. For these reasons, we recommend that the Minister's approval be obtained for Rayrock Mines Limited to rent a motor grader to J.M. Perkins of Yellowknife, N.W.T.

*F.J.G. Cunningham*



F.J.G. Cunningham,  
Director.

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

Date: .....19-7-1956.....

TO: Mr. *Nicol*

For Action:

For Direct Reply:

For Preparation of Reply:

For Reply for Director's Signature:

For Comment: to D.M's queries.

XXXX

For Approval:

To Note and File:

For Discussion with Undersigned:

For Signature:

For Information:

Re: Telephone Conversation:

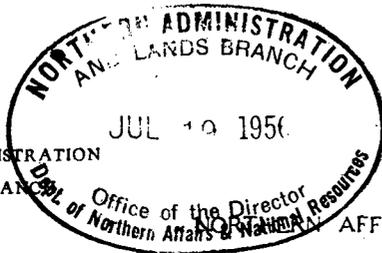
As Requested:

*J.B. Cunningham*

*J.B.*

*R.P.*

pa  
m.m

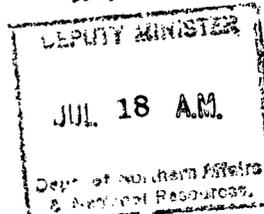


CANADA

NORTHERN ADMINISTRATION  
AND LANDS BRANCH

DEPARTMENT  
OF

AFAIRS AND NATIONAL RESOURCES



PLEASE QUOTE

FILE: 351-2-31

JIN/dd

OFFICE OF THE DIRECTOR

Ottawa, 17 July, 1956

MEMORANDUM FOR THE DEPUTY MINISTER

CONSTRUCTION OF ROAD TO RAYROCK MINE

We have received word from Rayrock Mines Limited that they have purchased a road grader for use in maintaining the above noted road when construction is completed.

2. Apparently the road contractor does not own a motor grader nor can he readily obtain one by rental. As a consequence, the mine proposes to rent the grader to the contractor-engaged on the construction of the road. Under the terms of the agreement with Rayrock Mines Limited, Section 1(e) provides "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". A motor grader is very definitely required in the construction of a road of this type and we were somewhat surprised to learn that the contractor did not possess this equipment. As the mine will be using the motor grader to maintain the road after construction is completed, it would seem to be a practical solution to the problem. Furthermore, there would be a saving from the fact that the motor grader would not have to be shipped back after construction was completed.

3. For these reasons, we recommend that the Minister's approval be obtained for Rayrock Mines Limited to rent a motor grader to J.M. Perkins of Yellowknife, N.W.T.

Mr Cunningham

*At what rate would they rent it?  
We cannot simply agree without some stipulation as to rate. It seems to me there has either to be a firm rate proposed for approval or a maximum rate set.*

F. J. G. Cunningham,  
Director.

*18/vii/56*

Copy to Mr. L.A.C.O. Hunt  
Fort Smith, N.W.T.

Please Quote  
File: 40956



CANADA  
DEPARTMENT  
OF

5424

*Mr Doyle*

DEVELOPMENT SERVICES  
BRANCH

LANDS DIVISION

~~RESOURCES AND DEVELOPMENT~~  
Northern Affairs and National Resources

Yellowknife, N.W.T.  
July 13th, 1956.

North  
JUL 18 1956  
File No. 351-2-31  
Refer To KI

MEMORANDUM FOR THE DIRECTOR

Re: Rayrock Mines Road

In reply to a wireless from Mr. J.F. Doyle in connection with the above mentioned road, please find enclosed accounts submitted by Mr. N.W. Byrne in the amount of \$12,419.65.

Also enclosed, is a letter from Mr. W.T. Harriott, Assistant Resident Engineer, approving the payment of one half of this account, in the amount of \$6,209.83.

These accounts are forwarded to your office for the necessary action.

*Funds Available  
19/7/56 JEL*

*F.C. Humphreys*  
F.C. Humphreys,  
A/Sub-District Administrator.

FCH/ct  
Encls.

NORTHERN ADMINISTRATION & LANDS BRANCH  
**TEMPORARY FILE**

FILE NO.

VOL. NO.

*351-2-31*

*T-911*

SUBJECT

*Road from Mowee Lake to Ahemee Lake*

MAIN FILE IS CHARGED TO

*K1 13-7*

REFERENCE

DISPOSAL

REFERRED TO	REMARKS	DATE	INITIALS	DATE OF P.A. OR T.	DATE OF B.F.	INITIALS	REGISTRY INSPECTION
<i>K1</i>	<i>13-7-56 # 8309</i>	<i>17-7</i>	<i>mlb</i>	<i>Toronto file</i>	<i>18-7</i>	<i>mlb</i>	<i>mlb</i>
<i>K1</i>	<i>13-7 # 8310</i>	<i>17-7</i>	<i>mlb</i>				<i>mlb</i>

*J. G. Byrne 13-7*  
*J. G. Byrne 13-7*

MINE OFFICE  
YELLOWKNIFE  
N. W. T.

HEAD OFFICE  
SUITE 509  
25 ADELAIDE STREET WEST  
TORONTO 1, CANADA

# RAYROCK MINES LIMITED

TELEPHONE EMPIRE 4-5588

Toronto, Ontario  
July 13, 1956  
Northern Admin. & Lands Br.  
Ottawa, Ont.  
JUL 16 1956  
351-2-31  
File No.  
Refer To RI

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

Dear Mr. Cunningham:

8310

Re: Winter Road - Marian Lake to Sherman Lake  
Your File 351-2-31

We have for acknowledgement your letter of July 10th re the above subject. We note that the Auditors of the Comptroller of the Treasury pointed out that a payment of \$109.88 to Wardair Limited for work carried out in January 1955 cannot be allowed under the terms of the Winter Road Agreement.

We feel that the Auditors are being much too sticky and that we have a legitimate objection to their ruling. In the first place the Memorandum of Agreement was drawn up and signed one year after completion of the winter road construction. There are several items in the Memorandum of Agreement that could not apply, for instance "that before entering into any contract for the construction of the road, Rayrock will submit progress statements of accounts monthly to the Minister, etc.". The Wardair charge of \$109.88 was in connection with reconnaissance of the road route.

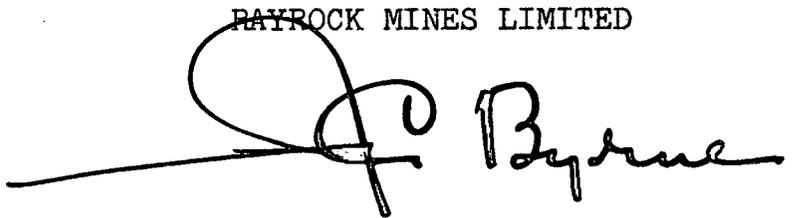
Although not directly relating to the subject, we might also mention that the Department approved expenditures up to fifty per cent of our estimated cost of constructing the road - \$12,000.00. The road was built for less than one half of the estimate.

- 2 -

If we must refund the amount of \$54.94 we will do so direct from Head Office by cheque to keep our records straight, since the Winter Road Construction Agreement is entirely separate from the All Weather Road Construction Agreement.

Yours very truly,

RAYROCK MINES LIMITED

A handwritten signature in black ink, appearing to read "J. C. Byrne". The signature is written in a cursive style with a large, looping initial "J" and "C".

J. C. Byrne  
President and General Manager

JCB:o's

MINE OFFICE  
YELLOWKNIFE  
N. W. T.

HEAD OFFICE  
SUITE 509  
25 ADELAIDE STREET WEST  
TORONTO 1, CANADA

# RAYROCK MINES LIMITED

TELEPHONE EMPIRE 4-5588

Northern Affairs  
Ottawa  
JUL 16 1956  
Toronto, Ontario  
July 13, 1956 File No. 357-2-31  
(Dictated July 12) K1

F. J. G. Cunningham, Esq.  
Director  
Northern Administration and Lands Branch  
Dept. of Northern Affairs and National Resources 8309  
OTTAWA, Ontario

Dear Mr. Cunningham:

Further to our telephone conversation of yesterday reference payment of a bonus to speed up road construction, we are prepared to pay a bonus to the contractor and the construction superintendent up to a maximum amount of \$5,000 if the road is passable to trucks this fall.

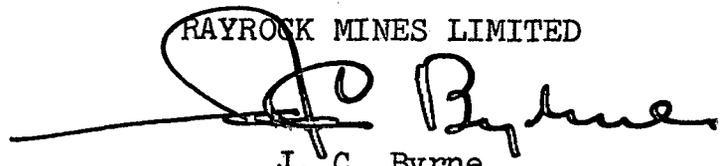
We appreciate that speeding up the road work would essentially benefit Rayrock, that bonus payments are not mentioned in the All Weather Road Agreement or the agreement between Rayrock and Perkins, and furthermore, a request to have the Department pay a portion of the bonus would establish a precedent. We are therefore prepared to stand the full cost of any bonus payment.

We anticipate that speed up of road work could result in a direct saving through Item 3(a), Page 2 of the agreement between Rayrock Mines and J. M. Perkins dated 17th May 1956. We also expect to effect a direct saving through the contractor splitting his bonus with machine operators, in other words, doing more work with the same crew of men.

Please advise if the Treasury Board would consider payment of one half the cost of any portion of the bonus that we could definitely show as a saving effected in road construction cost.

Yours very truly,

RAYROCK MINES LIMITED



J. C. Byrne  
President and General Manager

JCB:o's

MINE OFFICE  
YELLOWKNIFE  
N. W. T.

HEAD OFFICE  
SUITE 509  
25 ADELAIDE STREET WEST  
TORONTO 1, CANADA

# RAYROCK MINES LIMITED

TELEPHONE EMPIRE 4-5588

8188

Toronto, Ontario  
July 12, 1956

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

Dear Mr. Cunningham:

Re: All Weather Road Agreement  
dated 15th day of May 1956

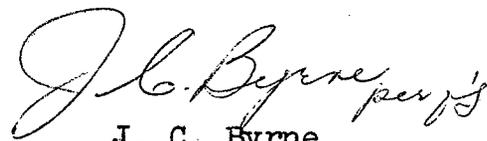
North Admin. & Lands Br.  
Ottawa, Ont.  
JUL 18 1956  
File No. 357-2-31  
Refer To KI

Rayrock has completed the purchase of a road grader to be used in maintaining the road when construction is complete. Our road construction superintendent has recommended the immediate provision of a grader as essential for construction work now in progress. The road contractor does not own, nor can he readily obtain a grader. We therefore propose to rent the grader owned by the Company to the contractor engaged on construction of the road.

Terms of the Memorandum of Agreement, page 2, item (e), state that we must have the prior approval of the Minister. We are therefore requesting approval of the Minister at earliest possible date.

Yours very truly,

RAYROCK MINES LIMITED



J. C. Byrne  
President and General Manager

JCB:o's



EXCLUSIVE CONNECTION WITH WESTERN UNION CABLE SERVICE  
CORRESPONDANCE EXCLUSIVE AVEC WESTERN UNION CABLE SERVICE

# CANADIAN NATIONAL



# TELEGRAPHS

J. R. WHITE  
GENERAL MANAGER GÉRANT GÉNÉRAL  
TORONTO

FULL RATE PLEIN TARIF	
DAY LETTER LETTRE DE JOUR	X
NIGHT MESSAGE - DÉPÊCHE DE NUIT	
NIGHT LETTER LETTRE DE NUIT	
PLACE X OPPOSITE SERVICE DESIRED INDIQUEZ PAR UN X LE GENRE DE SERVICE DESIRÉ	

CHECK JFD:sac RECEIVERS NO. File 351-2-31 TIME FILED CHARGE TO DEPT. OR 49 RECES

Northern Administration & Lands Br.  
JUL 12 1956  
File No 351-2-31  
Refer to

Northern Administration and Lands  
Branch, Department of Northern  
Affairs and National Resources.

Send the following message, subject to the terms on back hereof, which are hereby agreed to  
Veuillez expédier la dépêche suivante aux conditions mentionnées au verso auxquelles je consens par les présentes

"PAID AND DEADWEIGHT BY ROCS EDMONTON"

SUBDISTRICT ADMINISTRATOR

YELLOWKNIFE NORTHWEST TERRITORIES

Confirmation sent.  
Copy - Mr. Neveu.  
" - Tel. Acct. File.

12TH JULY 1956  
Sent by Sub Registry No. 1

TO EXPEDITE PROCESSING OF RAYROCK ACCOUNTS ENGINEER HARRIOTT IS AUTHORIZED  
AS AN ALTERNATE TO HEMULON TO APPROVE PROGRESS CLAIMS. PLEASE FORWARD FIRST  
MAIL ALL ACCOUNTS

## J. F. DOYLE

J F DOYLE  
FOR DIRECTOR

## CANADIAN NATIONAL TELEGRAPH COMPANY

(OPERATING ITS OWN LINES AND THOSE OF THE GREAT NORTH WESTERN TELEGRAPH COMPANY, THE GRAND TRUNK PACIFIC TELEGRAPH COMPANY AND CANADIAN GOVERNMENT RAILWAYS). HERINAFTER CALLED THE COMPANY.

TERMS AND CONDITIONS UPON WHICH TELEGRAPH AND CABLE MESSAGES SHALL BE TRANSMITTED ARE PRESCRIBED BY ORDER NO. 49274, DATED DECEMBER 5TH, 1932, OF THE BOARD OF TRANSPORT COMMISSIONERS FOR CANADA AND PUBLISHED IN THE CANADA GAZETTE.

It is agreed between the sender of the message on the face of this form and this Company that said Company shall not be liable for damages arising from failure to transmit or deliver, or for any error in the transmission or delivery of any unrepeatable telegram, whether happening from negligence of its servants or otherwise, or for delays from interruptions in the working of its lines, for errors in cipher or obscure messages, or for errors from illegible writing, beyond the amount received for sending the same.

To guard against errors, the Company will repeat back any telegram for an extra payment of one-half the regular rate; and, in that case, the Company shall be liable for damages suffered by the sender to an extent not exceeding \$200.00, due to the negligence of the Company in the transmission or delivery of the telegram.

Correctness in the transmission and delivery of messages can be insured by contract in writing, stating agreed amount of risk, and payment of premium thereon at the following rates, in addition to the usual charge for repeated messages, viz.: one per cent for any distance not exceeding 1,000 miles, and two per cent for any greater distance.

This Company shall not be liable for the act or omission of any other Company, but will endeavour to forward the telegram by any other Telegraph Company necessary to reaching its destination, but only as the agent of the sender and without liability therefor. The Company shall not be responsible for messages until the same are presented and accepted at one of its transmitting offices; if a message is sent to such office by one of the Company's messengers, he acts, for that purpose as the sender's agent; if by telephone, the person receiving the message acts therein as agent of the sender, being authorized to assent to these conditions for the sender. This Company shall not be liable in any case for damages, unless the same be claimed, in writing, within sixty days after receipt of the telegram for transmission.

No employee of the Company shall vary the foregoing.

---

## LA "CANADIAN NATIONAL TELEGRAPH COMPANY"

(EXPLOITANT SES PROPRES LIGNES DE MÊME QUE CELLES DE LA "GREAT NORTH WESTERN TELEGRAPH COMPANY", DE LA "GRAND TRUNK PACIFIC TELEGRAPH COMPANY" ET CELLES DES CHEMINS DE FER DU GOUVERNEMENT CANADIEN)—CI-APRÈS NOMMÉE LA COMPAGNIE.

LES CLAUSES ET CONDITIONS SUIVANT LESQUELLES LES DEPECHEES PAR TELEGRAPHE ET PAR CABLE SERONT TRANSMISES, SONT PRESCRITES PAR L'ORDONNANCE No. 49274 DE LA COMMISSION DES TRANSPORTS DU CANADA EN DATE DU 5 DECEMBRE 1932 ET PUBLIEE DANS LA GAZETTE OFFICIELLE DU CANADA AINSI QUE PAR L'ORDONNANCE No. 57471 EN DATE DU 22 MAI 1939.

Il est convenu entre la compagnie et l'expéditeur de la dépêche écrite au verso que la dite compagnie n'encourra aucune responsabilité au delà du montant perçu pour la transmission de la dite dépêche, à l'égard de tous dommages pouvant résulter du défaut de transmission ou de livraison, ou d'une erreur dans la transmission ou la livraison de toute dépêche non répétée, que ces dommages soient imputables à la négligence des employés de la dite compagnie ou autrement, ou à des retards causés par une interruption dans le fonctionnement de ses lignes, ou à toute erreur dans des dépêches chiffrées ou de sens obscur, ou à toute erreur due à une écriture illisible.

Pour éviter tout risque d'erreur, la compagnie répètera toute dépêche moyennant un versement supplémentaire de la moitié du tarif régulier, et dans ce cas, la responsabilité de la compagnie vis-à-vis l'expéditeur sera limitée à \$200, à l'égard de tous dommages dus à la négligence de la compagnie dans la transmission ou la livraison de la dépêche.

On peut s'assurer contre tout risque d'erreur dans la transmission et la livraison des dépêches, au moyen d'un contrat écrit stipulant le montant de l'assurance, et sur paiement (en sus du taux ordinaire pour les dépêches répétées) d'une prime calculée sur la base suivante: soit, 1% du montant assuré, pour toute distance n'excédant pas 1000 milles, et 2% pour toute distance plus grande.

La dite compagnie ne sera pas responsable du fait ou de l'omission d'une autre compagnie, mais s'efforcera de transmettre toute dépêche par toute compagnie de télégraphe dont il faudra se servir afin de faire parvenir la dépêche à destination, mais la compagnie n'agira en ce cas qu'en qualité d'agent de l'expéditeur et sans assumer de responsabilité. La compagnie n'assumera de responsabilité qu'à l'égard des dépêches présentées et acceptées à l'un de ses bureaux d'expédition; lorsqu'une dépêche est expédiée à un tel bureau par un messageur de la compagnie, ce messageur sera censé être l'agent de l'expéditeur; lorsqu'une dépêche est communiquée par téléphone, la personne qui la reçoit sera censée agir pour l'expéditeur et avoir l'autorité nécessaire pour consentir aux présentes en son nom. La compagnie ne réendra d'aucuns dommages, à moins qu'avis ne lui en soit donné par écrit dans les 60 jours qui suivront la remise de la dépêche pour transmission.

Aucun employé de la compagnie n'a le droit de changer les présentes conditions.

JUL/vh

North Admin. & Lands Br.

JUL 11 1956

File No. 351-2-31

Refer To.....

351-2-31

*Handwritten initials*

SENT  
by  
Sub Registry  
No. 1

Ottawa, July 10, 1956.

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

Dear Mr. Byrne:

Please refer to my letter of May 2, 1956, enclosing a cheque for \$2,780.56 representing the Federal contribution of 50% towards the construction of the winter road from Marian Lake to Sherman Lake in the Northwest Territories. The Statement of Expenditures, along with supporting vouchers submitted in connection with this claim, has now been audited by the officers of the Comptroller of the Treasury. They pointed out that a payment of \$109.88 to Wardair Limited for work carried out in January 1955 cannot be allowed under the terms of the agreement which limits our contribution to expenditures incurred by the Company on and after the 1st day of February 1955.

This means that an over-payment has been made of \$54.94 which will be recovered from the first Progress Claim submitted under the new agreement which we have entered into with Rayrock Mines Limited, unless you wish to make other arrangements.

*Handwritten initials*

Yours sincerely,

*Handwritten signature*

*Handwritten signature*

F.J.G. Cunningham,  
Director.

*Handwritten initials*

DEPARTMENT OF  
FINANCE



OFFICE OF THE  
COMPTROLLER OF THE TREASURY

# TREASURY OFFICE

DEPARTMENT OF NORTHERN AFFAIRS  
AND NATIONAL RESOURCES

Ottawa, July 6, 1956.



*B F 6/8/56 gel*  
*cm*

Col. F.J.G. Cunningham,  
Director,  
Northern Administration & Lands Branch,  
Kent Building,  
Kent and Albert Streets,  
Ottawa, Ontario.

North Admin. & Lands Br.
Ottawa, Ont.
JUL 9 1956
File No. 351-2-31
Refer To KI

Subject: Rayrock Mines Limited  
Construction Winter Road

7973

On April 30, 1956 Cheque No. 11908 was issued to the Rayrock Mines Limited in the amount of \$2,780.56 charged to 1955-56 appropriations, being 50% of the final submission made by that Company for the construction of a winter road from Marian Lake to Sherman Lake, N.W.T. The total cost shown on the invoice was \$5,561.13.

I now attach Treasury auditor's report, in duplicate, covering the review of the records of the Rayrock Mines Limited for this work and I call your attention to an item of \$109.88 being a payment made to Wardair Limited, which the auditor points out does not come within the Agreement. Paragraph 2 of the Agreement entered into on the 8th day of March, 1956 by the Minister of this Department and the Rayrock Mines Limited reads as follows:

"Subject to funds being appropriated by Parliament, Her Majesty agrees in respect of that portion of the cost of 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, etc."

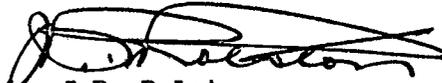
The work for which Wardair Limited was paid was carried out in January, 1955 and therefore falls outside the above quoted Section of the Agreement.

- 2 -

With the exclusion of \$109.88 the total allowable costs in accordance with the Agreement is \$5,451.25 and the Department's share of this amounts to \$2,725.62. Since the Company has already been paid \$2,780.56 an overpayment has been made of \$54.94.

A new Agreement has been entered into with this Company under date of May 15, 1956 relative to the construction of an all-weather road over the same route and the Department is committed to contribute 50% of the construction costs or \$140,000.00, whichever is the lesser. Arrangements should be made to recover the amount of \$54.94 from the first Progress Claim submitted under the new Agreement.

I attach for your information a duplicate of the voucher which has been questioned by the auditor.



J.R. Rolston,  
Chief Treasury Officer.

JRR:GB  
Atts.

File 202-R50-1  
Toronto, Ontario.  
June 28, 1956.

Treasury Cost Auditor's Report

on claim of

Ray-rock Mines Limited

Construction of a Winter  
 Truck-Tractor Road from  
 Marian Lake to Marian  
 River N.W.T.

T.B. 495535 & TB489238  
 Dept. of Northern Affairs  
 and National Resources  
 Contract dated March 8, 1956

As instructed we have made an examination of the books and records of Ray-rock Mines Limited in so far as they pertain to this contract. The following is the result of our examination:

	<u>Amount Claimed</u>	<u>Amount Verified</u>
P.M. Freight & Construction	\$4,000.00	\$4,000.00
Frenchy's Transport	910.00	910.00
Wardair Limited	109.88	-
Ray-rock Mines Ltd.	191.25	191.25
" " " "	<u>350.00</u>	<u>350.00</u>
	<u>\$5,561.13</u>	<u>\$5,451.25</u>

Authroization

Northern Affairs & National Resouces contract dated 8 March 1956 which agrees to "contribute an amount equal to fifty per cent (50%) of the Construction Cost or the amount of Six Thousand Dollars (\$6,000.00) whichever amount is lesser.

P.M. Freight and Construction \$4,000.00

No formal agreement or purchase order was presented in support of this charge. The Contractor states that the price was a verbal agreement between his Engineer and P. M. Freight and Construction. Satisfactory evidence of the payment of this amount was presented. The Contractor states that this work was performed between February 15 and March 31, 1955.

Frenchy's Transport \$910.00

The Contractor states that this work was preformed between February 15 and March 31, 1956 and satisfactory evidence of payment was presented.

Wardair Limited \$109.88

Although evidence of payment of this invoice was presented, this amount has been excluded from our verification as the work was carried out in January 1955 and para 2 of the contract restricts contributions to Cost incurred by the Contractor on and after the 1st. day of February 1955.

Ray-rock Mines Ltd. \$191.25

This charge originates from the pay-roll distribution.

The rate charged consists of \$10.00 per day wages plus \$2.75 per day board.

Ray-rock Mines Ltd. \$350.00

This charge is the portion of the Monthly account of Mr. Norman W. Byrne, Consulting Engineers, considered applicable to this contract and represents on the site Engineer<sup>and</sup> and Clerical Cost.

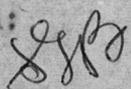
General

In respect of para 1 (i) of the contract, the Contractor states that he thinks that (a) Wardair Ltd. was incorporated in the Fall of 1952. (b) Frenchy's Transport Ltd. (E. J. Lamoureux) are owned by Canadians (c) Mr. Walter Nilsson has been employed by this organization for about 30 years and that Mr. E. Hallsten has prospected and worked in that area for about the same number of years.

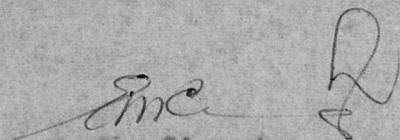
Certificate of Engineer

A Certificate from an Engineer of the Department of Northern Affairs and National Resources should be obtained stating that the road was built according to Specifications Satisfactory to the Minister.

In accordance with and subject to the above, the sum of \$5,451.25 is certified as the amount on which the contribution of 50% should apply.

Approved: 

F. G. Black,  
Assistant District Supervisor.

  
E. M. Clough,  
Treasury Cost Auditor.

EMC/me





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*Handwritten scribble*

*Handwritten scribble*

File 202-R50-1  
Toronto, Ontario.  
June 28, 1956.

Treasury Cost Auditor's Report

on claim of

Ray-rock Mines Limited

Construction of a Winter  
 Truck-Tractor Road from  
 Marian Lake to Marian  
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T.B. 495535 & TB489238  
 Dept. of Northern Affairs  
 and National Resources  
 Contract dated March 8, 1956

As instructed we have made an examination of the books and records of Ray-rock Mines Limited in so far as they pertain to this contract. The following is the result of our examination:

	<u>Amount Claimed</u>	<u>Amount Verified</u>
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Wardair Limited \$109.88

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June 28, 1958

-2-

File 202-R50-1

Ray-rock Mines Ltd. \$191.25

This charge originates from the pay-roll distribution.

The rate charged consists of \$10.00 per day wages plus \$2.75 per day board.

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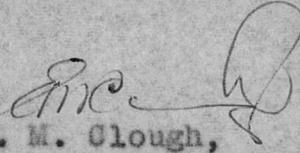
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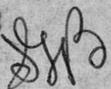
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E. M. Clough,  
Treasury Cost Auditor.

Approved:



F. G. Black,  
Assistant District Supervisor.

EMC/me





*[Faint handwritten mark]*

*[Faint handwritten mark]*

File 202-R50-1  
Toronto, Ontario.  
June 28, 1956.

Treasury Cost Auditor's Report

on claim of

Ray-rock Mines Limited

Construction of a Winter  
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Certificate of Engineer

A Certificate from an Engineer of the Department of Northern Affairs and National Resources should be obtained stating that the road was built according to Specifications Satisfactory to the Minister.

In accordance with and subject to the above, the sum of \$5,451.25 is certified as the amount on which the contribution of 30% should apply.

*EMC*  
E. M. Clough,  
Treasury Cost Auditor.

Approved: *FGB*  
F. G. Black,  
Assistant District Supervisor.

EMC/me





File 202-R50-1  
Toronto, Ontario.  
June 28, 1956.

Treasury Cost Auditor's Report

on claim of

Ray-rock Mines Limited

Construction of a Winter  
Truck-Tractor Road from  
Marian Lake to Marian  
River N.W.T.

T.B. 495535 & TB489238  
Dept. of Northern Affairs  
and National Resources  
Contract dated March 8, 1956

As instructed we have made an examination of the books and records of Ray-rock Mines Limited in so far as they pertain to this contract. The following is the result of our examination:

	<u>Amount Claimed</u>	<u>Amount Verified</u>
P.M. Freight & Construction	\$4,000.00	\$4,000.00
Frenchy's Transport	910.00	910.00
Wardair Limited	109.88	-
Ray-rock Mines Ltd.	191.25	191.25
" " " "	<u>350.00</u>	<u>350.00</u>
	<u>\$5,561.13</u>	<u>\$5,451.25</u>

Authroization

Northern Affairs & National Resouces contract dated 8 March 1956 which agrees to "contribute an amount equal to fifty per cent (50%) of the Construction Cost or the amount of Six Thousand Dollars (\$6,000.00) whichever amount is lesser.

P.M. Freight and Construction \$4,000.00

No formal agreement or purchase order was presented in support of this charge. The Contractor states that the price was a verbal agreement between his Engineer and P. M. Freight and Construction. Satisfactory evidence of the payment of this amount was presented. The Contractor states that this work was performed between February 15 and March 31, 1955.

Frenchy's Transport \$910.00

The Contractor states that this work was preformed between February 15 and March 31, 1956 and satisfactory evidence of payment was presented.

Wardair Limited \$109.88

Although evidence of payment of this invoice was presented, this amount has been excluded from our verification as the work was carried out in January 1955 and para 2 of the contract restricts contributions to Cost incurred by the Contractor on and after the 1st. day of February 1955.

June 28, 1956

File 202-R50-1

Ray-rock Mines Ltd. \$191.25

This charge originates from the pay-roll distribution.

The rate charged consists of \$10.00 per day wages plus \$2.75 per day board.

Ray-rock Mines Ltd. \$350.00

This charge is the portion of the Monthly account of Mr. Norman W. Byrne, Consulting Engineer, considered applicable to this contract and represents on the site Engineer and Clerical Cost.

General

In respect of para. (1) of the contract, the Contractor states that he thinks that (a) Wardair Ltd. was incorporated in the Fall of 1952. (b) Frenchy's Transport Ltd. (A. J. Lamoureux) are owned by Canadians (c) Mr. Walter Nilsson has been employed by this organization for about 30 years and that Mr. E. Hallsten has prospected and worked in that area for about the same number of years.

Certificate of Engineer

A Certificate from an Engineer of the Department of Northern Affairs and National Resources should be obtained stating that the road was built according to Specifications Satisfactory to the Minister.

In accordance with and subject to the above, the sum of \$5,451.25 is certified as the amount on which the contribution of 80% should apply.

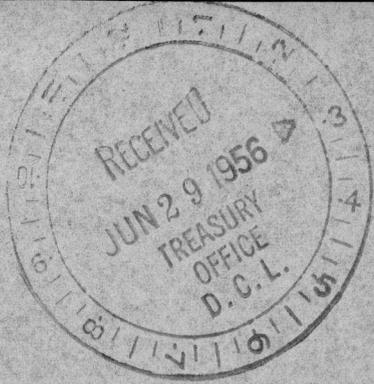
Approved: *[Signature]*

F. G. Black,  
Assistant District Supervisor.

*[Signature]*  
E. M. Clough,  
Treasury Cost Auditor.

EMC/me





*[Handwritten mark]*

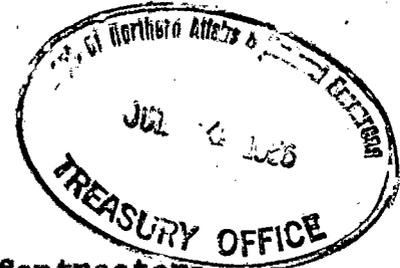
*[Handwritten mark]*

*[Handwritten mark]*

202-R50-1

295 Albert Street,  
OTTAWA, Ontario.  
July 3rd, 1956.

Mr. J. R. Rolston,  
Chief Treasury Officer,  
Department of Northern Affairs  
and National Resources,  
Norlite Bldg., 150 Wellington St.,  
O t t a w a .



Dear Sir:- re: RAYROCK MINES LIMITED - Contractor  
Yellowknife, N.W.T.

Reference is made to your letter of June 12th, 1956, wherein you requested that we undertake an audit in connection with the cost of construction of a winter road and in accordance with the terms set forth in Agreement passed between the Government of Canada and the above-stated firm.

We enclose one copy of supporting invoices submitted and five copies of our Auditor's report.

The Contractor submitted the cost of construction as \$5,561.13, whereas we deducted the amount of \$109.88 for the reason explained in the Auditor's report, which left allowable cost of \$5,451.25, and under the terms of the Agreement 50% of the latter amount, i.e. \$2,725.62, is the Government's contribution of the cost of construction of the road.

Before making settlement, it should be noted, according to the last paragraph of your letter, that an amount has already been paid at the end of the fiscal year 1955-1956.

Subject to the foregoing and to the remarks contained in the Auditor's report, we concur that the allowable cost in accordance with the Agreement is \$5,451.25.

Yours very truly,  
Original Signed by  
F. R. OHLKE

F. R. Ohlke,  
for Director.

DGB/fs  
Enclosure

cc: Mr. B.G. McIntyre ✓

001095

*H. B. M. D. M.*

File 202-R50-1  
Toronto, Ontario.  
June 28, 1956.

Treasury Cost Auditor's Report

on claim of

Ray-rock Mines Limited

Construction of a Winter  
 Truck-Tractor Road from  
 Marian Lake to Marian  
 River N.W.T.

T.B. 495535 & TB489238  
 Dept. of Northern Affairs  
 and National Resources  
 Contract dated March 8, 1956

As instructed we have made an examination of the books and records of Ray-rock Mines Limited in so far as they pertain to this contract. The following is the result of our examination:

	<u>Amount Claimed</u>	<u>Amount Verified</u>
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Wardair Limited	109.88	-
Ray-rock Mines Ltd.	191.25	191.25
" " " "	<u>350.00</u>	<u>350.00</u>
	<u>\$5,561.13</u>	<u>\$5,451.25</u>

Authorization

Northern Affairs & National Resources contract dated 8 March 1956 which agrees to "contribute an amount equal to fifty per cent (50%) of the Construction Cost or the amount of Six Thousand Dollars (\$6,000.00) whichever amount is lesser.

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Ray-rock Mines Ltd. \$350.00

This charge is the portion of the Monthly account of Mr. Norman W. Byrne, Consulting Engineer, considered applicable to this contract and represents on the site Engineer and Clerical Cost.

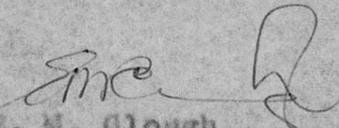
General

In respect of para 1 (1) of the contract, the Contractor states that he thinks that (a) Wardair Ltd. was incorporated in the Fall of 1952. (b) Frenchy's Transport Ltd. (A. J. Lamoureux) are owned by Canadians (c) Mr. Walter Nilsson has been employed by this organization for about 30 years and that Mr. E. Hallsten has prospected and worked in that area for about the same number of years.

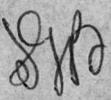
Certificate of Engineer

A Certificate from an Engineer of the Department of Northern Affairs and National Resources should be obtained stating that the road was built according to Specifications Satisfactory to the Minister.

In accordance with and subject to the above, the sum of \$5,451.25 is certified as the amount on which the contribution of 50% should apply.

  
E. M. Clough,  
Treasury Cost Auditor.

Approved:



F. G. Black,  
Assistant District Supervisor.

EMC/me



RECEIVED  
JUN 29 1956  
TREASURY  
OFFICE  
D. C. L.

Division of Audit and Inspection  
JUN 29 1956  
Comptroller of the Treasury

# WARDAIR LIMITED

YELLOWKNIFE, N.W.T.

INVOICE No. 1680

Name Rayrock Mines Ltd  
 Address Box 190, Yellowknife, N.W.T. Date Jan. 24/55  
 Pilot M. W. Ward Aircraft CF-4BY Gtter

Tractor Road Reconnaissance in  
Rayrock Mine Area

	107 miles	
107 miles at 84 ct per mile	\$	89.88
2 extra landings at \$ 10.00 per landing		20.00
	<u>Total</u>	<u>\$ 109.88</u>

Split Charter

CERTIFIED CORRECT

WARDAIR LTD.  
 575  
 APR 28 1955  
 YELLOWKNIFE, N. W. T.

Trip Authorized By \_\_\_\_\_

SENT  
by  
Sub Registry  
No. 1

North Amm. & Lands Br.
JUN 22 FILED
File No. 351-2-31
Refer To.....

351-2-31

PDP/TF

Ottawa, June 21, 1956

MEMORANDUM FOR MR. L.A.C.O. HUNT

RAYROCK MINES LIMITED ROAD AGREEMENT

This refers to arrangements made with you by Mr. Nicol on his recent visit, whereby it was agreed that the claims under the Rayrock road agreement should be handled by Mr. Hamulos who would certify the claims and forward them to you for onward transmission here for payment.

I believe Mr. Nicol left one copy of the Rayrock - Perkins sub-contract dated May 17, 1956 with you. I now enclose an additional copy of this sub-contract, also two copies of the principal agreement between the Crown and Rayrock dated May 15, 1956. I suggest you forward one copy of each to Mr. Hamulos and advise him of the arrangements made.

Mr. Burns has indicated that he is very anxious that claims be paid as quickly as possible and I have told him we shall try to handle them as promptly as we can.

D.J.G. Cunningham,  
Director.



CANADA

NORTHERN ADMINISTRATION  
AND LANDS BRANCH

DEPARTMENT  
OF  
NORTHERN AFFAIRS AND NATIONAL RESOURCES

PLEASE QUOTE

FILE... 351-2-31

PBP/FF

North Admin. & Lands Br.  
 351-2-31  
 JUN 22 FILED  
 File No. \_\_\_\_\_  
 Refer To \_\_\_\_\_  
 Ottawa, June 7, 1956.

OFFICE OF THE DIRECTOR

MEMORANDUM FOR MR. NICOL

RAYROCK MINES LIMITED ROAD AGREEMENT  
RAYROCK MINES LIMITED AND J.M. PERKINS CONTRACT

As requested attached herewith office copy of Rayrock Mines Limited Road Agreement dated 15th May 1956 and Sub-Contract between Rayrock and Perkins dated 17th May 1956, which has been approved by the Minister.

These documents are being passed to you at your request so that you may during your trip to Fort Smith clarify arrangements regarding administration of the agreement and handling of claims.

In the past Mr. Homulus at Yellowknife has looked after this type of agreement and pending any change in procedure Rayrock has been instructed to submit their claims to Mr. Homulus.

No correspondence has been entered into with Mr. Homulus by this office and he is probably unaware that Rayrock will be submitting accounts to him. It is therefore suggested that Mr. Homulus should be advised what the intention is regarding handling this agreement and that the enclosed documents should be passed to Mr. Homulus or whoever else is delegated the responsibility for administration on behalf of the Department.

P.B. Parker,  
Works and Services.

351-2-31

PBP/FF

Ottawa, June 7, 1956.

MEMORANDUM FOR MR. NICOL

RAYROCK MINES LIMITED ROAD AGREEMENT  
RAYROCK MINES LIMITED AND J.M. PERKINS CONTRACT

As requested attached herewith office copy of Rayrock Mines Limited Road Agreement dated 15th May 1956 and Sub-Contract between Rayrock and Perkins dated 17th May 1956, which has been approved by the Minister.

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No correspondence has been entered into with Mr. Homulus by this office and he is probably unaware that Rayrock will be submitting accounts to him. It is therefore suggested that Mr. Homulus should be advised what the intention is regarding handling this agreement and that the enclosed documents should be passed to Mr. Homulus or whoever else is delegated the responsibility for administration on behalf of the Department.



P.B. Parker,  
Works and Services.

DEPARTMENT OF NORTHERN AFFAIRS AND NATIONAL RESOURCES

NORTHERN ADMINISTRATION & LANDS BRANCH

BRANCH ENGINEERING

*R070*  
ALL-WEATHER AGREEMENT

WITH

RAYROCK MINES LIMITED

*10/1/70*

MEMORANDUM OF AGREEMENT entered into this 15<sup>th</sup> day of

May, 1956,

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 the Company and other mining companies are currently engaged in development of radio-active ores in the vicinity of Sherman Lake in the Marian River area of the Northwest Territories;

WHEREAS the Company has represented to Her Majesty that it is necessary to construct an all-weather road capable of sustaining one-way truck traffic from Sherman Lake to Marian Lake;

WHEREAS the Company has requested that Her Majesty share the cost of construction of the all-weather road which is to follow approximately the route of the existing winter road;

WHEREAS the Company has estimated the length of the all-weather road at thirty-five (35) miles and the cost of construction at Eight Thousand Dollars (\$8,000.00) per mile, making a total estimated cost of Two Hundred and Eighty Thousand Dollars (\$280,000.00);

WHEREAS the Company has agreed to be responsible for the supervision and construction of the all-weather road if Her Majesty will contribute an amount equal to Fifty per cent (50%) of the construction costs or One Hundred and Forty Thousand Dollars (\$140,000.00), whichever is the lesser;

WHEREAS the offer of the Company has been investigated and is found to warrant participation by Her Majesty as being in the public interest; and

WHEREAS His Excellency the Governor in Council has by Order in Council P.C. 1956-28/558 of the 12th April 1956 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;

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 an all-weather road capable of sustaining one-way truck traffic of approximately thirty-five miles in length from Sherman Lake to Marian Lake in the Mackenzie District in the Northwest Territories (hereinafter called "the Road") according to specifications satisfactory to the Minister;
- (b) that it will complete the Road on or before the 31st day of March, 1957, or by such later date as the Minister in his discretion may designate;
- (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 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 where a construction contract is entered into with a contractor it shall be provided in such contract that the contractor will maintain adequate records of work done and expenditures made pursuant to such contract, supported by proper documents and vouchers

10/5

and that such contractor 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;

- (h) 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;
- (i) 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;
- (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 obtainable;
- (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

(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 the cost of construction of the Road incurred by the Company on and after the 1st day of February, 1956, which in the opinion of the Minister meets the requirements of 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 One Hundred and Forty Thousand Dollars (\$140,000.00), 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 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 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;
- (e) that the Minister's decision with respect to items to be included as costs of construction is final and binding on both parties;
- (f) that all 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.

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, SEALED AND DELIVERED BY )  
 the Honourable Jean Lesage, )  
 Minister of Northern Affairs )  
 and National Resources in the )  
 presence of )

" J. P. Blanchette "

Jean Lesage   
 Jean Lesage,  
 Minister of Northern Affairs and National  
 Resources.

RAYROCK MINES LIMITED

J. C. Byrne   
 D. S. Hamilton

REFERRED TO	REMARKS	DATE	INITIALS	P.A. DATE OR T.	B.F. DATE	INITIALS	RE INSPECTION
A 3	Re Note Contract + P.C	14.6	D	15.6			10 

001109

FR

REFERENCE

351-231

Document disclosed under the Access to Information Act  
Document divulgué en vertu de la Loi sur l'accès à l'information

REFERRED TO	REMARKS	DATE	INITIALS	P.A. DATE OR T.	B.F. DATE	INITIALS	REGISTRY INSPECTION
Mr. Adams	request	2/2	DC	2-3-56		gjm	2/3/56
Markel	request	6/3	DC	T		gjm	13/3
K1	Submission	9 Mar	gjm	T		gjm	13/3
DD	Signature psc.	9/3	gjm	9-3-56		gjm	13/3
PBP	request	13/3	gjm	16 Mar		gjm	19/3
PBP	8-3-56 # 290 B.F.	20-3	gjm	T		gjm	11/4
PBP	9-3-56 # 73 B.F.	20-3	gjm	T		gjm	11/4
K1	with temp. file.	23 Mar	gjm	T		gjm	11/4
DD	memo 22/3 on T 81	22/3	gjm	T		gjm	11/4
Mr. Belandier		23-3	gjm	23/3		gjm	11/4
K1	with temp. file	6 Apr	gjm	T		gjm	11/4
DD	for reference of previous	6 Apr	gjm	10/4/		gjm	11/4
Mr. Miller	See note 11/4/56	11/4	gjm	12 Apr		gjm	12/4
B.R.	8-3 # 290 B.F.	19-4	gjm	30/4/56		gjm	12/4
PBP	request	29/4	gjm	T		gjm	25/4
D.O.	letters memos	23 Apr	gjm	24-4		gjm	25/4
P.B.P.	Re B.F. 24/4/56 # 281	25/4/56	gjm	2	9 May	gjm	25/4
P.B.P.	request.	1/5/56	gjm	T		gjm	3/5
K1	letter	2/5	gjm	T		gjm	3/5
Do	letter for req	2/5	gjm	2/5		gjm	3/5
Markel	request	3-5	gjm	T		gjm	11/5
K1	memos	9 May	gjm	T		gjm	11/5
Do	in memo to DM	9/5	gjm	10-5		gjm	11/5
B1	request	14-5-56	gjm	14-5		gjm	14/5
Parke	request	16/5	gjm	T		gjm	18-5
K1	letter	17 May	gjm	17/5		gjm	18-5
K-1-	18-5 # 5794	23-5	gjm	T		gjm	28/5
Do.	signature	25 May	gjm	28/5		gjm	28/5
PBP	request	1-6-56	gjm	T		gjm	8-6
K1	signature approval	7 Jun	gjm	T		gjm	8-6
Do	signature	7/6	gjm	8/6		gjm	8-6
Parke	request	11-6-	gjm	T		gjm	12/6
Do.	signature	11/6	gjm	11/6		gjm	12/6
K-1-	11-6 # 6872	12-6	gjm	T		gjm	18-6
Do	signature	13 Jun	gjm	T		gjm	18-6
K1	To Home	14/6/56	gjm	T		gjm	18-6

001110

# RELATED FILES

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

351-2-31

North American Lands Co.

JUN 18 FILED

File No. 351-2-31

Refer To.....

*PA  
AD*

14th June, 1956.

Mr. Hilsman:

Agreement with Rayrock Mines Ltd.  
for Construction of Road.

Please see the Director's memorandum of June 13, 1956, immediately hereunder and Mr. Adams' notation thereon. No accounts have yet been received but when these come to hand they should be dealt with as expeditiously as possible. You should have a copy of the agreement available for quick reference in the event that the file is not available when the accounts are received.

*Send a copy of the agreement.*

*J. F. Doyle*  
J. F. Doyle

351-2-31

FBP/FF

*Mr. Doyle*  
*Please note this and*  
*have our accounts settled*  
*expeditiously. alze.*

*pa*  
*alze*

Ottawa, June 13, 1956.

J. C. Byrne, Esq.,  
President  
Rayrock Mines Limited,  
Suite 509,  
25 Adelaide Street West,  
Toronto 1, Canada.

SENT  
by  
Sub Reg. No.

North Admin. & Lands Br.  
JUN 18 FILED  
File No. 351-2-31  
Refer To.....

Dear Mr. Byrne:

This is to acknowledge your letter of June 11th regarding the Rayrock Mines Limited road agreement.

I note that construction is now underway and that you are anxious that accounts be paid as soon as possible and that you suggest the Department might make payment from Yellowknife.

As stated in my letter of 7th June, procedure has now been set up for payment here in Ottawa and I do not think it would be practical in this instance to pay these accounts at Yellowknife.

However, I see no reason why accounts cannot be dealt with and paid, if in order, within two or three days of receipt here. If undue delay should occur, I suggest you have your field representative get in touch with Mr. Homilos or telegraph me direct.

As requested, we will forward cheques to Rayrock Mines Limited, care of Normand W. Byrne, Box 190, Yellowknife, N.W.T.

Yours sincerely,

*[Handwritten signature]*

*F.J.C.*  
F.J.C. Cunningham,  
Director.



CANADA

pa

PLEASE QUOTE  
FILE...351-2-31  
PBP/FF

NORTHERN ADMINISTRATION  
AND LANDS BRANCH

DEPARTMENT  
OF  
NORTHERN AFFAIRS AND NATIONAL RESOURCES

OFFICE OF THE DIRECTOR

Ottawa, June 13,

X

1966. Act. & Lands Br.

JUN 18 1966

File No. 351-2-31

Refer To .....

MEMORANDUM FOR FILE

Before his departure for Fort Smith, Mr. Nicol requested and received copies of the Rayrock Mines Limited agreement with the Crown and the Rayrock Agreement with Perkins. Mr. Nicol was to arrange for administration of these agreements by Mr. Homulos or other departmental representatives.

P.B. Parker,  
Works & Services.



MINE OFFICE  
YELLOWKNIFE  
N.W.T.

HEAD OFFICE  
SUITE 509  
25 ADELAIDE STREET WEST  
TORONTO 1, CANADA

# RAYROCK MINES LIMITED

TELEPHONE EMPIRE 4-5588

Toronto, Ontario  
June 12, 1956

6922

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

North Admin. & Lands Br.  
Ottawa, Ont.  
JUN 13 1956  
File No... 357-2-31  
Refer To KI

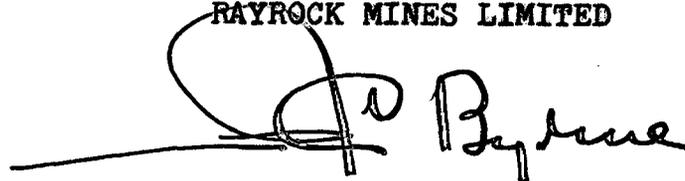
Dear Mr. Cunningham:

Transmitted herewith one copy of the agreement made the 17th May, 1956, between Rayrock Mines Limited and J. M. Perkins, covering construction of a one way truck road from Marian Lake to Sherman Lake.

This copy is for your records.

Yours very truly,

RAYROCK MINES LIMITED



J. C. Byrne  
President and General Manager

JCB:o's

Enc.1.

THIS AGREEMENT made the 17<sup>th</sup> day of May, 1956,

BETWEEN:

RAYROCK MINES LIMITED, a Corporation having its Head Office at the City of Toronto in the Province of Ontario, hereinafter called Rayrock,

OF THE ONE PART

and

J. M. PERKINS, of Yellowknife in the Northwest Territories, hereinafter called the Contractor,

OF THE OTHER PART

WITNESSETH that the parties hereto have agreed and do hereby agree as follows:

1. (a) The Contractor agrees to construct an all-weather road capable of sustaining one-way traffic from Sherman Lake to Marian Lake in the Northwest Territories, following a route designated by Rayrock and in accordance with plans and specifications to be supplied by Rayrock, but the route and the plans and specifications may be altered by Rayrock from time to time as it may deem desirable provided that the undertaking remains substantially as described in this paragraph.  
  
(b) The parties hereto agree that the work shall commence as soon as practicable and shall be completed as soon as reasonably possible having due regard to the economy of the operation. It is the intention of the parties that the road shall be completed during the 1956 season.  
  
(c) The Contractor agrees to carry on the work with diligence when it is commenced, and will endeavour to complete the work during the 1956 season, and he undertakes to proceed without interruption except as may be unavoidable due to breakdowns, weather conditions, or other causes over which he has no control.
2. Rayrock agrees that it will pay to the Contractor for the construction work described in Paragraph 1 the following amounts of money:
  - (a) For rental of equipment supplied by the Contractor, the following hourly rates for the time that the equipment is actually in use on road construction work:

<u>Item of Equipment</u>	<u>Hourly Rate</u>
Heavy duty truck equipped with hydraulic dump box	1.00 per cu. yd. capacity per hour
Tractor caterpillar D-6 or equivalent equipped with bulldozer blade and/or overhead loader	10.50
Tractor caterpillar D-7 or equivalent equipped with bulldozer blade and/or overhead loader	12.00
Two ton utility truck	4.00
Cat 70 carryall	4.50

and the above rentals shall include wages of the operator, maintenance of the equipment, transportation of the equipment, and fuel, but Rayrock shall reimburse the Contractor at prevailing water rates for the cost of hauling fuel from Yellowknife to the unloading point at Marian Lake. The cost of trucking fuel from the unloading point at Marian Lake to the place on the road where it is required by the Contractor shall be borne by the Contractor.

- (b) Labour costs of employees actually engaged on construction work but excluding:
    - (i) Labour cost of employees operating or maintaining equipment referred to in sub-paragraph (a) hereof;
    - (ii) Labour cost of time-keepers and any other camp-overhead personnel.
  - (c) Cost of rental of blasting equipment or any equipment other than that described in sub-paragraph (a) hereof, when the use of the equipment has been approved by Rayrock.
  - (d) Ten per cent of the total of sub-paragraphs (b) and (c) as profit.
  - (e) Cost of consumable supplies and materials such as explosives and bridging materials approved by Rayrock and used in the construction of the road.
3. (a) The Contractor shall supply board and sleeping accommodation for all employees, and Rayrock agrees to pay to the Contractor the sum of \$2.50 per man day worked, based on the approved payroll of the Contractor.

(b) The Contractor agrees to supply board and sleeping accommodation for representatives of Rayrock at a charge of \$5.00 per day.

4. It is understood and agreed between the parties hereto that the cost of purchasing food and transporting it to the cookhouse, including the cost of transporting the food from the unloading site at Marian Lake to the cookhouse and cost of all personnel engaged in the operation of the cookhouse, and sleeping accommodation, shall be borne by the Contractor.

5. Payments on account of the work shall be made monthly by Rayrock to the Contractor on the above basis, but there shall be a ten per cent hold-back which shall be paid by Rayrock to the Contractor within sixty days after completion of the work.

6. The Contractor agrees:

(a) That he will maintain adequate records of work done and expenditures made supported by proper documents and vouchers, and will make any and all of such records, documents, and vouchers available to Rayrock and to any representative of the Department of Northern Affairs and National Resources and will furnish any or all information in relation thereto, and will extend full facilities for inspections of the books and complete audit by an officer of the Department of Finance;

(b) That he will not employ on the construction of the road any person who is not a resident of Canada, or any person who is not a local resident, unless insufficient qualified local residents are available;

(c) That he will not discriminate against any person seeking employment on the construction of the road because of such person's race, religious views, or political affiliations;

(d) That he will ensure that the living conditions of all persons employed on the construction of the road are as good as may reasonably be provided in the circumstances;

(e) That he will comply with the Ordinances of the Northwest Territories respecting medical and hospital services for his employees, Workmen's Compensation coverage for his employees, and any other

applicable requirements of the Ordinances of the Northwest Territories;

(f) That he will ensure that fair wages are paid to all persons employed on the work, and agrees that the wage rates applicable to employees whose wages are a direct charge to Rayrock shall be subject to approval by Rayrock;

(g) That he will ensure that hours of work of his employees are substantially the same as those prevailing on similar work in the district;

(h) That he will comply with the requirements of the Income Tax Act respecting income tax deductions from employees, and that he will comply with the requirements of the Unemployment Insurance Act;

(i) That he will maintain such policy or policies of insurance satisfactory to Rayrock to indemnify and save Rayrock harmless from all loss, costs and damages which may be suffered by any person in the course of the work due to the negligence or omissions of the Contractor or any of his employees;

(j) That he will make reasonable arrangements for his employees to receive mail;

(k) That he will promptly pay and discharge all debts and liabilities incurred by him on the work, so that no mechanic's or workman's lien shall come into existence, but if any such lien is recorded or registered he will have the same promptly discharged; and that Rayrock shall have the right, but not the obligation, to pay off any such lien which is not promptly discharged and may charge the amount thereof and costs against any sums due to the Contractor.

7. It is expressly understood and agreed by the parties hereto that the Contractor shall carry out his obligations under this Agreement as an independent contractor, and he is not an employee or agent of Rayrock, and that the Contractor has no right to obligate Rayrock or pledge its credit.

8. Any notice given or required to be given hereunder may be given personally to the Contractor or to the senior resident representative of

Rayrock, or may be given by prepaid registered post addressed as follows:

To Rayrock: Rayrock Mines Limited,  
Suite 509,  
25 Adelaide Street West,  
TORONTO, Ontario.

To the Contractor: J. M. Perkins,  
YELLOWKNIFE, N. W. T.

and any notice given by prepaid registered post shall be conclusively deemed to have been received by the addressee within seventy-two hours following the deposit of the same in one of Her Majesty's post offices.

9. This Agreement shall be binding upon the parties hereto, their heirs, executors, administrators, successors, and assigns.

IN WITNESS WHEREOF this Agreement has been duly executed by the parties hereto.

SIGNED, SEALED, and

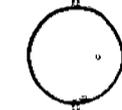
DELIVERED in the presence of:

*John Barber as to  
signature of J. M. Perkins*

} *J. M. Perkins*  
Contractor

} RAYROCK MINES LIMITED  
*J. C. Byrne*  
President

} *D. S. Hamilton*  
Secretary-Treasurer



May, 1956.

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RAYROCK MINES LIMITED

and

J. M. PERKINS

---

---

A G R E E M E N T

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**PARKER & PARKER**  
BARRISTERS AND SOLICITORS  
YELLOWKNIFE  
NORTHWEST TERRITORIES

MINE OFFICE  
YELLOWKNIFE  
N. W. T.

HEAD OFFICE  
SUITE 509  
25 ADELAIDE STREET WEST  
TORONTO 1, CANADA

# RAYROCK MINES LIMITED

TELEPHONE EMPIRE 4-5588

Your File 351-2-31

Toronto, Ontario  
June 11, 1956

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

6872

Admin. & Lands Ottawa Ont.
JUN 12 1956
File No. 357-2-31
Refer To: K1

Dear Mr. Cunningham:

We acknowledge and thank you for yours of the 7th instant enclosing copy of Road Agreement between Rayrock Mines Limited and J. M. Perkins, with the approval of Mr. Lesage endorsed thereon. Your telegram of June 1st is also acknowledged with thanks.

Since the mine staff have their hands full with a large building construction and installation program, plus shaft sinking, etc., we are treating road construction as a separate project. Supervision is under the direction of R. J. Kilgour, Manager of Mines for Rayrock and Discovery. Administration will be through the office of Norman W. Byrne, the Company's Consulting Engineer at Yellowknife. A separate bank account has been opened for the road work. N. W. Byrne will handle all accounting details and submit accounts in the form of claims by Rayrock Mines Limited against the Department. Accounts supported by proper vouchers will be submitted to Mr. Homulus at Yellowknife, N.W.T., for certification.

You say in your letter that Mr. Homulus will certify accounts and forward to Ottawa for payment and that cheques in payment will, unless otherwise requested, be forwarded from Ottawa to our Toronto Office. Cheques in payment should be forwarded direct to the office of Norman W. Byrne, Box 190, Yellowknife. We shall endeavour to complete road construction this year; expenditures will consequently be very heavy over the short construction period. We would therefore appreciate the closest possible

*annexed*  
*June 13*

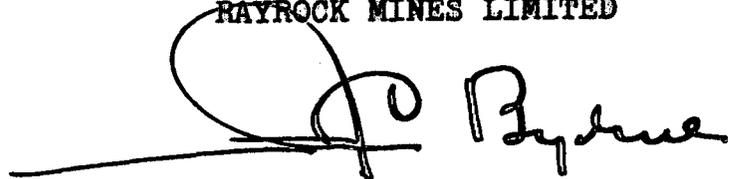
- 2 -

cooperation in the matter of payments by the Department. Payment by cheque from a bank at Yellowknife would considerably facilitate matters, if such could be arranged.

Road construction is underway. About two weeks ago two D-7 tractors made the trip from Consolidated Northland Mines to Rayrock, a distance of twenty-eight miles, completing preliminary clearing and uncovering a number of areas that will be used for fill requirements.

Yours very truly,

RAYROCK MINES LIMITED

A handwritten signature in black ink, appearing to read "J. C. Byrne". The signature is written in a cursive style with a large loop at the beginning and a horizontal line extending to the left.

J. C. Byrne  
President and General Manager

JCB:o's

North Admin. & Lands Div.  
JUN 12 FILED  
File No. 351-2-31  
Refer To  
Ottawa, June 11, 1956.

351-2-31

FBP/TF

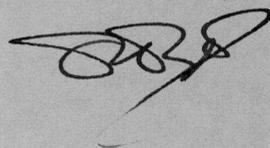
SENT  
by  
Sub Registry  
No. 1

MEMORANDUM FOR THE CHIEF TREASURY OFFICER

RAYROCK MINES LIMITED ROAD AGREEMENT

As requested I now enclose three copies of P.C. 1956-28/558 of 12th April 1956 and three copies of the agreement with Rayrock Mines Limited dated 15th May 1956.

*Ab J. Adams.*



F.J.G. Cunningham,  
Director.

pa  
ay

351-2-31

PBP/FF

SENT  
by  
Sub Registry  
No. 1

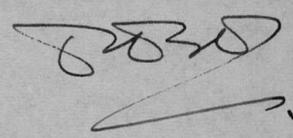
Ottawa, June 7, 1956.

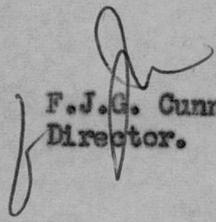
MEMORANDUM FOR THE CHIEF TREASURY OFFICER

RAYROCK MINES LIMITED

North Admin. & Lands Br.  
JUN 8 1956  
File No. 351-2-31  
Refer To

I now enclose for your retention two copies of a letter from Rayrock Mines Limited dated May 18, 1956, and two copies of an agreement dated May 17, 1956 between Rayrock Mines Limited and J.M. Perkins. The agreement has been approved by the Minister as required under paragraph 1(d) of the agreement between the Crown and Rayrock Mines Limited entered into under Order-In-Council P.C. 1956-28/558 of 12th April 1956.



  
F.J.G. Cunningham,  
Director.

THIS AGREEMENT made the 17th day of May, 1956,

BETWEEN:

RAYROCK MINES LIMITED, a Corporation having its  
Head Office at the City of Toronto in the Province  
of Ontario, hereinafter called Rayrock,

OF THE ONE PART

and

J.M. PERKINS, of Yellowknife in the Northwest  
Territories, hereinafter called the Contractor

OF THE OTHER PART

WITNESSETH that the parties hereto have agreed and do hereby agree as follows:

1. (a) The Contractor agrees to construct an all-weather road capable of sustaining one-way traffic from Sherman Lake to Marian Lake in the Northwest Territories, following a route designated by Rayrock and in accordance with plans and specifications to be supplied by Rayrock, but the route and the plans and specifications may be altered by Rayrock from time to time as it may deem desirable provided that the undertaking remains substantially as described in this paragraph.
- (b) The parties hereto agree that the work shall commence as soon as practicable and shall be completed as soon as reasonably possible having due regard to the economy of the operation. It is the intention of the parties that the road shall be completed during the 1956 season.
- (c) The Contractor agrees to carry on the work with diligence when it is commenced, and will endeavour to complete the work during the 1956 season, and he undertakes to proceed without interruption except as may be unavoidable due to breakdowns, weather conditions, or other causes over which he has no control.

2. Rayrock agrees that it will pay to the Contractor for the construction work described in Paragraph 1 the following amounts of money:

(a) For rental of equipment supplied by the Contractor, the following hourly rates for the time that the equipment is actually in use on road construction work:

<u>Item of Equipment</u>	<u>Hourly Rate</u>
Heavy duty truck equipped with hydraulic dump box	1.00 per cu.yd. capacity per hour
Tractor caterpillar D-6 or equivalent equipped with bulldozer blade and/or overhead loader	10.50
Tractor caterpillar D-7 or equivalent equipped with bulldozer blade and/or overhead loader	12.00
Two ton utility truck	4.00
Cat 70 carryall	4.50

and the above rentals shall include wages of the operator, maintenance of the equipment, transportation of the equipment, and fuel, but Rayrock shall reimburse the Contractor at prevailing water rates for the cost of hauling fuel from Yellowknife to the unloading point at Marian Lake. The cost of trucking fuel from the unloading point at Marian Lake to the place on the road where it is required by the Contractor shall be borne by the Contractor.

(b) Labour costs of employees actually engaged on construction work but excluding:

(i) Labour cost of employees operating or maintaining equipment referred to in sub-paragraph (a) hereof;

(ii) Labour cost of time-keepers and any other camp-overhead personnel.

(c) Cost of rental of blasting equipment or any equipment other than that described in sub-paragraph (a) hereof, when the use of the equipment has been approved by Rayrock.

(d) Ten per cent of the total of sub-paragraphs (b) and (c) as profit.

(e) Cost of consumable supplies and materials such as explosives and bridging materials approved by Rayrock and used in the construction of the road.

3. (a) The Contractor shall supply board and sleeping accommodation for all employees, and Rayrock agrees to pay to the Contractor the sum of \$2.50 per man day worked, based on the approved payroll of the Contractor.

(b) The Contractor agrees to supply board and sleeping accommodation for representatives of Rayrock at a charge of \$5.00 per day.

4. It is understood and agreed between the parties hereto that the cost of purchasing food and transporting it to the cookhouse, including the cost of transporting the food from the unloading site at Marian Lake to the cookhouse and cost of all personnel engaged in the operation of the cookhouse, and sleeping accommodation, shall be borne by the Contractor.

5. Payments on account of the work shall be made monthly by Rayrock to the Contractor on the above basis, but there shall be a ten per cent hold-back which shall be paid by Rayrock to the Contractor within sixty days after completion of the work.

6. The Contractor agrees:

(a) That he will maintain adequate records of work done and expenditures made supported by proper documents and vouchers, and will make any and all of such records, documents, and vouchers available to Rayrock and to any

representative of the Department of Northern Affairs and National Resources and will furnish any or all information in relation thereto, and will extend full facilities for inspections of the books and complete audit by an officer of the Department of Finance;

(b) That he will not employ on the construction of the road any person who is not a resident of Canada, or any person who is not a local resident, unless insufficient qualified local residents are available;

(c) That he will not discriminate against any person seeking employment on the construction of the road because of such person's race, religious views, or political affiliations;

(d) That he will ensure that the living conditions of all persons employed on the construction of the road are as good as may reasonably be provided in the circumstances;

(e) That he will comply with the Ordinances of the Northwest Territories respecting medical and hospital services for his employees, Workmen's Compensation coverage for his employees, and any other applicable requirements of the Ordinances of the Northwest Territories;

(f) That he will ensure that fair wages are paid to all persons employed on the work, and agrees that the wage rates applicable to employees whose wages are a direct charge to Rayrock shall be subject to approval by Rayrock;

(g) That he will ensure that hours of work of his employees are substantially the same as those prevailing on similar work in the district;

(h) That he will comply with the requirements of the Income Tax Act respecting income tax deductions from employees, and that he will comply with the requirements of the Unemployment Insurance Act;

(i) That he will maintain such policy or policies of insurance satisfactory to Rayrock to indemnify and save Rayrock harmless from all loss, costs and damages which may be suffered by any person in the course of the work due to the negligence or omissions of the Contractor or any of his employees;

(j) That he will make reasonable arrangements for his employees to receive mail;

(k) That he will promptly pay and discharge all debts and liabilities incurred by him on the work, so that no mechanic's or workman's lien shall come into existence, but if any such lien is recorded or registered he will have the same promptly discharged; and that Rayrock shall have the right, but not the obligation, to pay off any such lien which is not promptly discharged and

By charge the amount thereof and costs against any sums due to the Contractor.

7. It is expressly understood and agreed by the parties hereto the Contractor shall carry out his obligations under this Agreement as independent contractor, and he is not an employee or agent of Rayrock, and that the Contractor has no right to obligate Rayrock or pledge its credit.

8. Any notice given or required to be given hereunder may be <sup>made</sup> personally to the Contractor or to the senior resident representative of Rayrock, or may be given by prepaid registered post addressed as follows:

To Rayrock: Rayrock Mines Limited,  
Suite 509,  
25 Adelaide Street West,  
TORONTO, Ontario.

To the Contractor: J.M. Perkins,  
YELLOWKNIFE, N.W.T.

and any notice given by prepaid registered post shall be conclusively deemed to have been received by the addressee within seventy-two hours following the deposit of the same in one of Her Majesty's post offices.

9. This Agreement shall be binding upon the parties hereto, their heirs, executors, administrators, successors, and assigns.

IN WITNESS WHEREOF this Agreement has been duly executed by the parties hereto.

SIGNED, SEALED, and  
DELIVERED IN THE PRESENCE OF:  
John Parker as to signature  
of J.M. Perkins.

) Signed "J.M. Perkins" "SEAL"  
Contractor  
RAYROCK MINES LIMITED  
) Signed "C. Byrne"  
President  
) Sgd. "D.S. Hamilton"  
Secretary-Treasurer

APPROVED

Sgd. "Jean Lesage"  
Minister of Northern Affairs and National Resources

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

Date: ... 12-6-56 .....

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:

As Requested:

Attached to this slip and yellow copy was a flimsy marked for the Deputy Minister. I have removed the flimsy from the file and sent it to the D.M.

*G. Moore*

DEPARTMENT OF NORTHERN AFFAIRS AND  
NATIONAL RESOURCES

Northern Administration and Lands Branch.

Date; June 7, 1956.

To; Mr. Cunningham

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:

For information of the Deputy  
Minister, as requested his memorandum  
May 22.

  
J. I. NICOL

.....001132

Signature

*pa  
aj*

351-2-31  
FBP/FF



Ottawa, June 7, 1956.

North West & Lands Br.
JUN 8 FILED
File No. 351-2-31
Refer To.....

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

Dear Mr. Byrne:

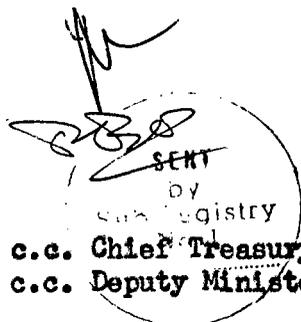
Further to my telegram of June 1st in which I advised you that the Minister had approved the agreement between Rayrock Mines Limited and J.H. Perkins, I now enclose the copy of the agreement with the approval of Mr. Losage endorsed thereon.

As regards the submission of accounts, these should be in the form of claims by Rayrock Mines Limited against the Department and should be supported by proper vouchers showing expenditures made. These accounts should be submitted by Rayrock to Mr. Hemulus at Yellowknife, N.W.T. who will certify and forward to Ottawa for payment. Cheques in payment will, unless otherwise requested, be forwarded from Ottawa to your head office in Toronto.

Yours sincerely,

*F.J.G. Cunningham*

F.J.G. Cunningham,  
Director.



c.c. Chief Treasury Officer,  
c.c. Deputy Minister.



EXCLUSIVE CONNECTION WITH WESTERN UNION CABLE SERVICE  
 CORRESPONDANCE EXCLUSIVE AVEC WESTERN UNION CABLE SERVICE

Form 6102.B (6-55)

Document disclosed under the Access to Information Act / Document divulgué en vertu de la Loi sur l'accès à l'information

# CANADIAN NATIONAL TELEGRAPHS

J. R. WHITE  
 GENERAL MANAGER GÉRANT GÉNÉRAL  
 TORONTO

## TELEGRAPHS

FULL RATE PLEIN TARIF	<input checked="" type="checkbox"/>
DAY LETTER LETTRE DE JOUR	<input type="checkbox"/>
NIGHT MESSAGE DÉPÊCHE DE NUIT	<input type="checkbox"/>
NIGHT LETTER LETTRE DE NUIT	<input type="checkbox"/>
PLACE X OPPOSITE SERVICE DESIRED INDIQUEZ PAR UN X LE GENRE DE SERVICE DESIRÉ	

CHECK

RECEIVERS NO.

TIME FILED

CHARGE TO  
DEPT. OR  
ADDRESS

Northern Admin. & Lands Branch  
 Northern Affairs & National Resources

Send the following message, subject to the terms on back hereof, which are hereby agreed to  
 Veuillez expédier la dépêche suivante aux conditions mentionnées au verso auxquelles je consens par les présentes

*pas*

*sent*

351-2-31  
 PBF/TF

Ottawa, June 1, 1956.

North Admin. & Lands Br.

J.C. Byrne, Esq.,  
 Bayrock Mines Limited,  
 Suite 509,  
 25 Adelaide St. West,  
 Toronto, Canada.

JUN 1  
 File No. 351-2-31  
 Refer To \_\_\_\_\_

REURLET MAY NINETEEN BAYROCK CONTRACT WITH PERKINS APPROVED

LETTER FOLLOWS.

File Copy

*[Handwritten signature]*

*[Handwritten signature]*  
 J.J. Cunningham,  
 Director.

001134

## CANADIAN NATIONAL TELEGRAPH COMPANY

(OPERATING ITS OWN LINES AND THOSE OF THE GREAT NORTH WESTERN TELEGRAPH COMPANY, THE GRAND TRUNK PACIFIC TELEGRAPH COMPANY AND CANADIAN GOVERNMENT RAILWAYS). HEREINAFTER CALLED THE COMPANY.

TERMS AND CONDITIONS UPON WHICH TELEGRAPH AND CABLE MESSAGES SHALL BE TRANSMITTED ARE PRESCRIBED BY ORDER NO. 49274, DATED DECEMBER 5TH, 1932, OF THE BOARD OF TRANSPORT COMMISSIONERS, FOR CANADA AND PUBLISHED IN THE CANADA GAZETTE.

It is agreed between the sender of the message on the face of this form and this Company that said Company shall not be liable for damages arising from failure to transmit or deliver, or for any error in the transmission or delivery of any unrepeatable telegram, whether happening from negligence of its servants or otherwise, or for delays from interruptions in the working of its lines, for errors in cipher or obscure messages, or for errors from illegible writing, beyond the amount received for sending the same.

To guard against errors, the Company will repeat back any telegram for an extra payment of one-half the regular rate; and, in that case, the Company shall be liable for damages suffered by the sender to an extent not exceeding \$200.00, due to the negligence of the Company in the transmission or delivery of the telegram.

Correctness in the transmission and delivery of messages can be insured by contract in writing, stating agreed amount of risk, and payment of premium thereon at the following rates, in addition to the usual charge for repeated messages, viz.: one per cent for any distance not exceeding 1,000 miles, and two per cent for any greater distance.

This Company shall not be liable for the act or omission of any other Company, but will endeavour to forward the telegram by any other Telegraph Company necessary to reaching its destination, but only as the agent of the sender and without liability therefor. The Company shall not be responsible for messages until the same are presented and accepted at one of its transmitting offices; if a message is sent to such office by one of the Company's messengers, he acts for that purpose as the sender's agent; if by telephone, the person receiving the message acts therein as agent of the sender, being authorized to assent to these conditions for the sender. This Company shall not be liable in any case for damages, unless the same be claimed, in writing, within sixty days after receipt of the telegram for transmission.

No employee of the Company shall vary the foregoing.

---

---

## LA "CANADIAN NATIONAL TELEGRAPH COMPANY"

(EXPLOITANT SES PROPRES LIGNES DE MÊME QUE CELLES DE LA "GREAT NORTH WESTERN TELEGRAPH COMPANY", DE LA "GRAND TRUNK PACIFIC TELEGRAPH COMPANY" ET CELLES DES CHEMINS DE FER DU GOUVERNEMENT CANADIEN)—CI-APRÈS NOMMÉE LA COMPAGNIE.

LES CLAUSES ET CONDITIONS SUIVANT LESQUELLES LES DÉPÊCHES PAR TÉLÉGRAPHE ET PAR CABLE SERONT TRANSMISES, SONT PRÉSCRITES PAR L'ORDONNANCE No. 49274 DE LA COMMISSION DES TRANSPORTS DU CANADA EN DATE DU 5 DÉCEMBRE 1932 ET PUBLIÉE DANS LA GAZETTE OFFICIELLE DU CANADA AINSI QUE PAR L'ORDONNANCE No. 57471 EN DATE DU 22 MAI 1939.

Il est convenu entre la compagnie et l'expéditeur de la dépêche écrite au verso que la dite compagnie n'encourra aucune responsabilité au delà du montant perçu pour la transmission de la dite dépêche, à l'égard de tous dommages pouvant résulter du défaut de transmission ou de livraison, ou d'une erreur dans la transmission ou la livraison de toute dépêche non répétée, que ces dommages soient imputables à la négligence des employés de la dite compagnie ou autrement, ou à des retards causés par une interruption dans le fonctionnement de ses lignes, ou à toute erreur dans des dépêches chiffrées ou de sens obscur, ou à toute erreur due à une écriture illisible.

Pour éviter tout risque d'erreur, la compagnie répètera toute dépêche moyennant un versement supplémentaire de la moitié du tarif régulier, et dans ce cas, la responsabilité de la compagnie vis-à-vis l'expéditeur sera limitée à \$200. à l'égard de tous dommages dus à la négligence de la compagnie dans la transmission ou la livraison de la dépêche.

On peut s'assurer contre tout risque d'erreur dans la transmission et la livraison des dépêches, au moyen d'un contrat écrit stipulant le montant de l'assurance, et sur paiement (en sus du taux ordinaire pour les dépêches répétées) d'une prime calculée sur la base suivante: soit, 1% du montant assuré, pour toute distance n'excédant pas 1000 milles, et 2% pour toute distance plus grande.

La dite compagnie ne sera pas responsable du fait ou de l'omission d'une autre compagnie, mais s'efforcera de transmettre toute dépêche par toute compagnie de télégraphe dont il faudra se servir afin de faire parvenir la dépêche à destination, mais la compagnie n'agira en ce cas qu'en qualité d'agent de l'expéditeur et sans assumer de responsabilité. La compagnie n'assumera de responsabilité qu'à l'égard des dépêches présentées et acceptées à l'un de ses bureaux d'expédition; lorsqu'une dépêche est expédiée à un tel bureau par un messenger de la compagnie, ce messenger sera censé être l'agent de l'expéditeur; lorsqu'une dépêche est communiquée par téléphone, la personne qui la reçoit sera censée agir pour l'expéditeur et avoir l'autorité nécessaire pour consentir aux présentes en son nom. La compagnie ne répondra d'aucuns dommages, à moins qu'avis ne lui en soit donné par écrit dans les 60 jours qui suivront la remise de la dépêche pour transmission.

Aucun employé de la compagnie n'a le droit de changer les présentes conditions.

PA  
as

Northern Admin. & Lands Br.

JUN 8 1956

File No. 351-2-31

Refer to.....

COPY/FF

CANADIAN NATIONAL TELEGRAPHS

COPY

Northern Admin. & Lands Branch  
Northern Affairs & National Resources

351-2-31  
PBP/FF

Ottawa, June 1, 1956.

J.C. Byrne, Esq.,  
Rayrock Mines Limited,  
Suite 509,  
25 Adelaide St. West,  
Toronto, Canada.

REURLET MAY EIGHTEEN RAYROCK CONTRACT WITH PERKINS APPROVED

LETTER FOLLOWS.

F.J.G. Cunningham,  
Director.

COPY/FF

CANADIAN NATIONAL TELEGRAPHS

Northern Admin. & Lands Branch  
Northern Affairs & National Resources

351-2-31  
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Ottawa, June 1, 1956.

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25 Adelaide St. West,  
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REURLET MAY EIGHTEEN RAYROCK CONTRACT WITH PERKINS APPROVED

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F.J.G. Cunningham,  
Director.



CANADA

NORTHERN ADMINISTRATION  
AND LANDS BRANCH

DEPARTMENT  
OF  
NORTHERN AFFAIRS AND NATIONAL RESOURCES

North Admin. & Lands Br.

JUN 8 1956

File No. 351-2-31

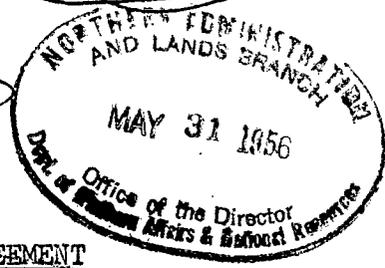
Refer To

PLEASE QUOTE  
FILE 351-2-31  
PBP/FF

OFFICE OF THE DIRECTOR

Ottawa, May 25, 1956.

*The Cunningham*



MEMORANDUM FOR MR. NASON

RAYROCK MINES LIMITED ROAD AGREEMENT

I now enclose signed copy and office copy of an agreement between Rayrock Mines Limited and J.M. Perkins regarding construction of the road from Sherman Lake to Marian Lake.

This agreement has been submitted for approval of the Minister pursuant to paragraph 1(d) of the agreement between the Crown and Rayrock Mines Limited entered into under authority of Order in Council P.C. 1956-28/558 of 12th April, 1956, of which I believe you have a copy.

I can see no objection to this agreement and if you concur, will you please obtain the approval of the Minister so that Rayrock can be advised accordingly.

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

North Admin. & Lands Br.  
JUN 8 1956  
File No. 351-2-31

**RAYROCK MINES LIMITED**

TELEPHONE EMPIRE

Toronto, Ontario  
May 22 1956  
Ottawa, Ont.  
5784  
MAY 22 1956  
File No. 351-2-31  
Refer To K.I.

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

Dear Mr. Cunningham:

Enclosed herewith is one copy of agreement dated May 17th, 1956, between Rayrock Mines Limited and J. M. Perkins covering road construction from Sherman Lake to Marian Lake in the Northwest Territories. Several discussions were held prior to drawing the agreement and we feel that we have covered the subject adequately. The agreement is herewith presented for your consideration and approval. Meantime Rayrock has authorized the Contractor to proceed with general reconnaissance employing up to three tractors, the object being to cover as much as possible the proposed route prior to the frost leaving the ground.

Referring to the agreement, you will note that we have increased the hourly rate for a tractor caterpillar D-6, equipped with bulldozer blade and overhead loader, from your suggested figure of \$7 00 per hour to \$10.50. Perkins has four new tractor caterpillars D-7, equipped with blade, and has just purchased a new tractor caterpillar D-6 complete with blade and overhead loader. The capital cost of the D-6 caterpillar with attachments vs. the capital cost of a new D-7 and blade indicates a rate of approximately \$10.80 per hour on a comparable depreciation basis. Perkins is purchasing two new cat 70 carryalls which could command a rate of \$6.00 per hour. We have settled for a rate of \$4.50.

You will note that Rayrock agrees to pay to the Contractor the sum of \$2.50 per man day worked based on the approved payroll of the Contractor. We feel that this is the simplest means of dealing with a rather complicated problem. It costs Rayrock \$5.00 per man day for board and accommodation. Perkins will charge his men \$2.50 per day which is the average prevailing board rate at Yellowknife. Perkins will supply cooks, cookees, bull cooks, and absorb

- 2 -

cost of food and transportation of same from Yellowknife. Perkins will also absorb the full cost of overhead personnel including time-keepers.

The office of Norman W. Byrne, the Company's Consulting Engineer at Yellowknife, will handle accounting, purchasing of materials and expediting for the road project. You will note there is no ten per cent profit allowed for the purchase of consumable supplies used on road construction. Any costs or services incurred and supplied by Rayrock will be invoiced to the road job through Norman W. Byrne's office.

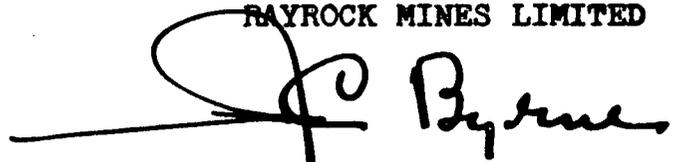
Rayrock will have a competent supervisor on the job at all times and will furnish necessary surveying personnel and equipment; will also keep a field record of hours worked by Perkins' equipment and applicable hourly labour.

Rayrock has requested the Contractor to furnish records of work done and monthly expenditures to the office of Norman W. Byrne. We presume that the procedure will be that said office will furnish Mr. Steve Homulus or the Mining Recorder at Yellowknife with a copy of expenditures made each month and, upon approval, the Government's portion will be paid to Rayrock from funds deposited at Yellowknife. Please advise if this is the procedure to be followed.

We would appreciate hearing from you at your very earliest convenience.

Yours very truly,

RAYROCK MINES LIMITED



J. C. Byrne  
President

JCB:o's  
Enc.1.

*File to be from Rayrock*

# RAYROCK MINES LIMITED

TELEPHONE EMPIRE 4-5566

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

5781

Toronto, Ontario	
May 22 1956	
Ottawa, Ont.	
MAY 22 1956	
File No.	351-2-31
Refer To	K.I.

Dear Mr. Cunningham:

Enclosed herewith is one copy of agreement dated May 17th, 1956, between Rayrock Mines Limited and J. M. Perkins covering road construction from Sherman Lake to Marian Lake in the Northwest Territories. Several discussions were held prior to drawing the agreement and we feel that we have covered the subject adequately. The agreement is herewith presented for your consideration and approval. Meantime Rayrock has authorized the Contractor to proceed with general reconnaissance employing up to three tractors, the object being to cover as much as possible the proposed route prior to the frost leaving the ground.

Referring to the agreement, you will note that we have increased the hourly rate for a tractor caterpillar D-6, equipped with bulldozer blade and overhead loader, from your suggested figure of \$7 00 per hour to \$10.50. Perkins has four new tractor caterpillars D-7, equipped with blade, and has just purchased a new tractor caterpillar D-6 complete with blade and overhead loader. The capital cost of the D-6 caterpillar with attachments vs. the capital cost of a new D-7 and blade indicates a rate of approximately \$10.80 per hour on a comparable depreciation basis. Perkins is purchasing two new cat 70 carryalls which could command a rate of \$6.00 per hour. We have settled for a rate of \$4.50.

You will note that Rayrock agrees to pay to the Contractor the sum of \$2.50 per man day worked based on the approved payroll of the Contractor. We feel that this is the simplest means of dealing with a rather complicated problem. It costs Rayrock \$5.00 per man day for board and accommodation. Perkins will charge his men \$2.50 per day which is the average prevailing board rate at Yellowknife. Perkins will supply cooks, cookees, bull cooks, and absorb

- 2 -

cost of food and transportation of same from Yellowknife. Perkins will also absorb the full cost of overhead personnel including time-keepers.

The office of Norman W. Byrne, the Company's Consulting Engineer at Yellowknife, will handle accounting, purchasing of materials and expediting for the road project. You will note there is no ten per cent profit allowed for the purchase of consumable supplies used on road construction. Any costs or services incurred and supplied by Rayrock will be invoiced to the road job through Norman W. Byrne's office.

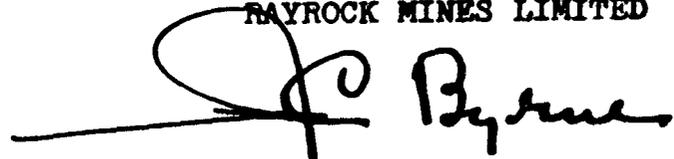
Rayrock will have a competent supervisor on the job at all times and will furnish necessary surveying personnel and equipment; will also keep a field record of hours worked by Perkins' equipment and applicable hourly labour.

Rayrock has requested the Contractor to furnish records of work done and monthly expenditures to the office of Norman W. Byrne. We presume that the procedure will be that said office will furnish Mr. Steve Homulus or the Mining Recorder at Yellowknife with a copy of expenditures made each month and, upon approval, the Government's portion will be paid to Rayrock from funds deposited at Yellowknife. Please advise if this is the procedure to be followed.

We would appreciate hearing from you at your very earliest convenience.

Yours very truly,

RAYROCK MINES LIMITED



J. C. Byrne  
President

JCB:o's  
Enc.1.

*File to be from Rayrock*

DEPARTMENT OF NORTHERN AFFAIRS AND NATIONAL RESOURCES

Northern Administration & Lands Branch

Date: 23-5-56

TO: Mr. Nicol

For Action: XXX

For Direct Reply:

For Preparation of Reply:

For Reply for Director's Signature:

For Approval:

For Comment:

To Note and File:

For Discussion with Undersigned:

For Signature:

For Information:

Re: Telephone Conversation:

As Requested:

*Ab 22*



# Department of Northern Affairs and National Resources

OFF. OF THE DEPUTY MINISTER

DATE May 22/56

TO: MR. CUNNINGHAM

FOR ACTION:

XXX

FOR DIRECT REPLY:

FOR PREPARATION OF REPLY:

FOR COMMENT:

FOR APPROVAL:

TO NOTE AND FILE:

FOR DISCUSSION WITH UNDERSIGNED:



I should like to have for my files  
a copy of your reply to Mr. Byrne.

001144

c.c. Mr. R. G. Robertson  
Mr. R. J. Kilgour  
Mr. C. T. Williams  
Mr. N. W. Byrne

North "IN 8" FILED File No. 351-2-31 Refer To
--

Toronto, Ontario  
May 18, 1956

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

Dear Mr. Cunningham:

Enclosed herewith is one copy of agreement dated May 17th, 1956, between Rayrock Mines Limited and J. M. Perkins covering road construction from Sherman Lake to Marian Lake in the Northwest Territories. Several discussions were held prior to drawing the agreement and we feel that we have covered the subject adequately. The agreement is herewith presented for your consideration and approval. Meantime Rayrock has authorized the Contractor to proceed with general reconnaissance employing up to three tractors, the object being to cover as much as possible the proposed route prior to the frost leaving the ground.

Referring to the agreement, you will note that we have increased the hourly rate for a tractor caterpillar D-6, equipped with bulldozer blade and overhead loader, from your suggested figure of \$7.00 per hour to \$10.50. Perkins has four new tractor caterpillars D-7, equipped with blade, and has just purchased a new tractor caterpillar D-6 complete with blade and overhead loader. The capital cost of the D-6 caterpillar with attachments vs. the capital cost of a new D-7 and blade indicates a rate of approximately \$10.80 per hour on a comparable depreciation basis. Perkins is purchasing two new cat 70 carryalls which could command a rate of \$6.00 per hour. We have settled for a rate of \$4.50.

You will note that Rayrock agrees to pay to the Contractor the sum of \$2.50 per man day worked based on the approved payroll of the Contractor. We feel that this is the simplest means of dealing with a rather complicated problem. It costs Rayrock \$5.00 per man day for board and accommodation. Perkins will charge his men \$2.50 per day which is the average prevailing board rate at Yellowknife. Perkins will supply cooks, cooksees, bull cooks, and absorb

- 2 -

cost of food and transportation of same from Yellowknife. Perkins will also absorb the full cost of overhead personnel including time-keepers.

The office of Norman W. Byrne, the Company's Consulting Engineer at Yellowknife, will handle accounting, purchasing of materials and expediting for the road project. You will note there is no ten per cent profit allowed for the purchase of consumable supplies used on road construction. Any costs or services incurred and supplied by Rayrock will be invoiced to the road job through Norman W. Byrne's office.

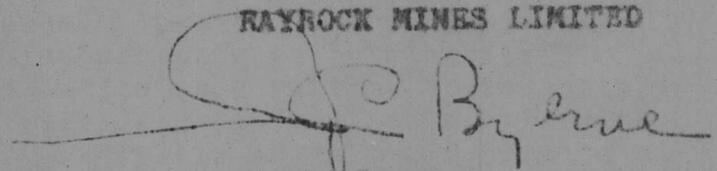
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We would appreciate hearing from you at your very earliest convenience.

Yours very truly,

RAYROCK MINES LIMITED



J. C. Byrne  
President

JCB:osa  
Enc.1.



HEAD OFFICE  
SUITE 509  
25 ADELAIDE STREET WEST  
TORONTO 1, CANADA

# RAYROCK MINES LIMITED

TELEPHONE EMPIRE 4-5588

Toronto, Ontario  
May 18, 1956  
MAY 22 1956  
File No. 351-2-31  
Refer To K.L.

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

Dear Mr. Cunningham:

Enclosed herewith is one copy of agreement dated May 17th, 1956, between Rayrock Mines Limited and J. M. Perkins covering road construction from Sherman Lake to Marian Lake in the Northwest Territories. Several discussions were held prior to drawing the agreement and we feel that we have covered the subject adequately. The agreement is here-with presented for your consideration and approval. Mean-time Rayrock has authorized the Contractor to proceed with general reconnaissance employing up to three tractors, the object being to cover as much as possible the proposed route prior to the frost leaving the ground.

Referring to the agreement, you will note that we have increased the hourly rate for a tractor caterpillar D-6, equipped with bulldozer blade and overhead loader, from your suggested figure of \$7 00 per hour to \$10.50. Perkins has four new tractor caterpillars D-7, equipped with blade, and has just purchased a new tractor caterpillar D-6 complete with blade and overhead loader. The capital cost of the D-6 caterpillar with attachments vs. the capital cost of a new D-7 and blade indicates a rate of approximately \$10.80 per hour on a comparable depreciation basis. Perkins is purchasing two new cat 70 carryalls which could command a rate of \$6.00 per hour. We have settled for a rate of \$4.50.

You will note that Rayrock agrees to pay to the Contractor the sum of \$2.50 per man day worked based on the approved payroll of the Contractor. We feel that this is the simplest means of dealing with a rather complicated problem. It costs Rayrock \$5.00 per man day for board and accommodation. Perkins will charge his men \$2.50 per day which is the average prevailing board rate at Yellowknife. Perkins will supply cooks, cookees, bull cooks, and absorb

*reply by wire June 1  
+ letter June 7.*

- 2 -

cost of food and transportation of same from Yellowknife. Perkins will also absorb the full cost of overhead personnel including time-keepers.

The office of Norman W. Byrne, the Company's Consulting Engineer at Yellowknife, will handle accounting, purchasing of materials and expediting for the road project. You will note there is no ten per cent profit allowed for the purchase of consumable supplies used on road construction. Any costs or services incurred and supplied by Rayrock will be invoiced to the road job through Norman W. Byrne's office.

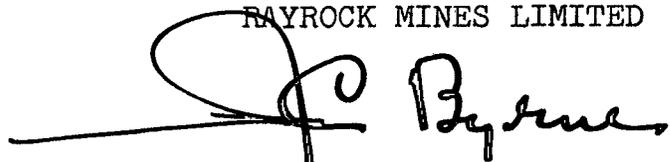
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We would appreciate hearing from you at your very earliest convenience.

Yours very truly,

RAYROCK MINES LIMITED



J. C. Byrne  
President

JCB:o's  
Enc.1.

*of to be from Rayrock*

North Admin. & Lands Div.

SEARCHED  
INDEXED  
MAY 28 FILED  
File No. 351-2-31

Refer To \_\_\_\_\_

351-2-31

FBP/FF

*[Handwritten signature]*

Ottawa, May 25, 1956.

MEMORANDUM FOR MR. HASON

RAYROCK MINES LIMITED ROAD AGREEMENT

I now enclose signed copy and office copy of an agreement between Rayrock Mines Limited and J.H. Perkins regarding construction of the road from Sherman Lake to Marian Lake.

This agreement has been submitted for approval of the Minister pursuant to paragraph 1(d) of the agreement between the Crown and Rayrock Mines Limited entered into under authority of Order in Council P.C. 1956-28/558 of 12th April, 1956, of which I believe you have a copy.

I can see no objection to this agreement and if you concur, will you please obtain the approval of the Minister so that Rayrock can be advised accordingly.

*[Handwritten initials]*

*[Handwritten signature]*

F.J.G. Cunningham,  
Director.

THIS AGREEMENT made the 17th day of May, 1956,

BETWEEN:

RAYROCK MINES LIMITED, a Corporation having its  
Head Office at the City of Toronto in the Province  
of Ontario, hereinafter called Rayrock,

OF THE ONE PART

and

J.M. PERKINS, of Yellowknife in the Northwest  
Territories, hereinafter called the Contractor

OF THE OTHER PART

WITNESSETH that the parties hereto have agreed and do hereby agree as follows:

1. (a) The Contractor agrees to construct an all-weather road capable of sustaining one-way traffic from Sherman Lake to Marian Lake in the Northwest Territories, following a route designated by Rayrock and in accordance with plans and specifications to be supplied by Rayrock, but the route and the plans and specifications may be altered by Rayrock from time to time as it may deem desirable provided that the undertaking remains substantially as described in this paragraph.
- (b) The parties hereto agree that the work shall commence as soon as practicable and shall be completed as soon as reasonably possible having due regard to the economy of the operation. It is the intention of the parties that the road shall be completed during the 1956 season.
- (c) The Contractor agrees to carry on the work with diligence when it is commenced, and will endeavour to complete the work during the 1956 season, and he undertakes to proceed without interruption except as may be unavoidable due to breakdowns, weather conditions, or other causes over which he has no control.

2. Rayrock agrees that it will pay to the Contractor for the construction work described in Paragraph 1 the following amounts of money:

(a) For rental of equipment supplied by the Contractor, the following hourly rates for the time that the equipment is actually in use on road construction work:

<u>Item of Equipment</u>	<u>Hourly Rate</u>
Heavy duty truck equipped with hydraulic dump box	1.00 per cu.yd. capacity per hour
Tractor caterpillar D-6 or equivalent equipped with bulldozer blade and/or overhead loader	10.50
Tractor caterpillar D-7 or equivalent equipped with bulldozer blade and/or overhead loader	12.00
Two ton utility truck	4.00
Cat 70 carryall	4.50

- 2 -

and the above rentals shall include wages of the operator, maintenance of the equipment, transportation of the equipment, and fuel, but Rayrock shall reimburse the Contractor at prevailing water rates for the cost of hauling fuel from Yellowknife to the unloading point at Marian Lake. The cost of trucking fuel from the unloading point at Marian Lake to the place on the road where it is required by the Contractor shall be borne by the Contractor.

(b) Labour costs of employees actually engaged on construction work but excluding:

(i) Labour cost of employees operating or maintaining equipment referred to in sub-paragraph (a) hereof;

(ii) Labour cost of time-keepers and any other camp-overhead personnel.

(c) Cost of rental of blasting equipment or any equipment other than that described in sub-paragraph (a) hereof, when the use of the equipment has been approved by Rayrock.

(d) Ten per cent of the total of sub-paragraphs (b) and (c) as profit.

(e) Cost of consumable supplies and materials such as explosives and bridging materials approved by Rayrock and used in the construction of the road.

3. (a) The Contractor shall supply board and sleeping accommodation for all employees, and Rayrock agrees to pay to the Contractor the sum of \$2.50 per man day worked, based on the approved payroll of the Contractor.

(b) The Contractor agrees to supply board and sleeping accommodation for representatives of Rayrock at a charge of \$5.00 per day.

4. It is understood and agreed between the parties hereto that the cost of purchasing food and transporting it to the cookhouse, including the cost of transporting the food from the unloading site at Marian Lake to the cookhouse and cost of all personnel engaged in the operation of the cookhouse, and sleeping accommodation, shall be borne by the Contractor.

5. Payments on account of the work shall be made monthly by Rayrock to the Contractor on the above basis, but there shall be a ten per cent hold-back which shall be paid by Rayrock to the Contractor within sixty days after completion of the work.

6. The Contractor agrees:

(a) That he will maintain adequate records of work done and expenditures made supported by proper documents and vouchers, and will make any and all of such records, documents, and vouchers available to Rayrock and to any

representative of the Department of Northern Affairs and National Resources and will furnish any or all information in relation thereto, and will extend full facilities for inspections of the books and complete audit by an officer of the Department of Finance;

(b) That he will not employ on the construction of the road any person who is not a resident of Canada, or any person who is not a local resident, unless insufficient qualified local residents are available;

(c) That he will not discriminate against any person seeking employment on the construction of the road because of such person's race, religious views, or political affiliations;

(d) That he will ensure that the living conditions of all persons employed on the construction of the road are as good as may reasonably be provided in the circumstances;

(e) That he will comply with the Ordinances of the Northwest Territories respecting medical and hospital services for his employees, Workmen's Compensation coverage for his employees, and any other applicable requirements of the Ordinances of the Northwest Territories;

(f) That he will ensure that fair wages are paid to all persons employed on the work, and agrees that the wage rates applicable to employees whose wages are a direct charge to Rayrock shall be subject to approval by Rayrock;

(g) That he will ensure that hours of work of his employees are substantially the same as those prevailing on similar work in the district;

(h) That he will comply with the requirements of the Income Tax Act respecting income tax deductions from employees, and that he will comply with the requirements of the Unemployment Insurance Act;

(i) That he will maintain such policy or policies of insurance satisfactory to Rayrock to indemnify and save Rayrock harmless from all loss, costs and damages which may be suffered by any person in the course of the work due to the negligence or omissions of the Contractor or any of his employees;

(j) That he will make reasonable arrangements for his employees to receive mail;

(k) That he will promptly pay and discharge all debts and liabilities incurred by him on the work, so that no mechanic's or workman's lien shall come into existence, but if any such lien is recorded or registered he will have the same promptly discharged; and that Rayrock shall have the right, but not the obligation, to pay off any such lien which is not promptly discharged and

by charge the amount thereof and costs against any sums due to the Contractor.

7. It is expressly understood and agreed by the parties hereto the Contractor shall carry out his obligations under this Agreement as independent contractor, and he is not an employee or agent of Rayrock, and that the Contractor has no right to obligate Rayrock or pledge its credit.

8. Any notice given or required to be given hereunder may be <sup>made</sup> personally to the Contractor or to the senior resident representative of Rayrock, or may be given by prepaid registered post addressed as follows:

To Rayrock: Rayrock Mines Limited,  
Suite 509,  
25 Adelaide Street West,  
TORONTO, Ontario.

To the Contractor: J.H. Perkins,  
YELLOWKNIFE, N.W.T.

and any notice given by prepaid registered post shall be conclusively deemed to have been received by the addressee within seventy-two hours following the deposit of the same in one of Her Majesty's post offices.

9. This Agreement shall be binding upon the parties hereto, their heirs, executors, administrators, successors, and assigns.

IN WITNESS WHEREOF this Agreement has been duly executed by the parties hereto.

SIGNED, SEALED, and  
DELIVERED IN THE PRESENCE OF:  
John Parker as to signature  
of J.M. Perkins.

} Signed "J.M. Perkins" "SEAL"  
Contractor  
RAYROCK MINES LIMITED  
} Signed "C. Byrne"  
President  
} Sgd. "D.S. Hamilton"  
Secretary-Treasurer

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

ALL-WEATHER ROAD AGREEMENT  
WITH  
RAYROCK MINES LIMITED

MEMORANDUM OF AGREEMENT entered into this 15<sup>th</sup> day of

May, 1956,

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 the Company and other mining companies are currently engaged in development of radio-active ores in the vicinity of Sherman Lake in the Marian River area of the Northwest Territories;

WHEREAS the Company has represented to Her Majesty that it is necessary to construct an all-weather road capable of sustaining one-way truck traffic from Sherman Lake to Marian Lake;

WHEREAS the Company has requested that Her Majesty share the cost of construction of the all-weather road which is to follow approximately the route of the existing winter road;

WHEREAS the Company has estimated the length of the all-weather road at thirty-five (35) miles and the cost of construction at Eight Thousand Dollars (\$8,000.00) per mile, making a total estimated cost of Two Hundred and Eighty Thousand Dollars (\$280,000.00);

WHEREAS the Company has agreed to be responsible for the supervision and construction of the all-weather road if Her Majesty will contribute an amount equal to Fifty per cent (50%) of the construction costs or One Hundred and Forty Thousand Dollars (\$140,000.00), whichever is the lesser;

WHEREAS the offer of the Company has been investigated and is found to warrant participation by Her Majesty as being in the public interest; and

WHEREAS His Excellency the Governor in Council has by Order in Council P.C. 1956-28/558 of the 12th April 1956 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;

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 an all-weather road capable of sustaining one-way truck traffic of approximately thirty-five miles in length from Sherman Lake to Marian Lake in the Mackenzie District in the Northwest Territories (hereinafter called "the Road") according to specifications satisfactory to the Minister;
- (b) that it will complete the Road on or before the 31st day of March, 1957, or by such later date as the Minister in his discretion may designate;
- (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 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 where a construction contract is entered into with a contractor it shall be provided in such contract that the contractor will maintain adequate records of work done and expenditures made pursuant to such contract, supported by proper documents and vouchers

- and that such contractor 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;
- (h) 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;
  - (i) 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;
  - (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 obtainable;
  - (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

(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 the cost of construction of the Road incurred by the Company on and after the 1st day of February, 1956, which in the opinion of the Minister meets the requirements of 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 One Hundred and Forty Thousand Dollars (\$140,000.00), 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;

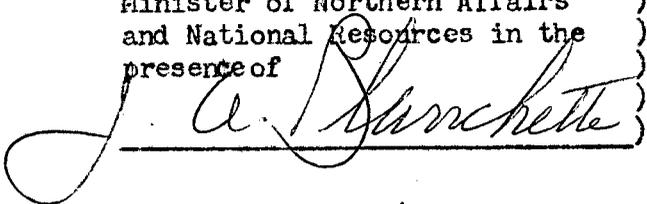
(ii) the cost of material incorporated in the Road including off the site costs of labour and transportation in respect of such material;

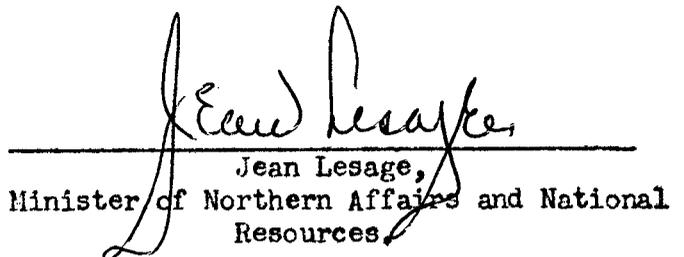
(iii) the cost of consumable supplies and materials used for constructional operations;

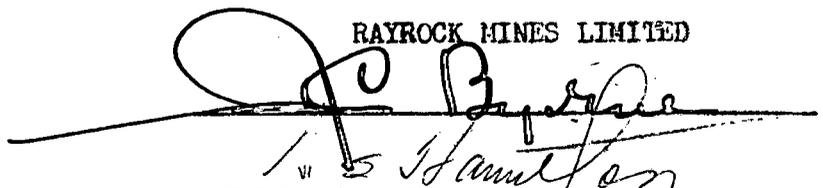
- (iv) the cost of engineering charges and field supervision during construction;
  - (v) the costs of operating construction equipment exclusive of repairs;
  - (vi) the costs of depreciation of equipment owned by the Company at rates agreed upon by the Minister and the Company;
  - (vii) such other 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 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;
- (e) that the Minister's decision with respect to items to be included as costs of construction is final and binding on both parties;
- (f) that all 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.

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, SEALED AND DELIVERED BY )  
the Honourable Jean Lesage,  
Minister of Northern Affairs  
and National Resources in the  
presence of

  
A. Duchette

  
Jean Lesage,  
Minister of Northern Affairs and National  
Resources

RAYROCK MINES LIMITED  
  
W. S. Hamilton

*PA*  
*all*

351-2-31

PBP/FF

SENT  
by  
Sub Registry  
No. 1

Ottawa, May 17, 1956.

J. C. Byrne, Esq.,  
President,  
Rayrock Mines Ltd.,  
Suite 509, 25 Adelaide St. W.,  
Toronto, Canada.

North Adm. & Lands Br.  
  
MAY 18 FILED  
File No. 351-2-31  
Refer To.....

Dear Mr. Byrne:

Reference your letter of May 1st, the agreement regarding Federal contribution to the construction of the road from Sherman Lake to Marian Lake has now been executed by the Minister and I enclose one signed copy for your files.

I note that you plan to construct the road using equipment and labour on an hourly basis and that you will be forwarding the contract here for approval in due course.

Yours sincerely,

*[Handwritten signature]*

*[Handwritten signature]*  
F. J. G. Cunningham,  
Director.

North Admin. & Lands Br.  
MAY 18 FILED  
File No. 351-2-31  
Refer To.....

351-2-31  
PBP/FF

*pa  
as*

St. ...  
by  
Sub Registry  
No. 11

Ottawa, May 17, 1956.

MEMORANDUM FOR THE CHIEF TREASURY OFFICER

RAYROCK MINES LIMITED ROAD AGREEMENT

I now enclose an original signed copy of the agreement authorized under Order in Council P.C. 1956-28/558 of 12th April 1956 for your files.

An office copy of the agreement is being forwarded with a copy of this memorandum to Mr. Doyle.

c.c. Mr. Doyle

*[Handwritten signature]*  
F.J.C. Cunningham,  
Director.

DEPARTMENT OF NORTHERN AFFAIRS AND  
NATIONAL RESOURCES

Northern Administration & Lands Branch

Date:

16-5-56

TO:

Mr. Nicol

For Action:

XXX

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:

*Letter to Bryson & ETO.  
17 May  
J. Doyle  
S.P.P.*

# Department of Northern Affairs and National Resources

OFFICE OF THE DEPUTY MINISTER

DATE May 16/56

TO: MR. CUNNINGHAM

FOR ACTION:

XXX

FOR DIRECT REPLY:

FOR PREPARATION OF REPLY:

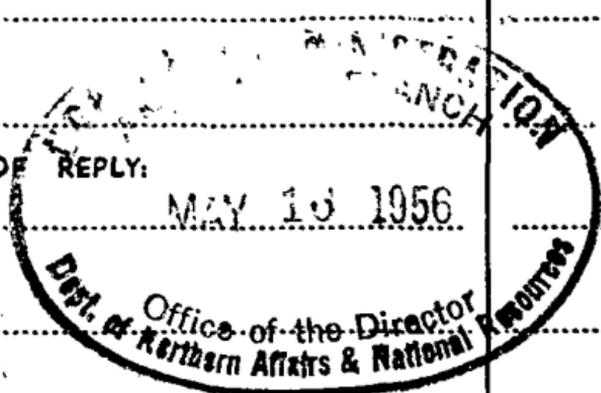
FOR COMMENT:

FOR APPROVAL:

TO NOTE AND FILE:

AND RETURN:

FOR DISCUSSION WITH UNDERSIGNED:



The Agreement with Rayrock Mines Limited attached to your memo of May 9 has now been signed by the Minister and all three copies are returned to you herewith for distribution. The Agreement has not been dated but was returned signed by Mr. Lesage on May 15.

*agreement dated may 15 - RL*

A large, stylized handwritten signature in dark ink, likely belonging to Mr. Lesage as mentioned in the text above.

001163

North Adm. & Lands Br.

MAY 18 FILED

File No. 351-2-31

Refer To.....

351/2-31  
PBP/TF

PA  
AS

Ottawa, May 9, 1956.

MEMORANDUM FOR THE DEPUTY MINISTER

RAYROCK MINES LIMITED AGREEMENT

I now enclose draft agreement which has been duly executed by Rayrock Mines Limited.

The forwarding letter from Rayrock Mines Limited contains the following paragraph:

"With reference to the road work completed by Consolidated Northland Mines from Marian Lake to their property, this work was completed prior to February 1, 1956, and was specifically mentioned in our brief presented to the Deputy Minister and was also mentioned in various correspondence. We expect to use a good percentage of the road which will require straightening as it was located in a hurry to rush plant equipment to the Northland property. Northland and Rayrock had agreed to contribute towards road construction on a basis of \$20,000 and \$120,000 respectively as contributions by the mining companies."

You will remember that these points were previously raised by Mr. Byrne in his letter of March 20th which was passed to you with my memorandum of April 10th and which you returned with comments. Accordingly Mr. Byrne was informed that his wishes could not be acceded to in this instance. Since the Company has executed the agreement, I assume that they are willing to accept the limitations it contains.

Accordingly the attached agreement is submitted for execution by the Minister. Please return to me in due course for distribution.

F.J.G. Cunningham,  
Director.

NORTHERN ADMINISTRATION & LANDS BRANCH  
**TEMPORARY FILE**

FILE NO. \_\_\_\_\_ VOL. NO. \_\_\_\_\_

351-2-31

T123

SUBJECT \_\_\_\_\_

Road from Mauer Lake to Sherman Lake

MAIN FILE IS CHARGED TO  
 PBP 2-5

REFERENCE				DISPOSAL			
REFERRED TO	REMARKS	DATE	INITIALS	DATE OF P.A. OR T.	DATE OF B.F.	INITIALS	REGISTRY INSPECTION
X1 Do	1-5-56 # 4801 for map	2-5 9/5	me g	<del>19/5</del> 19.5		g b	-5 11/5 110 11/5

PS - Royrock Mines Std 1-5

351/2-31  
FDP/WY

North Admin. & Lands Fr.  
MAY 11 1956  
File No. 351-2-31  
Refer Ottawa, May 9, 1956.

MEMORANDUM FOR THE DEPUTY MINISTER

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Accordingly the attached agreement is submitted for execution by the Minister. Please return to me in due course for distribution.



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

North Admin. & Records
MAY 11 FILED
File No. 351-2-31
Refer To.....

351-2-31

PBP/FF

Ottawa, May 9, 1956.

MEMORANDUM FOR THE DIRECTOR

RAYROCK MINES LTD.

Please see Mr. Byrne's letter of May 1st hereunder.

Reference his para. 2, if they do not get the road done by 31st March 1957 the Minister has authority under the agreement to extend the date. Funds would have to be provided in next year's estimates for the unpaid balance.

Reference his para. 3, regarding possible contribution by other companies towards maintenance, it is considered that this might be dealt with when it arises.

Reference his para. 4, no comment appears necessary.

Reference his para. 5, I am not clear as to his purpose in repeating the reference to work done by Consolidated Northland Mines and work done prior to 1st February 1956. I assume that since he has signed the agreement he is prepared to accept its terms although not particularly happy about this point.

Draft memorandum to the Deputy Minister is attached.

John L. Nicol,  
Chief,  
Works & Services.



CANADA

PLEASE QUOTE

FILE 351-2-31

PBP/FF

NORTHERN ADMINISTRATION  
AND LANDS BRANCH

DEPARTMENT  
OF

OFFICE OF THE DIRECTOR

NORTHERN AFFAIRS AND NATIONAL RESOURCES

North Adm. & Lands Br.
Ottawa, May 9, 1956.
MAY 11 FILED
File No. 351-2-31
Refer To.....

Ottawa, May 9, 1956.

MEMORANDUM FOR THE DIRECTOR

RAYROCK MINES LTD.

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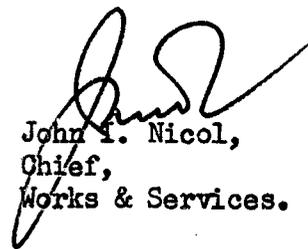
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-- Draft memorandum to the Deputy Minister is attached.

*Noted*

  
John I. Nicol,  
Chief,  
Works & Services.

351-2-31

PBP/FF

Ottawa, May 9, 1956.

MEMORANDUM FOR THE DIRECTOR

RAYROCK MINES LTD.

Please see Mr. Byrne's letter of May 1st hereunder.

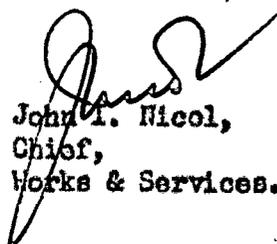
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Reference his para. 5, I am not clear as to his purpose in repeating the reference to work done by Consolidated Northland Mines and work done prior to 1st February 1956. I assume that since he has signed the agreement he is prepared to accept its terms although not particularly happy about this point.

Draft memorandum to the Deputy Minister is attached.

  
John I. Nicol,  
Chief,  
Works & Services.

NORTHERN ADMINISTRATION & LANDS BRANCH  
 TEMPORARY FILE

FILE NO.

VOL. NO.

SUBJECT

3 51-2-31

T 125

Road from Marias Lake to Sherman Lake

MAIN FILE IS CHARGED TO

PBP 3-5-

REFERENCE

DISPOSAL

REFERRED TO	REMARKS	DATE	INITIALS	DATE OF P.A. OR T.	DATE OF B.F.	INITIALS	REGISTRY INSPECTION
K1	4-5-56 505-5-	7-5-	me	915		JL	7/6 8-5'

*[Handwritten signature]*

J. C. Byrne 4-5-

MINE OFFICE  
YELLOWKNIFE  
N.W.T.

HEAD OFFICE  
SUITE 509  
25 ADELAIDE STREET WEST  
TORONTO 1, CANADA

# RAYROCK MINES LIMITED

TELEPHONE EMPIRE 4-5588

North Admin. & Lands Br.
Ottawa, Ont.
MAY 7 1956
File No. 351-2-31
K1.

Your File  
351-2-31

Toronto, Ontario  
May 4, 1956

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

5055

Dear Mr. Cunningham:

We wish to acknowledge receipt of and thank you for cheque in the amount of \$2,780.56 representing the Federal contribution of fifty per cent towards construction of the winter road from Marian Lake to Marian River (Sherman Lake) in the Northwest Territories.

Yours very truly,

RAYROCK MINES LIMITED

For: J. C. Byrne  
President and General Manager

O"S

*Pa  
WS*

351-2-31

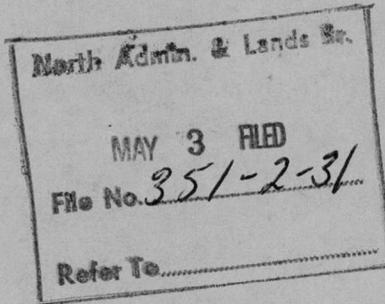
PBP/FF



Ottawa, May 2, 1956.

REGISTERED

J.C. Byrne, Esq.,  
President,  
Rayrock Mines Ltd.,  
Suite 509,  
25 Adelaide St. W.,  
Toronto, Ontario.



Dear Mr. Byrne:

With reference to your letter of March 8, 1956  
I now enclose cheque for \$2780.56 representing the Federal  
contribution of 50 percent towards construction of the winter  
road from Marian Lake to Marian River (Sherman Lake) in the  
Northwest Territories.

*F.J.G. Cunningham*

F.J.G. Cunningham,  
Director.

*1730*

*[Handwritten mark]*

MINE OFFICE  
YELLOWKNIFE  
N. W. T.

HEAD OFFICE  
SUITE 509  
25 ADELAIDE STREET WEST  
TORONTO 1, CANADA

# RAYROCK MINES LIMITED

TELEPHONE EMPIRE 4-5588

Toronto, Ontario  
May 1, 1956

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

North Admin. & Lands Div.  
Ottawa, Ont.

MAY 2 1956

File No. 351-2-31

Refer To K1

4801

Dear Mr. Cunningham:

We thank you for your letter of April 24th with enclosed draft agreement in triplicate covering Government contribution not to exceed \$140,000 towards the cost of road construction, Sherman Lake to Marian Lake. We enclose herewith three copies of the agreement duly executed.

Referring to the Memorandum of Agreement, Page 2, item 1(b), we will use our best efforts in the construction of the road and hope to have it passable by late fall and completed in the summer of 1957. We do not plan to attempt highballing the job, which invariably means excessive cost. Since the road is vital to operations at Rayrock, we shall complete same as soon as possible using every means consistent with sound practice and efficiency.

Referring to Page 3, item 1(i). Under the agreement the Company is obligated to maintain the road at its own expense. We reserve the right to request a contribution towards construction and maintenance from other companies in the area that use the road.

Page 4, item 3(a), with reference to the general route of the road and its final location being subject to the approval of the Minister. We have commissioned Sparton Air Services Limited to prepare a photographic interpretation of the proposed road from Marian Lake to Sherman Lake. In this connection they are preparing annotated mosaics at approximately 1,000 ft. = 1 in. on which they are outlining suggested routes. Most of this work is completed with two alternative routes suggested. Our Engineering Staff pronounce the work as excellent.

With reference to the road work completed by Consolidated Northland Mines from Marian Lake to their

*Memo to  
Director  
D. J. May 9.*

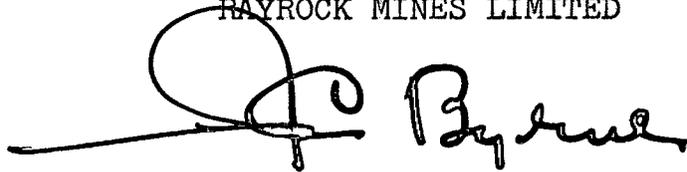
- 2 -

property, this work was completed prior to February 1, 1956, and was specifically mentioned in our brief presented to the Deputy Minister and was also mentioned in various correspondence. We expect to use a good percentage of the road which will require straightening as it was located in a hurry to rush plant equipment to the Northland property. Northland and Rayrock had agreed to contribute towards road construction on a basis of \$20,000 and \$120,000 respectively as contributions by the mining companies. ||

We acknowledge and thank you for rough draft of a form of subcontract and equipment rental rates. We plan to construct the road using equipment and labour on an hourly basis. The writer is proceeding to Yellowknife this weekend and will prepare a contract between Jack Perkins and Rayrock Mines, same to be submitted to you for approval.

Yours very truly,

RAYROCK MINES LIMITED

A handwritten signature in black ink, appearing to read "J. C. Byrne". The signature is written in a cursive style with a large, looping initial "J".

J. C. Byrne  
President

JCB:o's

Enc.3.

NORTHERN ADMINISTRATION & LANDS BRANCH  
B.F. NOTIFICATION MEMO

*PA.*

TO <i>P. B. P.</i>	DATE <i>9-5-56-</i>
FILE NO. <i>351-2-31-</i>	VOL. NO. <i>25-44-122-</i>
SUBJECT <i>Road from Lake to Sherman Lake -</i>	
THE FILE NOTED ABOVE WHICH WAS B.F.'D FOR THIS DATE IS NOW CHARGED TO:	
<i>Parker, 3-5-</i>	
PLEASE INDICATE ACTION REQUIRED ON LOWER PORTION OF THIS FORM AND RETURN IT TO THE REGISTRY	
<i>[Signature]</i> BRANCH REGISTRY	

TO BRANCH REGISTRY

CANCEL B.F.                       B.F. AT \_\_\_\_\_ DATE \_\_\_\_\_

OTHER INSTRUCTIONS \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_ DATE \_\_\_\_\_                      *[Signature]* SIGNATURE

North <sup>5</sup> Minn. & Lands Br. 351-2-31

MAY 1 FILED

File No. 351-2-31

Refer To \_\_\_\_\_

*Sont amz*  
*BR*

Ottawa, April 25, 1956.

*BF 9 May*  
*#122*

J.C. Byrne, Esq.,  
President,  
Rayrock Mines Ltd.,  
Suite 509, 25 Adelaide St. W.,  
Toronto, Canada.

Dear Mr. Byrne:

This refers to your letter of March 20th in regard to the truck road from Sherman Lake to Marian Lake, and to our telephone conversation of this morning.

Although you do not specifically say so in your letter, I assumed that your purpose in giving the information regarding the proposed breakdown of expenditures between Rayrock Mines Ltd. and Consolidated Northland Mines Ltd. was to explore the possibility of (a) joining Consolidated Northland Mines Ltd. in the agreement; and (b) obtaining authority for Federal contribution to certain expenditures incurred prior to February 1st, 1956.

Both these points have been given careful consideration. As regards (a) it is the usual practice in this type of agreement for the Federal Government to deal with one Company only and it has been decided not to depart from this practice in this case.

As regards (b) I believe the date of 1st February 1956 was cleared with you prior to making up the submission to Council. In any event, it is considered that from the point of view of the Federal Government going back prior to February 1st, 1956 would be hard to justify.

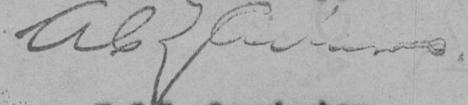
I trust that I have understood your letter correctly and regret that it has not been possible to accede to your wishes in this instance.

I now enclose the draft agreement covering the contribution not to exceed \$140,000 towards the cost of construction of this road. If in order, would you please execute three copies of this agreement and return to me for submission to the Minister for execution on behalf of the Crown.

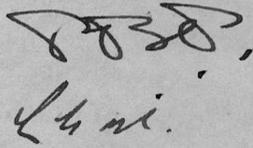
- 2 -

You also requested a rough draft of a form of sub contract and some information on rates for use of equipment. I have had a rough draft agreement prepared which you could use as a basis for drawing your sub contract and have included rates for equipment rental which I believe are reasonable.

Yours sincerely,



F.J.G. Cunningham,  
Director.



24 ni.

*#251*

351-2-31

*Port  
area*

*B.F. April 26*

PBP/FF

*AK*

Ottawa, April 24, 1956.

North Admin. & Lands Div.  
351-2-31  
APR 26 1956  
File #

MEMORANDUM FOR MR. W. NASON

RAYROCK MINES LTD.  
ALL-WEATHER ROAD AGREEMENT

The All-Weather Road Agreement with Rayrock Mines Ltd. has now been drawn in final form ready for submission to the Company for signature.

Entry into this agreement was authorized under P.C.1956-28/558 of 12th April 1956.

I am enclosing two copies of this agreement for your perusal. Will you kindly return one copy indicating your approval or any necessary amendments.

*[Handwritten signature]*

*[Handwritten signature]*

F.J.G. Cunningham  
Director

351-2-31

FBP/ff

SENT  
by  
Sub Registry  
No. 1

Ottawa, April 23, 1956.

RECEIVED  
Sands Br.  
APR 24 1956  
File No. 3  
Refer To

MEMORANDUM FOR THE CHIEF TREASURY OFFICER

RAYROCK MINES LTD. ROAD AGREEMENT  
CLAIM FOR \$2780.56

This refers to telephone conversation between Mr. Frazer and Mr. Parker in which Mr. Frazer asked whether the truck tractor road from Marian Lake to Marian River, for which a Federal contribution not exceeding \$6,000 was authorized, should now be considered complete.

I am enclosing an original letter from Mr. Byrne, President of the Company, dated March 8th, 1956 claiming \$2780.56 being half of the total expenditure of \$5561.13. Mr. Byrne states that the road was completed in the months of February and March 1955, and the total expenditure of \$5561.13 has been certified as correct by Mr. Homulus, Mining Inspector at Yellowknife. It is known that this road has been used for transportation of freight and it is considered that the road was completed within the terms of the Order in Council authorizing Federal contribution.

The further work mentioned by Mr. Homulus no doubt refers to the construction work on the All-Weather Road towards which a Federal contribution of \$140,000 is provided in the 1956-1957 estimates.

Payment of the Rayrock Mines Ltd. Claim for \$2780.56 is now recommended.

*[Handwritten signature]*

*[Handwritten signature]*  
V.J. Cunningham  
Director.

COPY/ff

RAYROCK MINES LIMITED

351-2-31

Your File 351-2-31

Toronto, Ontario  
March 8, 1956.

Department of Northern Affairs  
and National Resources  
OTTAWA, Ontario

Attention: Mr. B.G. Sivertz

Dear Sir:

We acknowledge with thanks receipt of letters dated February 15th and 24th from Mr. F.J.G. Cunningham and yours of March 2nd, together with three copies of a draft agreement in respect of the Federal contribution towards the construction of a winter road from Marian Lake to Marian River.

We enclose herewith three executed copies of the agreement. You will note that we have struck out paragraph 1, items (c), (d) and (r). Items (d) and (r) have been deleted and initialled since winter road construction was completed in the months of February and March 1955. Dominion Lands Survey of the necessary right of way could quite conceivably involve a total amount of \$12,000 as set forth in the agreement. In view of the fact that we are now proceeding with the construction of an all weather truck road, also the fact the winter road makes full use of the frozen surface of the many lakes in the area, we feel that the all weather road will take over exclusively and of course a survey will have to be completed.

The winter road as constructed in 1955 was for tractors only and was completed at a total cost of \$5,561.13. Our Yellowknife office under date of June 1st, 1955, submitted to your Mr. Homulos a number of copies of "Statement of Expenditures in Connection with Winter Road Marian Lake to Sherman Lake, N.W.T.", similar to copy attached. Supporting vouchers were submitted to Mr. Homulos along with the Statement of Expenditures.

We would appreciate a cheque at your convenience in the amount of \$2,780.56.

Yours very truly,

RAYROCK MINES LIMITED

(Sgd) C. Byrne  
President and  
General Manager

*Original  
filed 15  
c.t.o. JCB:os*

*md  
May 2  
JCB*

001180

COPY/ff

RAYROCK MINES LIMITED

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"  
Consulting Mining Engineer

"J.C. Byrne"  
President and General Manager

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

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

Date:

17-4-56

TO:

Mr.

*[Handwritten signature]*

*[Handwritten signature]*  
**E. B. PARKER**

For Action:

For Direct Reply:

For Preparation of Reply:

For Reply for Director's Signature:

For Comment:

For Approval:

To Note and File:

XXX

For Discussion with Undersigned:

For Signature:

For Information:

Re: Telephone Conversation:

*[Handwritten notes:]*  
agreements  
prepared & forwarded  
Raymond  
April 5, 1956

*Munnings* P.C. 1956-28/558

*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 12th April 1956.*

*RM*

T.B. 498907

NORTHERN AFFAIRS AND NATIONAL RESOURCES

Copy

351-2-31

MAY 11 1956

File No. \_\_\_\_\_

Refer To \_\_\_\_\_

NORTHERN ADMINISTRATION AND LANDS BRANCH

ARR 17 1956

Office of the Director of Northern Affairs & National Resources

The Board had under consideration a report and recommendation from the Honourable the Minister of Northern Affairs and National Resources representing:

That Rayrock Mines Limited and other mining companies are currently engaged in development of radio-active ores in the vicinity of Sherman Lake in the Marian River area of the Northwest Territories;

That by authority of Order in Council P.C. 1955-29/1342 of the 9th September, 1955, as amended by Order in Council P.C. 1956-31/157 of the 31st January, 1956, the undersigned entered into an agreement with Rayrock Mines Limited wherein Her Majesty agreed to pay Fifty per cent (50%) of the cost of construction of thirty miles of winter truck and tractor road from the head of navigation at Marian Lake to the Marian River area, or Six thousand dollars (\$6,000.00), whichever is the lesser;

That Rayrock Mines Limited has completed the winter truck and tractor road and it is being used for the hauling of freight;

That Rayrock Mines Limited has represented that it has the objective of bringing its property at Sherman Lake into production by the spring of 1957 and that in order to handle the movement of freight required for the construction of buildings, the installation of mining and milling machinery and the building of a twenty-two mile power line, it is necessary that the said winter truck and tractor road be brought up to the standard of an all-weather road capable of sustaining one-way traffic;

That necessary modification to the route will increase the length of the all-weather road to about thirty-five miles;

That the route of the all-weather road will pass through areas where other mining companies are carrying out important development programs;

.....

- 2 -

That Rayrock Mines Limited has estimated construction cost of the required all-weather road at Eight thousand dollars (\$8,000.00) per mile, making a total cost of Two hundred and eighty thousand dollars (\$280,000.00);

That Rayrock Mines Limited has offered to carry out construction of the all-weather road provided Her Majesty will contribute Fifty per cent (50%) of the cost of constructing the said road, or One hundred and forty thousand dollars (\$140,000.00), whichever is the lesser;

That the offer of Rayrock Mines Limited has been investigated and is found to warrant participation by Her Majesty as being in the public interest.

The undersigned, therefore, has the honour to recommend that he be authorized to enter into an agreement substantially in the form hereto annexed with Rayrock Mines Limited to contribute Fifty per cent (50%) of the cost incurred on or after the 1st day of February, 1956, of construction of a thirty-five mile all-weather road from Sherman Lake to Marian Lake, or One hundred and forty thousand dollars (\$140,000.00), whichever is the lesser, such contribution to be chargeable to Vote Number 310 of the Appropriation for 1956-57 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 and Other Field Services, upon the understanding that Rayrock Mines Limited will pay the cost of maintaining the said road until such time as in the opinion of the Minister the road ceases to be a road for the exploitation of the mineral resources adjacent to the road."

The Board concur in the above report and recommendation,  
and submit the same for favourable consideration.



Clerk of the Privy Council. . . . .

RMcL/EC



WHEREAS His Excellency the Governor in Council has by Order in Council P.C. of the 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;

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 an all-weather road capable of sustaining one-way truck traffic of approximately thirty-five miles in length from Sherman Lake to Marian Lake in the Mackenzie District in the Northwest Territories (hereinafter called "the Road") according to specifications satisfactory to the Minister;
- (b) that it will complete the Road on or before the 31st day of March, 1957, or by such later date as the Minister in his discretion may designate;
- (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 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;

-3-

- (g) that where a construction contract is entered into with a contractor it shall be provided in such contract that the contractor will maintain adequate records of work done and expenditures made pursuant to such contract, supported by proper documents and vouchers and that such contractor 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;
- (h) 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;
- (i) 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;
- (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 obtainable;
- (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
- (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 the cost of construction of the Road incurred by the Company on and after the 1st day of February, 1956, which in the opinion of the Minister meets the requirements of 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 One hundred and forty thousand dollars (\$140,000.00), 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 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 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;
- (e) that the Minister's decision with respect to items to be included as costs of construction is final and binding on both parties;



DEPARTMENT OF NORTHERN AFFAIRS AND  
NATIONAL RESOURCES

Northern Administration & Lands Branch.

Date: 13/4/

TO: Mr. [unclear] att [unclear]

For Action:

For Direct Reply:

For Preparation of Reply: XX

For Reply for Director's Signature:

For Comment:

For Approval:

To Note and File:

For Discussion with Undersigned:

For Signature:

For Information:

Re: Telephone Conversations:

Re: [unclear] remarks on p. 2.

pb 2a

Letter to Byrne  
April 23rd

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



NORTHERN ADMINISTRATION  
AND LANDS BRANCH  
APR 12 1956  
NORTHERN AFFAIRS  
Office of the Director  
Dept. of Northern Affairs & National Resources

NORTHERN ADMINISTRATION  
AND LANDS BRANCH

DEPARTMENT  
OF

DEPUTY MINISTER  
APR 11 A.M.  
Dept. of Northern Affairs  
& National Resources

OFFICE OF THE DIRECTOR

*Mr. Adams*

OTTAWA

North Admin. & Lands Br.  
April 10, 1956  
~~351-2-31~~  
FILED  
File No. ....  
Refer To .....

Memorandum for the Deputy Minister:

Rayrock Mines Limited.  
All-Weather Road Agreement.

A Submission to Council dated March 8th, 1956, has been made to cover the federal contribution not to exceed \$140,000 toward construction of the all-weather road from Marian Lake to Sherman Lake.

*approved by  
FR Mar. 28  
but he has not been  
yet. Apr. 11  
J.W.*

The Submission to Council specified the 1st of February 1956 as the date on or after which construction might take place and from which Government participation would also commence. This date was selected since it was the date of the letter to Mr. Byrne advising him that the Estimates had been tabled in the House, and it appeared that this would be a logical date to use as a commencement date. In order to avoid possible difficulty, Mr. P.B. Parker telephoned Mr. J.C. Byrne, President of the Rayrock Mines Limited, on March 7th to ascertain whether the commencement date of February 1st was satisfactory to him. Mr. Byrne stated at that time that they had hardly commenced construction and the commencement date of February 1st 1956 was entirely satisfactory.

Mr. Byrne has written under date of March 20th (original letter attached), advising us that 50 per cent of the cost will be split between his company and Consolidated Northland Mines Limited, and mentions in his letter that the latter company started construction last August and, up to the year end, had expended in excess of \$16,000. This letter might be taken as a simple statement of fact, but Mr. Parker advises that on either the 19th or 20th March Mr. Byrne called him and explained the division of costs between the two companies. He mentioned also that, although he had agreed to the date in the agreement for the commencement of work as February 1st, 1956, he had not realized the amount spent by Consolidated Northland Mines Limited, and to Mr. Parker expressed a desire (1) to have the agreement altered to include the two companies, and (2) to have the agreement changed so as to include the expenditures prior to February 1st. There is no such request in Mr. Byrne's letter, but taken in connection with his telephone conversation

- 2 -

it can be assumed that such a request is intended.

*I agree*  
As to the suggestion that Consolidated Northland Mines be joined in the agreement, it is recommended that we should deal only with one company and leave it to Rayrock to make any other commitments which they desire.

In regard to back dating the agreement, this would not of course change the total commitment under the agreement. It may be there are considerations which might make it desirable, from your point of view or the Minister's, that expenditures prior to February 1st might be included as part of the total of \$140,000 to which we are committed.

It might be noted that some correspondence was received in respect of a Consolidated Northland Mines road from Mr. M.A. Hardie last summer, copies of which were forwarded to yourself as Commissioner of the Northwest Territories on the 22nd August, 1955. A reply to Mr. Hardie was made by the Minister on August 23rd, 1955, advising that formal application should be made for assistance. As far as I am aware, no formal or informal application was made up until the present letter under consideration.

Mr Adams

I do not think we should change the date. With only \$16,000 at stake the two companies can work out an arrangement between themselves & absorb it. Going back prior to Feb 1/56 would be hard to justify.

*A.C.L. Adams*  
A.C.L. Adams,  
Assistant to Director.

*AK*  
12/14/56

DRAFT AGREEMENT

THIS AGREEMENT MADE (in triplicate) the \_\_\_\_\_ day of \_\_\_\_\_, 1956

BETWEEN:

Rayrock Mines Ltd. a body corporate having its head office at the City of Toronto in the Province of Ontario (hereinafter called Rayrock)

AND

of \_\_\_\_\_

(hereinafter called the Contractor)

WITNESSETH that the parties hereto hereby agree as follows.

1. The contractor agrees that he will for the amount or amounts hereinafter mentioned perform all the work shown on the plans and specifications attached in connection with the following work:

Construction of an All-Weather road capable of sustaining one way truck traffic from Sherman Lake to Marian Lake in the Northwest Territories,

and will complete the road on or before the \_\_\_\_\_ day of \_\_\_\_\_ 19 \_\_\_\_\_.

2. Rayrock agrees that it will pay to the contractor for the construction work described in section 1 the following amount or amounts:-

(a) rental of equipment (if and when employed) at the following rates:-

<u>Item of Equipment</u>	<u>Hourly Rate</u>
Heavy Duty motor grader	\$12.00
Heavy Duty truck equipped with Hydraulic dump boxes	\$1 per cu. yard capacity per hour
Tractor caterpillar D-6 or equal equipped with bulldozer blade and / or overhead loader	7.00
Tractor caterpillar D-7 or equal equipped with bulldozer blade and/or overhead loader	12.00
Tractor caterpillar D-8 or equal equipped with bulldozer and/or overhead loader	15.00
2-ton utility	4.00
Pick-up truck	2.50

<u>Item of Equipment</u>	<u>Hourly Rate</u>
Pull graders depending on sizes	\$3.00 - \$5.00
Heavy Duty pull scraper depending on capacity	\$4.00 - \$8.00

such rentals to include wages of the operator, maintenance of equipment, fuel and profit;

- (b) Labour costs other than included in (a);
- (c) Other necessary field costs; and
- (d) 10% of the total of b & c as profit.

3. Payment will be made by Rayrock on contractor's invoice to be submitted monthly less 10% holdback and final payment including holdback will be made following the Federal Engineer's certificate of completion.

4. The contractor agrees

- (a) that he will maintain adequate records of work done and expenditures made supported by proper documents and vouchers and will make any or all such records documents and vouchers available to any representative of the Department of Northern Affairs and National Resources and will furnish any or all information in relation thereto and will extend full facilities for an inspection of the books and complete audit by an officer of the Department of Finance;
- (b) that he will not employ on the construction of the road any person who is not a resident of Canada or any person who is not a local resident unless insufficient qualified local residents are obtainable;
- (c) that he will not discriminate against any person seeking employment on the construction of the road because of such person's race, religious views or political affiliations;
- (d) that he 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.

- (e) that where necessary he will arrange for proper housing, dining, medical and mail facilities for persons employed on the construction of the road;
- (f) that he will ensure that fair wages are paid to all persons employed on the construction of the road;
- (g) that he will ensure that the hours of work observed in the construction of the road are those prevailing for similar work undertaken in the district.

IN WITNESS WHEREOF  
this agreement has been duly  
executed by the parties hereto

Rayrock Mines Ltd.

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

NORTHERN ADMINISTRATION & LANDS BRANCH  
 TEMPORARY FILE

FILE NO.

VOL. NO.

SUBJECT

351-2-31

181

*road from Maroon to Shornas Lake*

MAIN FILE IS CHARGED TO

PBP 20-3

REFERENCE				DISPOSAL			
REFERRED TO	REMARKS	DATE	INITIALS	DATE OF P.A. OR T.	DATE OF B.F.	INITIALS	REGISTRY INSPECTION
K1	20-3# 2821	2/3	MCT	T		WWS	CO 12/4
DO	Memo 22/3/56	22/3	WWS	—		—	CO 12/4
K1	for prep. of reply	23.3	B. G. S.	—		—	CO 12/4
	consult with B. & Lands. 23/3		WWS	—		—	CO 12/4
DO.	signature file.	6 Apr	STR	11-4		(Aclat)	CO 12/4

J C Byrne 20-3

PBP/ACIA:PI

North Admin. & Leads Cr.
351-2-31
APR 12 FILED
File No. <i>km</i>
Refer To _____

351-2-31

Mr. Parker - Rewrite of your memo. hereunder:

OTTAWA, April 10, 1956.

Memorandum for the Deputy Minister:

Rayrock Mines Limited.  
All-Weather Road Agreement.

A Submission to Council dated March 8th, 1956, has been made to cover the federal contribution not to exceed \$140,000 toward construction of the all-weather road from Marian Lake to Sherman Lake.

The Submission to Council specified the 1st of February 1956 as the date on or after which construction might take place and from which Government participation would also commence. This date was selected since it was the date of the letter to Mr. Byrne advising him that the Estimates had been tabled in the House, and it appeared that this would be a logical date to use as a commencement date. In order to avoid possible difficulty, Mr. P.B. Parker telephoned Mr. J.C. Byrne, President of the Rayrock Mines Limited, on March 7th to ascertain whether the commencement date of February 1st was satisfactory to him. Mr. Byrne stated at that time that they had hardly commenced construction and the commencement date of February 1st 1956 was entirely satisfactory.

Mr. Byrne has written under date of March 20th (original letter attached), advising us that 50 per cent of the cost will be split between his company and Consolidated Northland Mines Limited, and mentions in his letter that the latter company started construction last August and, up to the year end, had expended in excess of \$16,000. This letter might be taken as a simple statement of fact, but Mr. Parker advises that on either the 19th or 20th March Mr. Byrne called him and explained the division of costs between the two companies. He mentioned also that, although he had agreed to the date in the agreement for the commencement of work as February 1st, 1956, he had not realized the amount spent by Consolidated Northland Mines Limited, and to Mr. Parker expressed a desire (1) to have the agreement altered to include the two companies, and (2) to have the agreement changed so as to include the expenditures prior to February 1st. There is no such request in Mr. Byrne's letter, but taken in connection with his telephone conversation

- 2 -

it can be assumed that such a request is intended.

As to the suggestion that Consolidated Northland Mines be joined in the agreement, it is recommended that we should deal only with one company and leave it to Rayrock to make any other commitments which they desire.

In regard to back dating the agreement, this would not of course change the total commitment under the agreement. It may be there are considerations which might make it desirable, from your point of view or the Minister's, that expenditures prior to February 1st might be included as part of the total of \$140,000 to which we are committed.

It might be noted that some correspondence was received in respect of a Consolidated Northland Mines road from Mr. M.A. Hardie last summer, copies of which were forwarded to yourself as Commissioner of the Northwest Territories on the 22nd August, 1955. A reply to Mr. Hardie was made by the Minister on August 23rd, 1955, advising that formal application should be made for assistance. As far as I am aware, no formal or informal application was made up until the present letter under consideration.

A.C.L. Adams,  
Assistant to Director.



CANADA

PLEASE QUOTE

FILE 351-2-31

FBP/FF

NORTHERN ADMINISTRATION  
AND LANDS BRANCH

DEPARTMENT  
OF

OFFICE OF THE DIRECTOR

NORTHERN AFFAIRS AND NATIONAL RESOURCES

Ottawa, April 10, 1956.

MEMORANDUM FOR THE DEPUTY MINISTER

RAYROCK MINES LTD.  
ALL-WEATHER ROAD AGREEMENT

A Submission to Council dated March 8, 1956 has been made to cover the Federal contribution not to exceed \$140,000 toward construction of the All-Weather Road from Marian Lake to Sherman Lake.

The Submission to Council specified 1st February 1956, as the date on or after which construction might take place and from which Government participation would also commence. This date was selected since it was the date of the letter to Mr. Byrne advising him that the estimates had been tabled in the House and it appeared that this would be a logical date to use as a commencement date. In order to avoid possible difficulty Mr. P.B. Parker telephoned Mr. J. C. Byrne, President of the Rayrock Mines Ltd. on March 7 to ascertain whether the commencement date of 1st February 1956 was satisfactory to him. Mr. Byrne stated at that time that they had hardly commenced construction and the commencement date of 1st February 1956 was entirely satisfactory.

A letter has now been received from Mr. Byrne in which he requests the following changes:

- (a) inclusion of Consolidated Northland Mines as constructing a part of the road, and
- (b) authorization for expenditures incurred in and after August 1955.

As regards (a) it is suggested that the Federal Government should deal with one company only and leave it to Rayrock Mines Ltd. to make any contracts with another company. It would be difficult to draw a demarkation line between the responsibilities of two companies if it were a joint matter.

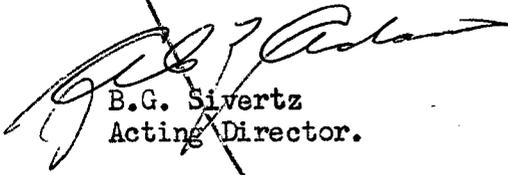
- 2 -

As regards (b) we are being asked in effect to contribute to work which was undertaken without approved federal participation. However, if a representation had been made by Consolidated Northland Mines prior to undertaking the work it might have been favourably received. In the past under various circumstances contributions have been authorized with retroactive effect. If you feel that Mr. Byrne's request should be given further consideration possibly he might be asked to submit further information as to the locations of the different sections of road involved.

It might be noted that some correspondence was received in respect of a Consolidated Northland Mines road from Mr. M.A. Hardie last summer, copies of which were forwarded to yourself as Commissioner of Northwest Territories on 22nd August 1955. A reply to Mr. Hardie was made by the Minister on August 23, 1955 advising that formal application should be made for assistance. As far as I am aware no formal or informal application was made up until the present letter under consideration.

Any change would of course require amendment to the Submission to Council.

The original of Mr. Byrne's letter dated March 20 is attached. I suggest that it might be appropriate for the reply to be made by yourself or by the Minister rather than from this office.



B.G. Sivertz  
Acting Director.

001201

351-2-31

FBP/FF

Ottawa, April <sup>10</sup> 6, 1956.

MEMORANDUM FOR THE DEPUTY MINISTER

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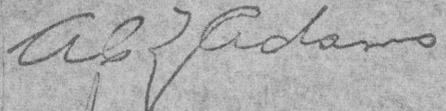
- 2 -

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B.G. Siverts  
Acting Director.

351-2-31

FBP/FF

Ottawa, April 6<sup>10</sup>, 1956.

MEMORANDUM FOR THE DEPUTY MINISTER

RAYROCK MINES LTD.  
ALL-WEATHER ROAD AGREEMENT

A Submission to Council dated March 8, 1956 has been made to cover the Federal contribution not to exceed \$140,000 toward construction of the All-Weather Road from Marian Lake to Sherman Lake.

The Submission to Council specified 1st February 1956, as the date on or after which construction might take place and from which Government participation would also commence. This date was selected since it was the date of the letter to Mr. Byrne advising him that the estimates had been tabled in the House and it appeared that this would be a logical date to use as a commencement date. In order to avoid possible difficulty Mr. P.B.Parker telephoned Mr. J. C. Byrne, President of the Rayrock Mines Ltd. on March 7 to ascertain whether the commencement date of 1st February 1956 was satisfactory to him. Mr. Byrne stated at that time that they had hardly commenced construction and the commencement date of 1st February 1956 was entirely satisfactory.

A letter has now been received from Mr. Byrne in which he requests the following changes:

- (a) inclusion of Consolidated Northland Mines as constructing a part of the road, and
- (b) authorization for expenditures incurred in and after August 1955.

As regards (a) it is suggested that the Federal Government should deal with one company only and leave it to Rayrock Mines Ltd. to make any contracts with another company. It would be difficult to draw a demarkation line between the responsibilities of two companies if it were a joint matter.

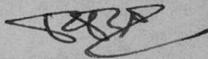
- 2 -

As regards (b) we are being asked in effect to contribute to work which was undertaken without approved federal participation. However, if a representation had been made by Consolidated Northland Mines prior to undertaking the work it might have been favourably received. In the past under various circumstances contributions have been authorized with retro-active effect. If you feel that Mr. Byrne's request should be given further consideration possibly he might be asked to submit further information as to the locations of the different sections of road involved.

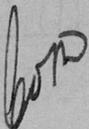
It might be noted that some correspondence was received in respect of a Consolidated Northland Mines road from Mr. M.A. Hardie last summer, copies of which were forwarded to yourself as Commissioner of Northwest Territories on 22nd August 1955. A reply to Mr. Hardie was made by the Minister on August 23, 1955 advising that formal application should be made for assistance. As far as I am aware no formal or informal application was made up until the present letter under consideration.

Any change would of course require amendment to the Submission to Council.

The original of Mr. Byrne's letter dated March 20 is attached. I suggest that it might be appropriate for the reply to be made by yourself or by the Minister rather than from this office.



B.G. Sivertz  
Acting Director.



DEPARTMENT OF NORTHERN AFFAIRS AND  
NATIONAL RESOURCES

Northern Administration & Lands Branch.

Date: April 3, 1956.

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:

Office copy of truck tractor road  
agreement with Rayrock Mines Limited  
attached for your information.

  
C.V.F. Weir, Chief  
Branch Engineering.

001206

DEPARTMENT OF NORTHERN AFFAIRS AND  
NATIONAL RESOURCES

*10*

Northern Administration & Lands Branch.

Date: *21-7*

*505 987*

To: *B5*

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: \_\_\_\_\_

*B.F. 24.4.55  
for Mr Brown's info.  
nd  
BR*

.....  
Signature

.....  
Section 001207

MARCH 8/6

351-2-31

North Admin. & Lands Br.
<del>351-2-31</del>
APR 9 1956
File No. <del>351-2-31</del>
Refer To.....

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

A G R E E M E N T  
 WITH  
 THE RAYROCK MINES LIMITED

MEMORANDUM OF AGREEMENT entered into this 8th day of  
March , 1956,

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 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 of the amount of Six Thousand Dollars (\$6,000.00), whichever amount is the lesser;

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 1st 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. 1956-31/157 of the 31st day of January, 1956, 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;

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 general area north of 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 complete the Road on or before March 31st, 1956;

(c) that ~~where land required for the right-of-way for the Road is not owned by Her Majesty, it will arrange~~

J.L.B.  
D.S.F.

- ~~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;

g.l.B.  
L.S.H.

g.l.B.  
19.271

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

g.l.B  
P.S.H.

2. Subject to funds being appropriated by Parliament, Her Majesty agrees in respect of that portion of the cost of 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) 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 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 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 )

(Sgd) George Prudham

(Sgd) Jean Lesage (SEAL)  
Jean Lesage  
Minister of Northern Affairs  
and National Resources

RAYROCK MINES LIMITED

(Sgd) J.C. Byrne

(Sgd) D.S. Hamilton

NORTHERN ADMINISTRATION & LANDS BRANCH  
 TEMPORARY FILE

FILE NO.

VOL. NO.

351-2-31

T 90

SUBJECT

road from Marian Lake to Sherman Lake

MAIN FILE IS CHARGED TO

PBP 20-3

REFERENCE				DISPOSAL			
REFERRED TO	REMARKS	DATE	INITIALS	DATE OF P.A. OR T.	DATE OF B.F.	INITIALS	REGISTRY INSPECTION
PBP	15-3-52 H. 290 BF	20-3	MB	20 Mar		PBP	21 P 23/3
Parker	request	29-3	De	T		PBP	5/4 11/1
H. J.	approval	3 Apr	PBP	4/4		MB	5/4 11/1
K1	6-4-56 #5493	9-4	MB	10 Apr		PBP	21 6/10/4

Royrock Mines Ltd 6-4

MINE OFFICE  
YELLOWKNIFE  
N.W.T.

HEAD OFFICE  
SUITE 509  
25 ADELAIDE STREET WEST  
TORONTO 1, CANADA

# RAYROCK MINES LIMITED

TELEPHONE EMPIRE 4-5588

RAYROCK MINES LTD.
Ottawa, Ont.
APR 8 1956
File No. 351-2-31
Refer To K1

APR 9 1956  
*[Handwritten signature]*  
 P. PARKER

Toronto, Ontario  
April 6, 1956

*[Handwritten initials]*  
*[Handwritten signature]*  
 10 Apr  
 3493

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

Dear Mr. Cunningham:

Re: Your File 351-2-31

We wish to thank you for your letter of the 3rd April enclosing one copy of the executed agreement in respect of the federal contribution towards the construction of a winter road from Marian Lake to Marian River.

Yours very truly,

RAYROCK MINES LIMITED

*G. W. Haughey*  
 Secretary to J. C. Byrne  
 President

o's

CCH:w

APR 9 1956

File No.

351-2-31

351-2-31

Refer To

*AAA*

SENT  
by  
Sub Registry  
No. 1

OTTAWA, April 5, 1956.

MEMORANDUM FOR MR. J.R. ROLSTON:

A Requisition for Cheque dated July 6, 1955 was forwarded to your office requesting a cheque to be issued in favour of the Rayrock Mines Limited for \$2,780.56. This was to reimburse the Rayrock Mines Limited for 50% of the cost, namely \$5,561.13, of constructing a winter road from Marian Lake to Sherman Lake in the Northwest Territories. At the time this cheque was forwarded to your office you indicated that payment could not be made until you had a signed agreement by the Minister and the Rayrock Mines Limited.

-- Attached is the signed agreement and also the original invoices totalling \$5,561.13. These will enable you to process the requisition for cheque for \$2,780.56 in favour of the Rayrock Mines Limited. Would you please forward the cheque to this office for transmittal.

*F.J.G. Cunningham*

F.J.G. Cunningham,  
Director.

*[Handwritten initials]*

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.



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

DISTRIBUTORS

**GOOD YEAR**

TIRES AND TUBES



# Frenchy's Transport Ltd.

HARVESTER

General Trucking • Gravel Loading and Hauling

TRUCKS - REFRIGERATORS

Excavating and Ditching

Pick-up and Expediting Service

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		
	<p>Locating, cutting and constructing winter road to Rayrock</p> <p>11 Days at \$60.00</p> <p>10 Days at \$25.00 (Extra Man)</p> <p>Snowmobile, two men, fuel, groceries and miscellaneous supplies.</p>	660 00	250 00	\$910.00
<p><i>Paul</i>  <b>FRENCHY'S TRANSPORT LTD.</b>                  YELLOWKNIFE, N.W.T.</p>				

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

# RAYROCK MINES LIMITED

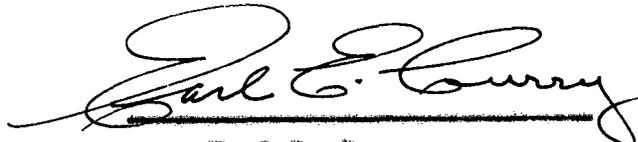
(NO PERSONAL LIABILITY)  
YELLOWKNIFE, N.W.T.

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

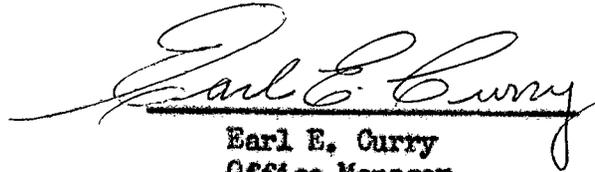
(NO PERSONAL LIABILITY)  
YELLOWKNIFE, N.W.T.

April 30th, 1955.

Engineering and Office Administration by Company Engineers  
and office employees directly connected with the construction  
of the Marian Lake - Sherman 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. Williams*  
  
CANADA

*Is the up. for ch. returned  
or still in I.O. please  
advise.*

PLEASE QUOTE  
FILE 351-2-31  
PBP/FF

*4/4/56*

NORTHERN ADMINISTRATION  
AND LANDS BRANCH

DEPARTMENT  
OF

OFFICE OF THE DIRECTOR

NORTHERN AFFAIRS AND NATIONAL RESOURCES

Ottawa, April 4, 1956.

MEMORANDUM FOR  
MR. BOYLE

*X F.H.  
R.B.  
(6/4)*

RAYROCK MINES LIMITED,  
TRUCK TRACTOR ROAD AGREEMENT

--

I now enclose the following documents:

- a) A signed copy of agreement dated 8 March, 1956, covering contribution in an amount not to exceed \$6,000 toward construction of the truck tractor road from Marian Lake to Marian River.
- b) A report on construction of the road by S. Homulos, Mining Inspector at Yellowknife, dated June 22, 1955, enclosing statement showing expenditure by the company of \$5,561.13 together with supporting vouchers.

2. A requisition for cheque for \$2,780.56 being the Federal contribution was made up by Branch Administration on July 6, 1955. However, the cheque could not be issued since the agreement had not been signed.

3. It appears that this claim is now in order for payment. Will you please transmit the enclosures to the Chief Treasury Officer and obtain the required cheque. It is suggested that when issued the cheque should be passed to me so that I may send it to the company.

*C.V.F. Weir*

C.V.F. Weir  
Chief,  
Branch Engineering

*Sent to C-70*

351-2-31

FBP/FF

B.F.  
15 apr  
[Signature]

Ottawa, April 4, 1956.

MEMORANDUM FOR  
MR. DOYLE

RAYROCK MINES LIMITED,  
TRUCK TRACTOR ROAD AGREEMENT

-- I now enclose the following documents:

- a) A signed copy of agreement dated 8 March, 1956, covering contribution in an amount not to exceed \$6,000 toward construction of the truck tractor road from Marian Lake to Marian River.
- b) A report on construction of the road by S. Homilos, Mining Inspector at Yellowknife, dated June 22, 1955, enclosing statement showing expenditure by the company of \$5,561.13 together with supporting vouchers.

2. A requisition for cheque for \$2,780.56 being the Federal contribution was made up by Branch Administration on July 6, 1955. However, the cheque could not be issued since the agreement had not been signed.

3. It appears that this claim is now in order for payment. Will you please transmit the enclosures to the Chief Treasury Officer and obtain the required cheque. It is suggested that when issued the cheque should be passed to me so that I may send it to the company.

[Handwritten initials]

[Signature]  
C.V.F. Weir  
Chief,  
Branch Engineering



CANADA

NORTHERN ADMINISTRATION  
AND LANDS BRANCH

DEPARTMENT  
OF  
NORTHERN AFFAIRS AND NATIONAL RESOURCES

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

PLEASE QUOTE

FILE.....

North ...  
JUN 23 1955  
35-1-2-31  
BT

2137

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.

*[Signature]*  
S. Homulos,  
Mining Inspector.

SH/et

Mr. Doyle

For payment if in order  
paid on by George J

Charge only 50%  
to 311-20-025

2780.56  
See requirement  
for cheque  
dated July 6/55

351-2-31

*Pa  
dy*

SENT  
Supt. Registry  
No. 1

Ottawa, April 3, 1956.

North Admin. & Lands Br  
APR 4 1956  
File No. 351-2-31  
Refer To .....

J.C. Byrne, Esq.,  
President, Rayrock Mines Ltd.,  
Suite 509, 205 Adelaide St. W.,  
Toronto, Canada.

Dear Mr. Byrne:

This refers to your letter of March 8 enclosing three copies of the draft agreement in respect of the federal contribution towards the construction of a winter road from Marian Lake to Marian River.

The deletions made by you in the agreement have been agreed to and the agreement duly executed by the Minister on behalf of the Crown.

Your claim in the amount of \$2,780.56 is now being processed for payment and I hope that it will be possible to clear this within a few days.

I am enclosing one copy of the executed agreement for your retention.

Yours sincerely,

F.J.G. Cunningham,  
Director.

*[Handwritten initials]*  
Encl.

SENT  
by  
Sub Registry  
No. 1

*PA  
as*

LGM/dd
North Admin. & Lands Br.
APR 3 1956
File No. <u>351-2-31</u>
Ottawa, 29 <del>March</del> <sup>April</sup> 1956

R.A. Campbell, Esq.,  
Chief, Trans-Canada Highway Division,  
Department of Public Works,  
Ottawa, Ontario.

Dear Mr. Campbell:

As per our recent telephone conversation, I am enclosing herewith one copy of a sketch map on which has been indicated the road from Marian Lake to Rayrock Mines, N.W.T.

Yours sincerely,

*C.V.F. Weir*  
C.V.F. Weir, Chief,  
Branch Engineering.

NORTHERN ADMINISTRATION & LANDS BRANCH  
 TEMPORARY FILE

FIL. NO. *27-2-31* VOL. NO. *780*

SUB. *Road from Maria's Lake to Sherman Lake, and area north of Port Rae*

MAIN FILE IS CHARGED TO  
*P. B. P. March 20*

REFERENCE				DISPOSAL			
REFERRED TO	REMARKS	DATE	INITIALS	DATE OF P.A. OR T.	DATE OF B.F.	INITIALS	REGISTRY INSPECTION
<i>K1</i>	<i>19-3 #2725</i>	<i>20-3</i>	<i>DC</i>	<i>23/3</i>		<i>WJW</i>	<i>MC 23/3</i>
	<i>nil</i>						

*C. K. LeCaplain*

*Pa  
as*

351-2-31

SENT  
by  
Sub Registry  
No. 1

Ottawa, March 23, 1956.

Admin. & Lands Br.  
MAR 28 1956  
File No. 351-2-31  
Refer To.....

MEMORANDUM FOR MR. W. NASON

RAYROCK MINES LIMITED,  
TRUCK TRACTOR ROAD AGREEMENT

Enclosed are three copies of the agreement which have been executed by Rayrock Mines Limited. However, before executing the agreement the Company has deleted paragraphs 1(c), 1(d), and 1(r).

2. As regards item 1(c), Mr. Byrne, the President of the Company, has given as the reason for deleting this paragraph that it would be a costly operation to survey the right-of-way. However, Mr. LeCapelain has confirmed that in fact there are no patented lands in the area where the proposed road is located. This means that it is of no significance whether or not the paragraph is in the agreement.

3. As regards paragraphs 1(d) and 1(r), Mr. Byrne has given as his reason the fact that the work has long since been completed making it difficult or impossible for the Company to obtain prior approval of any sub-contract and to submit monthly progress estimates. These objections appear reasonable.

4. Since the deletions made by the Company do not seem to affect the substance of the agreement, it is recommended that it be executed on behalf of the Department in its amended state. If and when executed, will you please return to me for distribution.

*[Handwritten signature]*

Encl.

*[Handwritten signature]*  
B.G. Sivertz,  
Acting Director.

Ottawa, 23 March, 1956.

MEMORANDUM FOR THE ACTING DIRECTOR

Truck Road - Marian Lake to Sherman Lake

I have no comment to offer on Mr. Byrne's letter of the 20th of March, 1956, as it would appear that this letter is merely to keep us in the picture as suggested by the Deputy Minister in his letter of the 18th of November, 1955, to Mr. Byrne.

C. K. LeCapelain,  
Chief, Lands Division.

North Admin. & Lands Br.  
APR 5 FILED  
File No. 351-2-31  
Refer To.....

351-2-31

RA  
RBA

~~Mr. Sivertz~~

Ottawa, March 23, 1956.

~~Mr. Jackson~~

~~Mr. [unclear]~~

MEMORANDUM FOR MR. W. NAZON

RAYROCK MINES LIMITED,  
TRUCK TRACTOR ROAD AGREEMENT

1 copy of agreement removed  
& placed on 1009-20  
(Sp. Doc. #103)  
-BR-

-- Enclosed are three copies of the agreement which have been executed by Rayrock Mines Limited. However, before executing the agreement the Company has deleted paragraphs 1(c), 1(d), and 1(r).

2. As regards item 1(c), Mr. Byrne, the President of the Company, has given as the reason for deleting this paragraph that it would be a costly operation to survey the right-of-way. However, Mr. LeCapelain has confirmed that in fact there are no patented lands in the area where the proposed road is located. This means that it is of no significance whether or not the paragraph is in the agreement.

3. As regards paragraphs 1(d) and 1(r), Mr. Byrne has given as his reason the fact that the work has long since been completed making it difficult or impossible for the Company to obtain prior approval of any sub-contract and to submit monthly progress estimates. These objections appear reasonable.

4. Since the deletions made by the Company do not seem to affect the substance of the agreement, it is recommended that it be executed on behalf of the Department in its amended state. If and when executed, will you please return to me for distribution.

~~Substantiated~~  
RBA

APPROVED  
LEGAL DIVISION  
MAY 26/56  
DIRECTOR

Memo to Mr. Doyle  
enclosing 1 copy and  
asking for cheque.  
Encl. 4/4/56

B.G. Sivertz,  
Acting Director.



CANADA

NORTHERN ADMINISTRATION  
AND LANDS BRANCH

DEPARTMENT  
OF  
NORTHERN AFFAIRS AND NATIONAL RESOURCES

LANDS DIVISION

Ottawa, 23 March, 1956.

*Mr. Byrne*

MEMORANDUM FOR THE ACTING DIRECTOR

North Admin. & Lands Br.
APR 12 FILED
File No. 357-2-31
Refer To.....

Truck Road - Marien Lake to Sherman Lake

I have no comment to offer on Mr. Byrne's letter of the 20th of March, 1956, as it would appear that this letter is merely to keep us in the picture as suggested by the Deputy Minister in his letter of the 18th of November, 1955, to Mr. Byrne.

*Handwritten initials*

*File*

*C.K. LeCapelain*

C. K. LeCapelain,  
Chief, Lands Division.



CANADA

NORTHERN ADMINISTRATION  
AND LANDS BRANCH

DEPARTMENT  
OF  
NORTHERN AFFAIRS AND NATIONAL RESOURCES

LANDS DIVISION

Ottawa, 23 March, 1956.

MEMORANDUM FOR THE ACTING DIRECTOR

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

PBP/CB



CANADA

DEPARTMENT

OF

NORTHERN AFFAIRS AND NATIONAL RESOURCES

NORTHERN ADMINISTRATION  
AND LANDS BRANCH

North Admin. & Lands Br.

APR 12 FILED

File No. 351-2-31

Refer To.....

PLEASE QUOTE  
FILE 351-2-31

OFFICE OF THE DIRECTOR

Ottawa, March 22, 1956.

*X* *RAA*

MEMORANDUM FOR MR. B.G. SIVERTZ

ROAD FROM MARIAN LAKE TO SHERMAN LAKE

This refers to Mr. Byrne's letter of March 20 in which he requests changes in the arrangements regarding construction of the above road. The changes requested are:

- 1) inclusion of Consolidated Northland Mines as constructing a part of the road
- 2) authorization for expenditures incurred in and after August 1955.

2. As regards (1) it is suggested that the federal government should deal with one company only and leave it to Rayrock Mines Limited to make any arrangement with another company. It would be difficult to draw a demarkation line between the responsibilities of two companies if it was a joint matter.

3. As regards <sup>(2)</sup> the commencement date, you will note that the Submission to Council specified a commencement date of 1st February 1956. ~~This date was established after a telephone call that Mr. Parker had with Mr. Byrne on March 7 covered by memorandum to file dated March 8.~~

4. The present Submission to Council left the Deputy Minister's office on March 15 and has probably not yet been dealt with if any change is desired. This is considered to be a matter of policy.

*C.V.F. Weir*

C.V.F. Weir, Chief,  
Branch Engineering.

351-2-31

Ottawa, March 22, 1956.

MEMORANDUM FOR MR. B.G. SIVERTZ

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C.V.F. Weir, Chief,  
Branch Engineering.

# Department of Northern Affairs and National Resources

OFFICE OF THE DEPUTY MINISTER

*M. Parker*

DATE 20/4/56

TO: MR. CUNNINGHAM  
(Attn.: Miss Moore)

FOR ACTION:

FOR DIRECT REPLY:

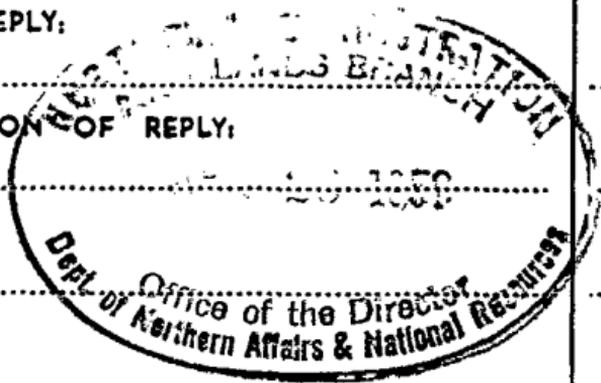
FOR PREPARATION OF REPLY:

FOR COMMENT:

FOR APPROVAL:

TO NOTE AND FILE:  AND RETURN:

FOR DISCUSSION WITH UNDERSIGNED:



XXX

Original letter of March 20 from Mr. Byrne to Mr. Cunningham returned for your files. We have kept a copy.

Helen McK.

MINE OFFICE  
YELLOWKNIFE  
N.W.T.

HEAD OFFICE  
SUITE 509  
25 ADELAIDE STREET WEST  
TORONTO 1, CANADA

# RAYROCK MINES LIMITED

TELEPHONE EMPIRE 4-5588

North Admin. & Lands Br.  
Ottawa, Ont.

MAR 21 1956

Provincial Minister's Records	File No. 357-2-31
File No. 712-117	Refer To K.I.
Indexed by J.C. Byrne	Toronto, Ontario
March 20, 1956	

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

2821

Dear Mr. Cunningham:

Re: Truck Road - Marian Lake to Sherman Lake

Fifty per cent of the cost, or \$140,000.00, towards the construction of the above mentioned road will be provided by two mining companies as follows:

Rayrock Mines Limited	\$120,000
Consolidated Northland Mines	\$ 20,000.

The latter company started road construction in August 1955 and, up to year end, expended in excess of \$16,000 on road work between Marian Lake and the Consolidated Northland property. The Company has been distributing waste rock this winter by dump truck to various stock piles along the road and we understand will complete their commitment of \$20,000 within the next couple of months.

Yours very truly,

RAYROCK MINES LIMITED

J. C. Byrne  
President

JCB:o's

- Memo to H/Director d 22 Mar 56.

- Further memo to DM d. 6 Apr 56

COPY/FF

File No. 351-2-31  
K.1

Toronto, Ontario  
March 20, 1956.

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

Dear Mr. Cunningham:

Re: Truck Road - Marian Lake to Sherman Lake

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Yours very truly,

RAYROCK MINES LIMITED

(sgd) J.C. Byrne  
President

*original funded by  
J.M. Apr 6  
[Signature]*  
JCB:o's

O. H. M. S.

C. V. F. Weir, Esq.,  
Chief, Branch Engineering,  
Northern Administration and Lands Branch,  
Norlite Building,  
Ottawa, Ontario.

Attention - Mr. P. B. Parker

3-2



File No. 5-4-10

CANADA

NORTHERN ADMINISTRATION  
AND LANDS BRANCH

DEPARTMENT  
OF  
NORTHERN AFFAIRS AND NATIONAL RESOURCES

LANDS DIVISION

207215

Ottawa, 19 March, 1956.

MEMORANDUM FOR C. V. F. WEIR, ESQ.,  
CHIEF, BRANCH ENGINEERING

Attention - Mr. P. B. Parker

RAYROCK MINES LIMITED  
PROPOSED ROAD FROM MARIAN LAKE  
THE MARIAN RIVER AREA.  
YOUR FILE: 351-2-31

North Admin. Branch  
Ottawa, Ont.  
1956  
File No. 351-2-31  
Topic To *KL*

I have your memorandum of the 15th of March 1956, requesting information whether the proposed road from Marian Lake to the Rayrock mine will encroach on any private lands.

2. Our land records have been carefully checked and there are no patented lands in the area where the proposed road is to be located. In other words, the right of way will not require occupation of any land "not owned by Her Majesty".

3. The proposed road will cross mineral claims that are held by other companies and individuals. This situation is provided for in Section 128 (1) of the Northwest Territories Quarts Mining Regulations which states:

"Nothing herein contained shall be construed to limit the right of the proper authorities to lay out from time to time public roads across, through, along, or under any ditch, mill-site, water right, or mineral claim."

In this case there will be no difficulty as the Governor in Council has authorized the agreement between the Crown and Rayrock Mines Limited for construction of the road.

*G. K. LeCapelain*

G. K. LeCapelain,  
Chief, Lands Division.

*memo to Mr. Mason  
23 March*

290

351-2-31

B.F. Mar 20 for P.B.P.

RECEIVED  
by  
Sub Registry  
No. 4

MAR 16 1956  
357-2-31

Ottawa, March 15, 1956.

MEMORANDUM FOR MR. C.K. LaCAPELAIN

RAYROCK MINES LIMITED, WINTER  
TRUCK TRACTOR RESOURCES ROAD.

We are at the present time negotiating an agreement with Rayrock Mines Limited whereby the federal government is to contribute an amount not to exceed \$6,000 towards the construction of a winter truck tractor resources road from Marian Lake to the Marian River area. The road is actually built but for various reasons the agreement providing for the payment is still not executed.

2. Under the draft agreement, one of the company's commitments is:-

"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".

3. Mr. J.C. Byrne, president of Rayrock Mines Limited has taken exception to this clause because he feels that a survey of the necessary right-of-way would be a very costly procedure. If the company were being required to survey the entire length of road, it would indeed be a large undertaking. However, as you will see from the wording of the above paragraph, it is only necessary that the survey be carried out where the title to the land covered by the right-of-way does not belong to Her Majesty. Since this road passes through a part of the country which is just being opened up, I doubt whether there is any land affected other than Crown land. I am enclosing a sketch showing the approximate position of this road and would request that you advise whether any land not owned by Her Majesty is affected.

*[Handwritten initials]*

*[Handwritten signature]*  
C.V.E. Weir, Chief,  
Branch Engineering.

BF 20 March #73 AY

PBP/dd

PA  
ad

list  
ad

Ottawa, 9 March, 1956.

North Admin. & Lands Br.
MAR 13 FILED
File No. 351-2-31
Refer To.....

MEMORANDUM FOR MR. W. NASON  
LEGAL ADVISER.

RAYROCK MINES LIMITED  
ALL-WEATHER ROAD AGREEMENT

Further to your memorandum of February 28th, the submission to Council with draft Agreement annexed has been revised as requested and is now enclosed in final form ready for signature, together with Precs.

*[Handwritten initials]*  
*[Handwritten signature]*

*[Handwritten signature]*  
B.G. Sivertz,  
Acting Director.

*file*

March 8, 1956.

MEMO

Recommending that the Minister of Northern Affairs and National Resources be authorized to enter into an agreement with Rayrock Mines Limited for a federal contribution not to exceed \$140,000 to the cost of construction of an all-weather road from Sherman Lake to Marian Lake in the Northwest Territories.

001245

FILE COPY

PBP/dd

March 8th, 1956.

TO HIS EXCELLENCY

THE GOVERNOR GENERAL IN COUNCIL.

The undersigned has the honour to report:

THAT Rayrock Mines Limited and other mining companies are currently engaged in development of radio-active ores in the vicinity of Sherman Lake in the Marian River area of the Northwest Territories;

THAT by authority of Order in Council P.C. 1955-29/1342 of the 9th September, 1955, as amended by Order in Council P.C. 1956-31/157 of the 31st January, 1956, the undersigned entered into an agreement with Rayrock Mines Limited wherein Her Majesty agreed to pay Fifty per cent (50%) of the cost of construction of thirty miles of winter truck and tractor road from the head of navigation at Marian Lake to the Marian River area, or Six thousand dollars (\$6,000.00), whichever is the lesser;

THAT Rayrock Mines Limited has completed the winter truck and tractor road and it is being used for the hauling of freight;

THAT Rayrock Mines Limited has represented that it has the objective of bringing its property at Sherman Lake into production by the spring of 1957 and that in order to handle the movement of freight required for the construction of buildings, the installation of mining and milling machinery and the building of a twenty-two mile power line, it is necessary that the said winter truck and tractor road be brought up to the standard of an all-weather road capable of sustaining one-way traffic;

THAT necessary modification to the route will increase the length of the all-weather road to about thirty-five miles;

THAT the route of the all-weather road will pass through areas where other mining companies are carrying out important development programs;

THAT Rayrock Mines Limited has estimated construction cost of the required all-weather road at Eight thousand dollars (\$8,000.00) per mile, making a total cost of Two hundred and eighty thousand dollars (\$280,000.00);

THAT Rayrock Mines Limited has offered to carry out construction of the all-weather road provided Her Majesty will contribute Fifty per cent (50%) of the cost of constructing the said road, or One hundred and forty thousand dollars (\$140,000.00), whichever is the lesser;

THAT the offer of Rayrock Mines Limited has been investigated and is found to warrant participation by Her Majesty as being in the public interest.

..2

-2-

The undersigned, therefore, has the honour to recommend that he be authorized to enter into an agreement substantially in the form hereto annexed with Rayrock Mines Limited to contribute Fifty per cent (50%) of the cost incurred on or after the 1st day of February, 1956, of construction of a thirty-five mile all-weather road from Sherman Lake to Marian Lake, or One hundred and forty thousand dollars (\$140,000.00), whichever is the lesser, such contribution to be chargeable to Vote Number 310 of the Appropriation for 1956-57 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 and Other Field Services, upon the understanding that Rayrock Mines Limited will pay the cost of maintaining the said road until such time as in the opinion of the Minister the road ceases to be a road for the exploitation of the mineral resources adjacent to the road.

Respectfully submitted,

Minister of Northern Affairs  
and National Resources.



WHEREAS His Excellency the Governor in Council has by Order in Council P.C. \_\_\_\_\_ of the \_\_\_\_\_ 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;

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 an all-weather road capable of sustaining one-way truck traffic of approximately thirty-five miles in length from Sherman Lake to Marian Lake in the Mackenzie District in the Northwest Territories (hereinafter called "the Road") according to specifications satisfactory to the Minister;
  - (b) that it will complete the Road on or before the 31st day of March, 1957, or by such later date as the Minister in his discretion may designate;
  - (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 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 where a construction contract is entered into with a contractor it shall be provided in such contract that the contractor will maintain adequate records of work done and expenditures made pursuant to such contract, supported by proper documents and vouchers and that such contractor 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;
- (h) 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;
- (i) 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;
- (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 obtainable;
- (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
- (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 the cost of construction of the Road incurred by the Company on and after the 1st day of February, 1956, which in the opinion of the Minister meets the requirements of 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 One hundred and forty thousand dollars (\$140,000.00), 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 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 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;
- (e) that the Minister's decision with respect to items to be included as costs of construction is final and binding on both parties;

(f) that all 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.

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, SEALED AND DELIVERED 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

\_\_\_\_\_

\_\_\_\_\_



COPY/ff

RAYROCK MINES LIMITED

351-2-31

Your File 351-2-31

Toronto, Ontario  
March 8, 1956.

Department of Northern Affairs  
and National Resources  
OTTAWA, Ontario

Attention: Mr. B.G. Sivertz

Dear Sir:

We acknowledge with thanks receipt of letters dated February 15th and 24th from Mr. F.J.G. Cunningham and yours of March 2nd, together with three copies of a draft agreement in respect of the Federal contribution towards the construction of a winter road from Marian Lake to Marian River.

We enclose herewith three executed copies of the agreement. You will note that we have struck out paragraph 1, items (c), (d) and (r). Items (d) and (r) have been deleted and initialled since winter road construction was completed in the months of February and March 1955. Dominion Lands Survey of the necessary right of way could quite conceivably involve a total amount of \$12,000 as set forth in the agreement. In view of the fact that we are now proceeding with the construction of an all weather truck road, also the fact the winter road makes full use of the frozen surface of the many lakes in the area, we feel that the all weather road will take over exclusively and of course a survey will have to be completed.

The winter road as constructed in 1955 was for tractors only and was completed at a total cost of \$5,561.13. Our Yellowknife office under date of June 1st, 1955, submitted to your Mr. Homulos a number of copies of "Statement of Expenditures in Connection with Winter Road Marian Lake to Sherman Lake, N.W.T.", similar to copy attached. Supporting vouchers were submitted to Mr. Homulos along with the Statement of Expenditures.

We would appreciate a cheque at your convenience in the amount of \$2,780.56.

Yours very truly,

RAYROCK MINES LIMITED

(Sgd) C. Byrne  
President and  
General Manager

JCB:o's

001255

COPY/ff

RAYROCK MINES LIMITED

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	350.00
	<hr/>
	\$5,561.13

Certified Correct:

"Norman W. Byrne"  
Consulting Mining Engineer

"J.C. Byrne"  
President and General Manager

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



NORTHERN ADMINISTRATION  
AND LANDS BRANCH

CANADA  
DEPARTMENT  
OF

NORTHERN AFFAIRS AND NATIONAL RESOURCES

Ottawa, March 8, 1956.

North Admin. & Lands Br.	
PLEASE QUOTE	
FILE 351-2-31	
MAR 13 FILED	
File No. 351-2-31	
Refer To	OFFICE OF THE DIRECTOR

MEMORANDUM FOR THE FILE

ROAD AGREEMENT - SHERMAN LAKE TO MARIAN LAKE

In returning the draft Order in Council the Legal Adviser indicated that a date should be inserted on or after which construction might take place and from which government participation would also commence. It is noted that the letter to Mr. Byrne advising him that the estimates had been tabled in the house was dated 1st February 1956 and it appeared that this would be a logical date to use as a commencement date. In order to avoid possible difficulty later if this assumption was incorrect the undersigned telephoned Mr. J.C. Byrne, President of Rayrock Mines Limited on March 7th to ascertain whether the commencement date of 1st February 1956 was satisfactory to him. Mr. Byrne informed the undersigned that they had hardly commenced construction and that the commencement of 1st February, 1956 was entirely satisfactory. Accordingly, this date has been used in the submission and also in Section 2 of the draft agreement.

P.B. Parker,  
Branch Engineering.

DEPARTMENT OF NORTHERN AFFAIRS AND  
INDIGENOUS AFFAIRS AND  
NATIONAL RESOURCES

Northern Administration & Lands Branch.

We may need to write letter.  
Date:

TO: Mr. Adams. 15/2/

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:

EM 4 5588

J.C. Byrne

Raywell

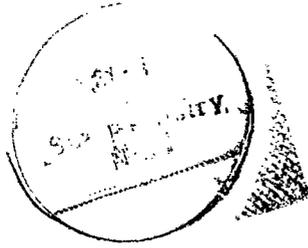
Nov 54 winter road M. lake to

#12,000 last year spent \$5500 finished

Truck road this year

Agreement would do well for truck rd.

ACLA:SG



*Handwritten initials*

North Admin & Lands Br. 351-2-31

MAR 2 FILED

File No. 351-2-31

Refer To.....

Ottawa, March 2nd, 1956.

J.C. Byrne, Esq.,  
 President,  
 Rayrock Mines Limited,  
 Suite 509, 25 Adelaide St. W.,  
 Toronto 1, Ontario.

Dear Mr. Byrne:

I have now had an opportunity of discussing the proposed agreement with your company regarding the winter truck and tractor road. Unfortunately, your suggestion that as the road is now complete the agreement be disregarded, is not feasible because the order-in-council authorizing the payment of the grant in connection with this road was conditional on your firm entering into an agreement in the form attached to the original order dated the 9th of September. Therefore, until there is an actual agreement, it will not be possible for us to pay you any money.

I quite agree that the agreement is unnecessary considering the fact that the work has already been done, but I would suggest that you complete the agreement, return it to us, and follow this with a definite statement that the work has been completed, and the amount of your expenditure, and request a cheque for 50%.

Yours sincerely,

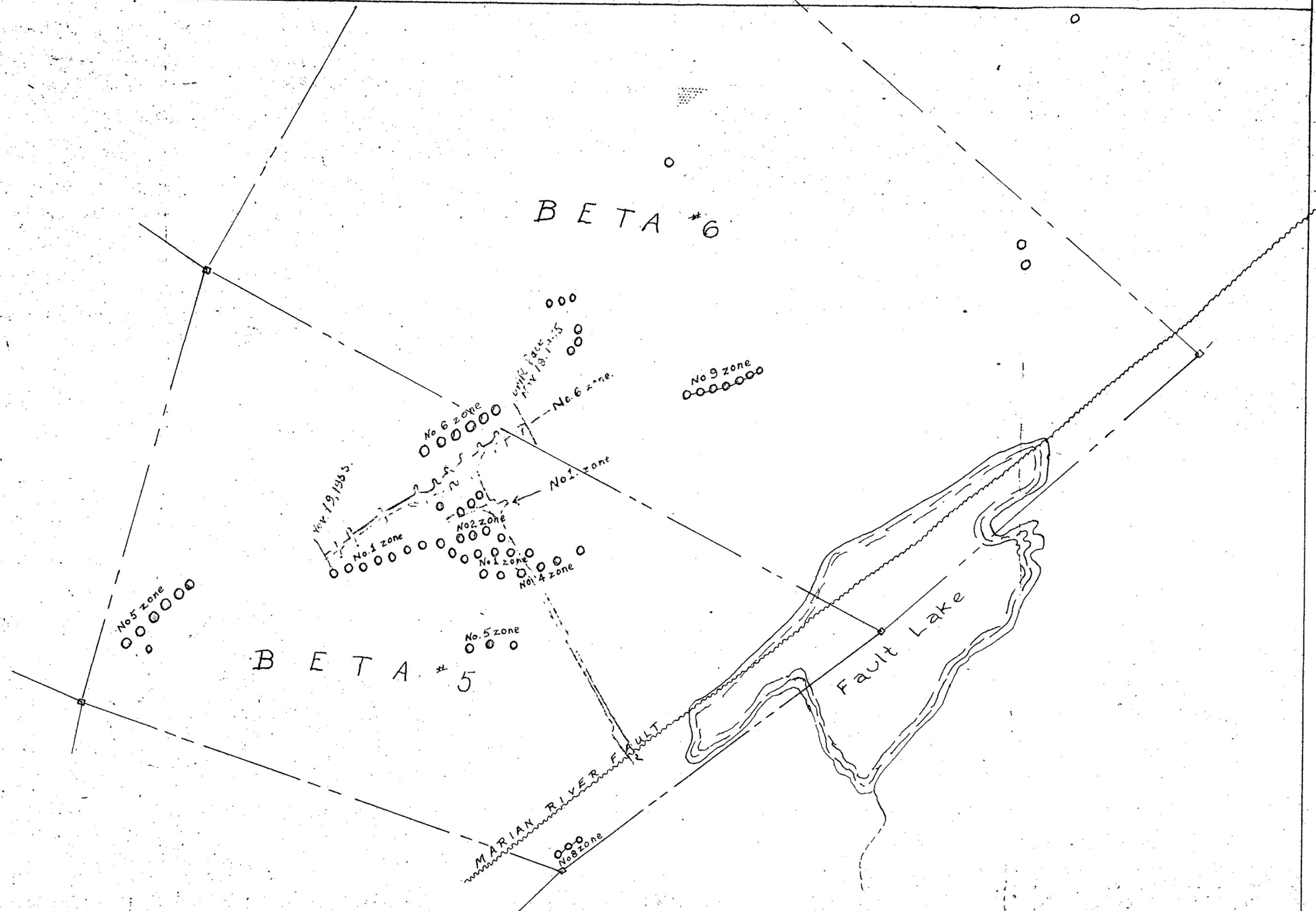
*B.G. Sivertz*  
 B.G. Sivertz,  
 Acting Director.

X

FILE  
351-2-31

Attachment Pocket  
No. Sp. 491B





RAYROCK MINES LTD.

BETA #6

BETA #5

No 5 zone

Nov. 19, 1965

No 6 zone

No 9 zone

No 1 zone

No 2 zone

No 5 zone

No 1 zone

No 4 zone

No 8 zone

MARIAN RIVER FAULT

Fault Lake

# RAYROCK MINES LTD.

## RADIO-ACTIVE ZONES AND UNDERGROUND DEVELOPMENT

SCALE 200' = 1"

KJC

BETA #6

BETA #5

RAYROCK MINES LTD.

No 5 zone  
○○○○○

Nov. 19, 1955  
No. 1 zone  
○○○○○

No 6 zone  
○○○○○

No. 5 zone  
○○○

No 2 zone  
○○○○○

No 1 zone  
○○○○○

No 4 zone  
○○○○○

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○○○

No. 6 zone

No 9 zone  
○○○○○○○

MARIAN RIVER FAULT

No 8 zone  
○○○

Fruit Lake

BETA #6

BETA #5

No 5 zone

No 6 zone

No 1 zone

No 2 zone

No 1 zone

No 4 zone

No 6 zone

No 1 zone

No 9 zone

No. 5 zone

No 8 zone

MARIAN RIVER FAULT

Fault Lake

# RAYROCK MINES LTD.

## RADIO-ACTIVE ZONES AND UNDERGROUND DEVELOPMENT

SCALE 200' = 1"

KJC

FILE  
357-2-31

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

Date: 2-3-56

TO: Mr. Weir

For Action: XXX  
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:

*ABW*

*reply with  
submit in final  
form 9 March 1956 001266  
ABW*

351-2-31



CANADA

DEPARTMENT

OF

REGULATIONS

NORTHERN AFFAIRS AND NATIONAL RESOURCES

ADMINISTRATION BRANCH

North Admin. & Lands Br.

MAR 13 FILED

File No. 351-2-31 LEGAL DIVISION

Refer To \_\_\_\_\_

Ottawa, February 28, 1956.

Your File 351-2-31

MEMORANDUM FOR THE DIRECTOR,  
NORTHERN ADMINISTRATION AND LANDS BRANCH



RAYROCK MINES LIMITED  
ALL-WEATHER ROAD AGREEMENT

I enclose a redraft of the recommendation to the Governor in Council in this matter to incorporate certain changes in the wording from that submitted with your letter of the 27th February.

In so far as the agreement is concerned, I find it follows the form of the earlier agreement with Rayrock Mines and is quite acceptable. However, as Her Majesty is the Party of the First Part it would be preferable, I suggest, in the third and sixth paragraphs of the preamble to refer to Her Majesty rather than to the federal government and the Government of Canada. Paragraph 3 of the preamble should read:

"WHEREAS the Company has requested that Her Majesty share the cost of construction of the all-weather road which is to follow approximately the route of the existing winter road;"

The sixth paragraph of the preamble should read:

"WHEREAS the offer of the Company has been investigated and is found to warrant participation by Her Majesty as being in the public interest; and"

Paragraph 1 (b) requires that the road be completed by the 31st day of March, 1957. If there is any likelihood that it will be impossible for the Company to complete the road by this



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TO HIS EXCELLENCY

THE GOVERNOR GENERAL IN COUNCIL.

The undersigned has the honour to report:

THAT Rayrock Mines Limited and other mining companies are currently engaged in development of radio-active ores in the vicinity of Sherman Lake in the Marian River area of the Northwest Territories;

THAT by authority of Order in Council P.C. 1955-29/1342 of the 9th September, 1955, as amended by Order in Council P.C. 1956-31/157 of the 31st January, 1956, the undersigned entered into an agreement with Rayrock Mines Limited wherein Her Majesty agreed to pay Fifty per cent (50%) of the cost of construction of thirty miles of winter truck and tractor road from the head of navigation at Marian Lake to the Marian River area, or Six thousand dollars (\$6,000.00), whichever is the lesser;

THAT Rayrock Mines Limited have completed the winter truck and tractor road and it is being used for the hauling of freight;

THAT Rayrock Mines Limited has represented that it has the objective of bringing its property at Sherman Lake into production by the spring of 1957 and that in order to handle the movement of freight required for the construction of buildings, the installation of mining and milling machinery and the building of a twenty-two mile power line, it is necessary that the said winter truck and tractor road be brought up to the standard of an all-weather road capable of sustaining one-way traffic;

THAT necessary modification to the route will increase the length of the all-weather road to about thirty-five miles;

THAT the route of the all-weather road will pass through areas where other mining companies are carrying out important development programs;

- 2 -

THAT Rayrock Mines Limited has estimated construction cost of the required all-weather road at Eight thousand dollars (\$8,000.00) per mile, making a total cost of Two hundred and eighty thousand dollars (\$280,000.00);

THAT Rayrock Mines Limited ~~on behalf of other mining companies~~ <sup>concerned</sup> ~~has~~ <sup>is</sup> offered to carry out construction of the all-weather road provided Her Majesty will contribute Fifty per cent (50%) of the cost of constructing the said road, or One hundred and forty thousand dollars (\$140,000.00), whichever is the lesser; 40 x

THAT the offer of Rayrock Mines Limited has been investigated and is found to warrant participation by Her Majesty as being in the public interest.

The undersigned, therefore, has the honour to recommend that he be authorized to enter into an agreement substantially in the form hereto annexed with Rayrock Mines Limited to contribute Fifty per cent (50%) of the cost incurred on or after the ~~1st~~ <sup>1st</sup> day of ~~February~~ <sup>February</sup>, 1956, of construction of a thirty-five mile all-weather road from Sherman Lake to Marian Lake, or One hundred and forty thousand dollars (\$140,000.00), whichever is the lesser, such contribution to be chargeable to Vote Number 310 of the Appropriation for 1956-67 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 and Other Field Services, upon the understanding that Rayrock Mines Limited will pay the cost of maintaining the said road until such time as in the opinion of the Minister the road ceases to be a road for the exploitation of the mineral resources adjacent to the road.

Respectfully submitted,

Minister of Northern Affairs  
and National Resources.

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T

TO HIS EXCELLENCY

THE GOVERNOR GENERAL IN COUNCIL.

The undersigned has the honour to report:

THAT Rayrock Mines Limited and other mining companies are currently engaged in development of radio-active ores in the vicinity of Sherman Lake in the Marian River area of the Northwest Territories;

THAT by authority of Order in Council P.C. 1955-29/1342 of the 9th September, 1955, as amended by Order in Council P.C. 1956-31/157 of the 31st January, 1956, the undersigned entered into an agreement with Rayrock Mines Limited wherein Her Majesty agreed to pay Fifty per cent (50%) of the cost of construction of thirty miles of winter truck and tractor road from the head of navigation at Marian Lake to the Marian River area, or Six thousand dollars (\$6,000.00), whichever is the lesser;

THAT Rayrock Mines Limited have completed the winter truck and tractor road and it is being used for the hauling of freight;

THAT Rayrock Mines Limited has represented that it has the objective of bringing its property at Sherman Lake into production by the spring of 1957 and that in order to handle the movement of freight required for the construction of buildings, the installation of mining and milling machinery and the building of a twenty-two mile power line, it is necessary that the said winter truck and tractor road be brought up to the standard of an all-weather road capable of sustaining one-way traffic;

THAT necessary modification to the route will increase the length of the all-weather road to about thirty-five miles;

THAT the route of the all-weather road will pass through areas where other mining companies are carrying out important development programs;

- 2 -

0

THAT Rayrock Mines Limited has estimated construction cost of the required all-weather road at Eight thousand dollars (\$8,000.00) per mile, making a total cost of Two hundred and eighty thousand dollars (\$280,000.00);

THAT Rayrock Mines Limited ~~of the same mining~~ *concerned* ~~concerned~~ *has* offered to carry out construction of the all-weather road provided Her Majesty will contribute Fifty per cent (50%) of the cost of constructing the said road, or One hundred and forty thousand dollars (\$140,000.00), whichever is the lesser;

THAT the offer of Rayrock Mines Limited has been investigated and is found to warrant participation by Her Majesty as being in the public interest.

The undersigned, therefore, has the honour to recommend that he be authorized to enter into an agreement substantially in the form hereto annexed with Rayrock Mines Limited to contribute Fifty per cent (50%) of the cost incurred on or after the ..... day of ..... 19... of construction of a thirty-five mile all-weather road from Sherman Lake to Marian Lake, or One hundred and forty thousand dollars (\$140,000.00), whichever is the lesser, such contribution to be chargeable to Vote Number 310 of the Appropriation for 1956-67 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 and Other Field Services, upon the understanding that Rayrock Mines Limited will pay the cost of maintaining the said road until such time as in the opinion of the Minister the road ceases to be a road for the exploitation of the mineral resources adjacent to the road.

Respectfully submitted,

Minister of Northern Affairs  
and National Resources.

001272

MEMORANDUM OF AGREEMENT entered into this \_\_\_\_\_ day of \_\_\_\_\_, 1956,

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 the Company and other mining companies are currently engaged in development of radio-active ores in the vicinity of Sherman Lake in the Marian River area of the Northwest Territories;

WHEREAS the Company has represented to Her Majesty that it is necessary to construct an all-weather road capable of sustaining one-way truck traffic from Sherman Lake to Marian Lake;

WHEREAS the Company has requested <sup>that Her Majesty share the 50%</sup> federal contribution towards the cost of construction of the all-weather road which is to follow approximately the route of <sup>the</sup> an existing winter road;

WHEREAS the Company has estimated the length of the all-weather road at thirty-five (35) miles and the cost of construction at Eight Thousand (\$8,000.) Dollars per mile, making a total estimated cost of Two Hundred and Eighty Thousand Dollars (\$280,000.);

WHEREAS the Company has agreed ~~to act on behalf of all mining companies concerned and~~ <sup>4/10</sup> to be responsible for the supervision and construction of the all-weather road if Her Majesty will contribute an amount equal to fifty per cent (50%) of the construction costs or One Hundred and Forty Thousand Dollars (\$140,000.), whichever is the lesser;

WHEREAS the offer of the Company has been investigated and is found to warrant participation by <sup>Her Majesty</sup> the Government of Canada as being <sup>in the</sup> a public <sup>4/10</sup> interest; and

WHEREAS His Excellency the Governor in Council has by Order in Council P.C. \_\_\_\_\_ of the \_\_\_\_\_ 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;

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 an all-weather road capable of sustaining one-way truck traffic of approximately thirty-five miles in length from Sherman Lake to Marian Lake in the Mackenzie District in the Northwest Territories (hereinafter called "the Road") according to specifications satisfactory to the Minister;
- X (b) that it will complete the Road on or before the 31st day of March, 1957, *or by such later date as the Minister in his discretion may designate;* X
- (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 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 where a construction contract is entered into with a contractor it shall be provided in such contract that the contractor will maintain adequate records of work done and expenditures made pursuant to such contract, supported by proper documents and vouchers and that such contractor 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;
- (h) 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;

- (i) 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;
  - (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 obtainable;
  - (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
  - (r) that it will submit progress statements of accounts monthly to the Minister.
2. Subject to funds <sup>for road to point</sup> being appropriated by Parliament, Her Majesty agrees in respect of the cost of construction of the Road incurred by the Company on and after the 1st day of February, 1956, which in the opinion of the Minister meets the requirements of this agreement, 90'

- 4 -

- (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 One hundred and forty thousand dollars (\$140,000) 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 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



North Admin. & Lands Br.
FEB 27 FILED
File No. 351-2-31
Refer To.....

351-2-31

PDP/dd

Ottawa, 27 February, 1956.

MEMORANDUM FOR MR. W. NASON  
LEGAL ADVISER

RAYROCK MINES LIMITED  
ALL-WEATHER ROAD AGREEMENT

--  
Enclosed for your comment is draft of Order in Council and Agreement to cover federal contribution up to \$140,000 towards construction of an all-weather road from Sherman Lake to Marian Lake.

2. This item is included in the estimates for 1956-57.

F.J.G. Cunningham,  
Director.

TO HIS EXCELLENCY

THE GOVERNOR GENERAL IN COUNCIL.

The undersigned has the honour to report:

THAT Rayrock Mines Limited and other mining companies are currently engaged in development of radio-active ores in the vicinity of Sherman Lake in the Marian River area of the Northwest Territories;

THAT by authority of Order in Council P.C. 1955-29/1342 of the 9th September, 1955, as amended by Order in Council P.C. 1956-31/157 of the 31st January, 1956, the undersigned was authorized to enter into an agreement with Rayrock Mines Limited for the construction of thirty miles of winter truck and tractor road from the head of navigation at Marian Lake to the Marian River area providing for a federal government contribution of fifty per cent (50%) of the cost of construction or Six Thousand Dollars (\$6,000.), whichever is the lesser;

THAT Rayrock Mines Limited have completed the winter truck and tractor road and it is being used for the hauling of freight;

THAT Rayrock Mines Limited has represented that it has the objective of bringing its property at Sherman Lake into production by the spring of 1957 and that in order to handle the movement of freight required for the construction of buildings, installation of mining and milling machinery and building of a twenty-two mile power line, it is necessary that the road be brought up to the standard of an all-weather road capable of sustaining one-way truck traffic;

THAT necessary modification to the route will increase the length of the all-weather road to about thirty-five miles;

THAT the route of the all-weather road passes through areas where other mining companies are carrying out important development programs;

THAT Rayrock Mines Limited has estimated construction cost of the required all-weather road at Eight Thousand Dollars (\$8,000.) per mile, making a total cost of Two Hundred and Eighty Thousand Dollars (\$280,000.);

THAT Rayrock Mines Limited has offered to carry out construction of the all-weather road provided the federal government will contribute Fifty per cent (50%) of the cost or One Hundred and Forty Thousand Dollars (\$140,000.), whichever is the lesser;

-2-

THAT the offer of Rayrock Mines Limited has been investigated and is found to warrant participation by the Government of Canada as being in the public interest.

The undersigned, therefore, has the honour to recommend that he be authorized to enter into an agreement substantially in the form hereto annexed with Rayrock Mines Limited to contribute 50% of the cost of construction of the all-weather road or \$140,000.00, whichever is the lesser, such contribution to be chargeable to Vote Number 310 of the Appropriation for 1956-57 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 and Other Field Services, upon the understanding that the cost of maintaining the road is to be borne by the mining companies concerned.

Respectfully submitted,

Minister of Northern Affairs and National Resources.

MEMORANDUM OF AGREEMENT entered into this \_\_\_\_\_ day of \_\_\_\_\_, 1956,

## 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 the Company and other mining companies are currently engaged in development of radio-active ores in the vicinity of Sherman Lake in the Marian River area of the Northwest Territories;

WHEREAS the Company has represented to Her Majesty that it is necessary to construct an all-weather road capable of sustaining one-way truck traffic from Sherman Lake to Marian Lake;

WHEREAS the Company has requested federal contribution towards the cost of construction of the all-weather road which is to follow approximately the route of an existing winter road;

WHEREAS the Company has estimated the length of the all-weather road at thirty-five (35) miles and the cost of construction at Eight Thousand (\$8,000.) Dollars per mile, making a total estimated cost of Two Hundred and Eighty Thousand Dollars (\$280,000.);

WHEREAS the Company has agreed to act on behalf of all mining companies concerned and to be responsible for the supervision and construction of the all-weather road if Her Majesty will contribute an amount equal to fifty per cent (50%) of the construction costs or One Hundred and Forty Thousand Dollars (\$140,000.), whichever is the lesser;

WHEREAS the offer of the Company has been investigated and is found to warrant participation by the Government of Canada as being a public interest; and

WHEREAS His Excellency the Governor in Council has by Order in Council P.C. \_\_\_\_\_ of the \_\_\_\_\_ 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;

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 an all-weather road capable of sustaining one-way truck traffic of approximately thirty-five miles in length from Sherman Lake to Marian Lake in the Mackenzie District in the Northwest Territories (hereinafter called "the Road") according to specifications satisfactory to the Minister;
- (b) that it will complete the Road on or before the 31st day of March, 1957;
- (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 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 where a construction contract is entered into with a contractor it shall be provided in such contract that the contractor will maintain adequate records of work done and expenditures made pursuant to such contract, supported by proper documents and vouchers and that such contractor 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;
- (h) 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;

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

2. Subject to funds being appropriated by Parliament, Her Majesty agrees in respect of the cost of construction of the Road incurred by the Company on and after the 1st day of February, 1956, which in the opinion of the Minister meets the requirements of this agreement,

- 4 -

- (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 One hundred and forty thousand dollars (\$140,000) 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 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



NORTHERN ADMINISTRATION & LANDS BRANCH  
 TEMPORARY FILE

FILE NO. \_\_\_\_\_ VOL. NO. \_\_\_\_\_

35-2-31

T54

SUBJECT \_\_\_\_\_

Road from Mars Lake to Sherman Lake

MAIN FILE IS CHARGED TO

DO 1-2

REFERENCE				DISPOSAL			
REFERRED TO	REMARKS	DATE	INITIALS	DATE OF P.A. OR T.	DATE OF B.F.	INITIALS	REGISTRY INSPECTION
PBP	request	23-2	ML	T		8288	NO
D.O.	big	24-2	PBB	24-2		6	NO

6 letters

SENT  
by  
Sub Registry  
No. 1

North Admin. & Lands Br.  
FEB 27 FILED  
File No. 351-2-31  
Refer To.....

351-2-31

Ottawa, February 24, 1956.

J.C. Byrne, Esq.,  
President,  
Rayrock Mines Limited,  
Suite 509, 25 Adelaide Street West,  
Toronto 1, Ontario.

Dear Mr. Byrne:

I now find that there is an inaccuracy in paragraph 1(a) of the draft Marian Lake - Marian River winter road agreement forwarded to you with my letter of 15th February. This concerns the description of the area to be served by the Road.

I am enclosing three (3) copies of the revised sheet 2 which includes amended paragraph 1(a) and I would suggest that if this is acceptable, you make the necessary substitution prior to execution and return of the agreement. I regret any inconvenience occasioned in this matter.

Yours sincerely,

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

*J.C. Byrne*  
Encls.

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 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 1st 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. 1956-31/157 of the 31st day of January, 1956, 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;

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 general area north of 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 complete the Road on or before March 31st, 1956;

(c) that where land required for the right-of-way for the Road is not owned by Her Majesty, it will arrange

*these words  
have been  
inserted,  
T.P.R.*



P. B. PARKER

*Mc Parker*

FEB 20 1956

c.c. to be returned to MR. CUNNINGHAM

PBP/dd

351-2-31

Ottawa, ~~29 February~~, 1956.

North Admin. & Lands Br.

FEB 27 1956

File No. 351-2-31

Refer To.....

J.C. Byrne, Esq.,  
President,  
Rayrock Lines Limited,  
Suite 509, 25 Adelaide Street West,  
Toronto 1, Ontario.

Dear Mr. Byrne:

This refers to your letter of February 9th regarding the federal contribution to the cost of constructing a truck road from Sherman Lake to Marian Lake. I see no objection to your plans as outlined for laying out and constructing this road.

You are correct in assuming that the contract which you make with the construction firm should be submitted here for approval. There are various forms of contract which can be used, and one of the most satisfactory for our administrative purposes would provide for payment of the following:

- (a) an hourly rate for rental of equipment to include wages of the operator, maintenance of equipment, fuel and profit;
- (b) labour costs other than included in (a);
- (c) other necessary field costs; and
- (d) ten per cent of the total of (b) and (c) as profit.

The purpose in suggesting this form of contract is that it will facilitate field audit by Treasury.

As stated in previous correspondence, the agreement in this matter is being prepared and will be forwarded to you shortly.

Yours sincerely,

*R.G. Robertson*

R.G. Robertson,  
Deputy Minister.

DEPARTMENT OF NORTHERN AFFAIRS AND  
NATIONAL RESOURCES

Northern Administration & Lands Branch.

Date: February 16, 1956.

To: MR. CUNNINGHAM

- For Action: \_\_\_\_\_
- For Direct Reply: \_\_\_\_\_
- For Preparation of Reply: \_\_\_\_\_
- For Reply for Director's Signature: \_\_\_\_\_
- For Comments: \_\_\_\_\_
- For Approval: \_\_\_\_\_ XXX
- To Note and File: \_\_\_\_\_
- For Discussion with Undersigned: \_\_\_\_\_
- For Signature: \_\_\_\_\_
- For Information: \_\_\_\_\_
- Re: Telephone Conversation: \_\_\_\_\_

*This was discussed with Mr. Nielsen and is concurred in by Treasury.*

*Director - we were not asked to reply to this - only for comment  
lrm.*

*D830*

.....  
Signature

..... Branch Engineering  
..... Section 001290

*S. L. M.*

North Admin. & Lands Div.  
Ottawa, Ont. PEP/dd  
351-2-31  
FEB 20 1956  
File No. 351-2-31  
Refer To

Ottawa, 20 February, 1956.

*[Signature]*

J.C. Byrne, Esq.,  
President,  
Rayrock Mines Limited,  
Suite 509, 25 Adelaide Street West,  
Toronto 1, Ontario.

Dear Mr. Byrne:

This refers to your letter of February 9th regarding the federal contribution to the cost of constructing a truck road from Sherman Lake to Marian Lake. I see no objection to your plans as outlined for laying out and constructing this road.

You are correct in assuming that the contract which you make with the construction firm should be submitted here for approval. There are various forms of contract which can be used, and one of the most satisfactory for our administrative purposes would provide for payment of the following:

- (a) an hourly rate for rental of equipment to include wages of the operator, maintenance of equipment, fuel and profit;
- (b) labour costs other than included in (a);
- (c) other necessary field costs; and
- (d) ten per cent of the total of (b) and (c) as profit.

The purpose in suggesting this form of contract is that it will facilitate field audit by Treasury.

As stated in previous correspondence, the agreement in this matter is being prepared and will be forwarded to you shortly.

Yours sincerely,

R.G. Robertson,  
Deputy Minister.

*[Handwritten initials]*

NORTHERN ADMINISTRATION & LANDS BRANCH

B.F. NOTIFICATION MEMO

PG

FILE NO.	DATE
<i>3512-31</i>	<i>27-2</i>
SUBJECT	VOL. NO.
<i>road from Marian Lakes to Sherman Lake</i>	<i>15-2 # 318</i>

THE FILE NOTED ABOVE WHICH WAS B.F.'D FOR THIS DATE IS NOW CHARGED TO:

*PO 1-2*

PLEASE INDICATE ACTION REQUIRED ON LOWER PORTION OF THIS FORM AND RETURN IT TO THE REGISTRY

*MB*  
BRANCH REGISTRY

TO BRANCH REGISTRY

CANCEL B.F.

B.F. AT *15 March*  
DATE

OTHER INSTRUCTIONS

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

DATE

*[Signature]*  
SIGNATURE

PBP/dd

318

B.F. 27 Feb

351-2-31

SENT  
by  
Sub Registry  
No. 1

AR

Ottawa, 15 February, 1956.

North Admin. & Encls. Dr.

J.C. Byrne, Esq.,  
President and General Manager,  
Rayrock Mines Limited,  
Suite 509, 25 Adelaide St. West,  
Toronto 1, Ontario.

FEB 16 1956  
File No. 351-2-31  
Refer To

Dear Mr. Byrne:

Further to my letter of the 19th April, 1955,  
and your reply of the 29th April, 1955, I now enclose  
draft of agreement in respect of the federal contribution  
towards the construction of a winter road from Marian Lake  
to Marian River. If in order, please have three copies  
executed by the Company and returned here for execution  
by the Minister.

The agreement regarding the federal contri-  
bution to the all-weather truck road to which the Deputy  
Minister referred in his letter to you of the 1st February,  
1956, is being prepared and will be forwarded to you  
shortly.

Yours sincerely,

signed  
P.J.G. Cunningham,  
Director.

c.c.  
S. Homalos

*M. Parker*

351-2-21

351-2-31

North Admin. & Lands Br.  
Ottawa, Ont.

FEB 16 1956

File No. 351-2-31

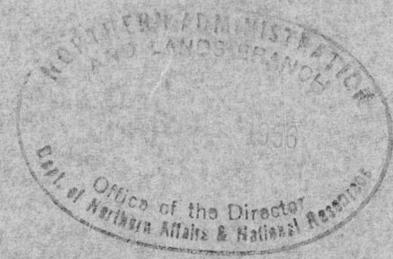
Refer To \_\_\_\_\_

Ottawa, February 14, 1956.

*F.B.*  
*10/2*

*Mr. P. Parker*  
*North Bldg.*

MEMORANDUM FOR MR. W. HASON



RAY ROCK MINES LIMITED - AGREEMENT

Further to your memorandum of December 6, the agreement has now been re-drafted in final form and is submitted to you for approval prior to being forwarded to the Company for execution.

F.J.G. Cunningham,  
Director.

APPROVED

*[Signature]*

LEGAL DIVISION

DIRECTOR



-2-

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 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 1st 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. 1956-31/157 of the 31st day of January, 1956, 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;

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 complete the Road on or before March 31st, 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 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 obtainable;
- (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
- (r) that it will submit progress statements of accounts monthly to the Minister.

2. Subject to funds being appropriated by Parliament, Her Majesty agrees in respect of that portion of the cost of 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) 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 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 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

\_\_\_\_\_  
\_\_\_\_\_

APPROVED  
*W. A. D.*  
LEGAL DIVISION  
DIRECTOR

DEPARTMENT OF NORTHERN AFFAIRS AND  
NATIONAL RESOURCES

Northern Administration & Lands Branch.

Date: 13-2-56

TO: Mr. Parker

*P.H.*  
*(20/2)*

For Action:

For Direct Reply:

For Preparation of Reply:

For Reply for Director's Signature:

For Comment: to D.M. (if any) XXX

For Approval:

To Note and File:

For Discussion with Undersigned:

For Signature:

For Information:

Re: Telephone Conversations:

Comments due in this office Feb. 17th.

*J. J. Cunningham*  
*J.M.*

# Department of Northern Affairs and National Resources

OFFICE OF THE DEPUTY MINISTER

DATE 10/2/56

TO: MR. CUNNINGHAM

FOR ACTION:

FOR DIRECT REPLY:

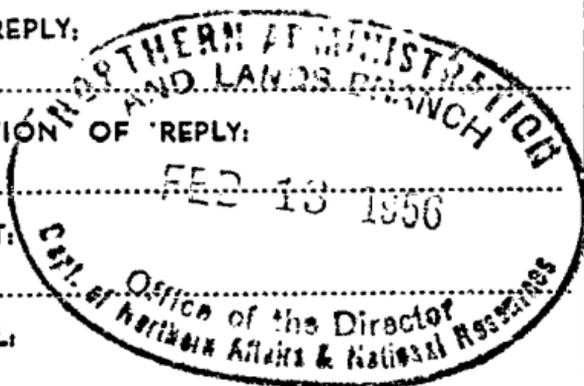
FOR PREPARATION OF REPLY:

FOR COMMENT:

FOR APPROVAL:

TO NOTE AND FILE:  AND RETURN:

FOR DISCUSSION WITH UNDERSIGNED:



XXX

XXX

If you have any comments please let me know.

A handwritten signature in dark ink, appearing to be "M. G. ...".

HEAD OFFICE  
YELLOWKNIFE  
N.W.T.

HEAD OFFICE  
SUITE 509  
25 ADELAIDE STREET WEST  
TORONTO 1, CANADA

71-21A

# RAYROCK MINES LIMITED

TELEPHONE EMPIRE 4-5588

Toronto, Ontario,  
February 9, 1956.

*PA*  
*RB*  
*(20/21)*

R. G. Robertson, Esq.,  
Deputy Minister,  
Northern Affairs and National Resources,  
OTTAWA, Ontario.

Norm Admin. & Lands Br. Ottawa, Ont.
FEB 20 1956
File No. 351-2-31
Refer To _____

Dear Mr. Robertson:

We acknowledge with thanks receipt of your letter of February 1st advising that estimates of the various federal departments have now been tabled in the House and that the item of \$140,000 is provided as a contribution of 50% of the cost of constructing a truck road from Sherman Lake to Marian Lake. We note that you feel for planning purposes we can safely proceed on the assumption that the item of \$140,000 will be approved by Parliament in due course.

Regarding construction of the road, since little is yet known of the problems to be met in road construction in the Marian River Area, we do not feel we could obtain a firm contract. We therefore propose to appoint a qualified man to lay out the route for the road and supervise construction. We further propose to make arrangements with a contracting firm to do road construction on a day rate basis.

We would much prefer to have this work done by a local firm or group of individuals. We have in mind PM Freight and Construction Limited; this firm is controlled by a Mr. Jack Perkins who has done all of the winter freighting for both Consolidated Discovery and Rayrock, he has been in the country a long time and has a fair amount of experience in dirt moving, etc., having spent the past two seasons at Gunnar Mines building the airport and other projects. From experience we know of no one who would give us more value received for money expended. We have had preliminary discussions with Mr. Perkins reference road construction and plan to follow these up during the writer's trip to Yellowknife. Perkins has the necessary tractors, can secure trucks and will, of course, require additional equipment.

We understand that it will be necessary for us to submit to you for the approval of your Minister, the agreement

- 2 -

which we propose to enter into with the firm that will do the road construction. We also understand that there must be an agreement between your Minister and our Company setting out the conditions under which the grant will be made to our Company, and that one of the conditions will be that your Minister approve in advance contracts which we may make for actual performance of the work.

We note that now the estimates have been tabled, the Financial Administration Act permits your Minister to make application to the Treasury Board for approval of the agreement which he will enter into with our Company, that this will be done at once and that you hope to be able to send us the agreement for execution within a few weeks time.

Yours very truly,

RAYROCK MINES LIMITED

J. C. Byrne  
President

JCB:mle

*Sgt  
Lm*

North Adm. & Lands Br.
C. ...
FEB 29 1956
File No. 357-2-31
Refer To

OTTAWA, 1 February, 1956.

*PA  
AS  
(9/2)*

J. C. Byrne, Esq.,  
President,  
Rayrock Mines Limited,  
TORONTO, Ontario.

Dear Mr. Byrne:

I have your letter of January 27th, in which you ask for further information about the progress which is being made in connection with the proposed grant in aid of the construction of an all-weather road to your property.

As the estimates of the various federal departments have now been tabled in the House, I can tell you definitely that an item of \$140,000 is provided "as a contribution of 50% of the cost of constructing an all-weather one-way truck road from Sherman Lake to Marian Lake". While this money will not be formally appropriated until the estimates have been passed by the House, I believe that you can, for planning purposes, safely proceed on the assumption that it will be approved by Parliament in due course.

I note from your letter that, while you are in Yellowknife about the middle of February, you wish to make arrangements with a contractor to move equipment to the site of the work. I feel that I should call to your attention the fact that it will be necessary for you to submit to me, for the approval of my Minister, the agreement which you propose to enter into with this contractor. There will have to be an agreement between my Minister and your Company, in which will be set out the conditions under

..... (2)

- 2 -

which the grant will be made to your Company. One of the conditions will be a requirement that our Minister approve in advance contracts which you may make for the actual performance of the work.

For your information, I can also say that although the money has not yet been voted by Parliament, the Financial Administration Act permits my Minister, now that the estimates have been tabled, to make application to Treasury Board for approval of the agreement which he will enter into with your Company. This will be done at once, and I hope to be able to send you the agreement for execution within a few weeks. Progress payments can be made to your Company on submission of the usual accounts as soon as interim supply has been voted, which will likely be about the 1st of April.

Yours sincerely,

R. G. Robertson,  
Deputy Minister.

DEPARTMENT OF NORTHERN AFFAIRS AND  
NATIONAL RESOURCES

Northern Administration & Lands Branch.

Date:  2-2-56

TO: Mr. Parker

For Action: (Drafting of agreement) xxx

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: xxx

*J. J. ...*  
*im*

*done*  
*24 Feb*  
*BBB*

FJGC:r1



COPY FOR MR. CUNNINGHAM



OTTAWA, 1 February 1956.

J. G. Byrne, Esq.,  
President,  
Rayrock Mines Limited,  
TORONTO, Ontario.

North Admin. & Lands
FEB 27 FILED
File No. 351-2-31
Refer To _____



Dear Mr. Byrne:

I have your letter of January 27th, in which you ask for further information about the progress which is being made in connection with the proposed grant in aid of the construction of an all-weather road to your property.

As the estimates of the various federal departments have now been tabled in the House, I can tell you definitely that an item of \$110,000 is provided "as a contribution of 50% of the cost of constructing an all-weather one-way truck road from Sherman Lake to Marian Lake". While this money will not be formally appropriated until the estimates have been passed by the House, I believe that you can, for planning purposes, safely proceed on the assumption that it will be approved by Parliament in due course.

I note from your letter that, while you are in Yellowknife about the middle of February, you wish to make arrangements with a contractor to move equipment to the site of the work. I feel that I should call to your attention the fact that it will be necessary for you to submit to me, for the approval of my Minister, the agreement which you propose to enter into with this contractor. There will have to be an agreement between my Minister and your Company, in which will be set out the conditions under

..... (2)

- 2 -

which the grant will be made to your Company. One of the conditions will be a requirement that our Minister approve in advance contracts which you may make for the actual performance of the work.

For your information, I can also say that although the money has not yet been voted by Parliament, the Financial Administration Act permits my Minister, now that the estimates have been tabled, to make application to Treasury Board for approval of the agreement which he will enter into with your Company. This will be done at once, and I hope to be able to send you the agreement for execution within a few weeks. Progress payments can be made to your Company on submission of the usual accounts as soon as interim supply has been voted, which will likely be about the 1st of April.

Yours sincerely,



R. G. Robertson,  
Deputy Minister.

DEPARTMENT OF NORTHERN AFFAIRS AND  
NATIONAL RESOURCES

Northern Administration & Lands Branch.

Date ..... 2-2-56

TO:

Mr. Parker

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 agreement you are draft-

Re: Telephone Conversation: ing

*agreed and  
to K. R. Powell for M.  
sin. 808*

001311

PRIVY COUNCIL



CANADA  
ARCL/CB

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 31st January 1956.

T.B. 495535

NORTHERN AFFAIRS AND NATIONAL RESOURCES

North Admin. & Lands Br.
FEB 27 FILED
File No. 351-2-31
Refer To.....

*J. [Signature]*

The Board have had under consideration  
the following report and recommendation from the Minister of  
Northern Affairs and National Resources:-

"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.

The Board concur in the above report and recommendation and submit the same for favourable consideration.

*R. B. Payne*

Clerk of the Privy Council.

We need

(1) agreement in this *OK*

(2) O.I.M. @ K agreement *re \$250 000*

DEPARTMENT OF NORTHERN AFFAIRS AND  
NATIONAL RESOURCES *rd*

Northern Administration & Lands Branch.

Date .....

*Mr Parker*

*2-2-56*  
*24 Feb*

TO: Director

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:

Mr. Parker is preparing the agreement.

I have sent a copy of this to him.

*Submission  
& agreement  
Jullien  
Mr. Parker*

*2-2-56  
L  
Gm*

*PA  
VSD*

001313



MINA/CB

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 31st January 1956.

T.B. 495535

NORTHERN AFFAIRS AND NATIONAL RESOURCES



The Board have had under consideration

the following report and recommendation from the Minister of Northern Affairs and National Resources:-

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

That Kayrock Mines Limited commenced the construction of such road on the 1st day of 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 Kayrock 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. 31 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 Northwest Territories, including Wood Buffalo Park and Game Affairs, and on the understanding that the cost of maintaining the road will be borne by the mining companies concerned.

The Board concur in the above report and recommendation and recommend the same for favourable consideration.

*R.B. Payne*

Chief Clerk of the Privy Council.

Minister of Northern Affairs and National Resources

# Department of Northern Affairs and National Resources

OFFICE OF THE DEPUTY MINISTER

DATE 30/1/56

TO: MR. CUNNINGHAM

FOR ACTION:

FOR DIRECT REPLY:

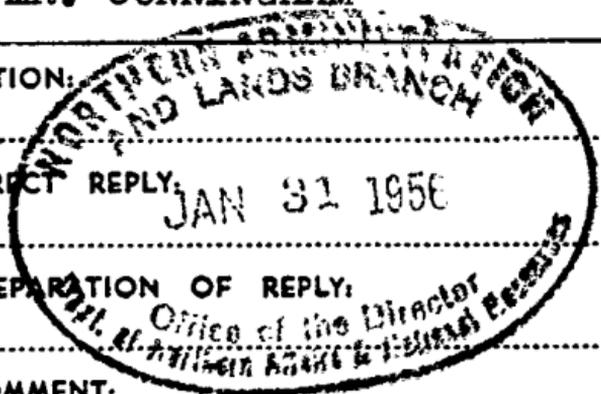
FOR PREPARATION OF REPLY:

FOR COMMENT:

FOR APPROVAL:

TO NOTE AND FILE:  AND RETURN:

FOR DISCUSSION WITH UNDERSIGNED:



XXX

XXX

The item is, of course, now in the Blue Book & is public. Is there anything we should say for Byrnes' guidance about the handling of this?

A handwritten signature in dark ink, appearing to be "M.R." or similar initials.

001315

MINE OFFICE  
YELLOWKNIFE  
N.W.T.

HEAD OFFICE  
SUITE 509  
25 ADELAIDE STREET WEST  
TORONTO 1, CANADA

# RAYROCK MINES LIMITED

TELEPHONE EMPIRE 4-5588

71-2-18

Toronto, Ontario,  
January 27, 1956.

North Admin. & Lands Br.  
Ottawa, Ont.  
FEB 20 1956  
File No. 351-2-31  
Refer To

R. G. Robertson, Esq.,  
Deputy Minister,  
Northern Affairs and National Resources,  
OTTAWA, Ontario.

Dear Mr. Robertson: Re: All-weather Road to Rayrock

Further to our brief and correspondence reference application for fifty per cent assistance on the cost of a road to a maximum contribution of \$140,000, we were advised in strict confidence by Mr. Lesage, Minister, in December that the item would be included in the estimates submitted to Parliament at its session commencing in January. The writer is leaving for Yellowknife about February 10th and would sincerely appreciate, prior to my departure for Yellowknife, information as to the present status of our application.

Rayrock is currently engaged in an all-out programme with the objective of bringing the property into production by the Spring of 1957. We are moving large tonnages of freight into the property this winter and will be placing orders for deliveries of equipment and supplies to Marian Lake next summer. It is essential that we know as early as possible if the Government's contribution will be forthcoming. The writer plans while in Yellowknife this trip to make arrangements for a road contractor to move in equipment. We have very little time to lose, as you can appreciate. In some instances, equipment must come from outside and must be delivered by winter road to the area.

A reply at your earliest convenience would be greatly appreciated.

Yours very truly,  
RAYROCK MINES LIMITED

J. C. Byrne  
President

JCB:mle

RAYROCK MINES LIMITED

TELEPHONE EMPIRE 4-5588

Toronto, Ontario,  
January 27, 1956.

R. G. Robertson, Esq.,  
Deputy Minister,  
Northern Affairs and National Resources,  
OTTAWA, Ontario.

Dear Mr. Robertson: Re: All-weather Road to Rayrock

Further to our brief and correspondence reference application for fifty per cent assistance on the cost of a road to a maximum contribution of \$140,000, we were advised in strict confidence by Mr. Lesage, Minister, in December that the item would be included in the estimates submitted to Parliament at its session commencing in January. The writer is leaving for Yellowknife about February 10th and would sincerely appreciate, prior to my departure for Yellowknife, information as to the present status of our application..

Rayrock is currently engaged in an all-out programme with the objective of bringing the property into production by the Spring of 1957. We are moving large tonnages of freight into the property this winter and will be placing orders for deliveries of equipment and supplies to Marian Lake next summer. It is essential that we know as early as possible if the Government's contribution will be forthcoming. The writer plans while in Yellowknife this trip to make arrangements for a road contractor to move in equipment. We have very little time to lose, as you can appreciate. In some instances, equipment must come from outside and must be delivered by winter road to the area.

A reply at your earliest convenience would be greatly appreciated.

Yours very truly,  
RAYROCK MINES LIMITED

J. C. Byrne  
President

JCB:mle