18 April 2012

Project No. KX04397 31

City of Quesnel
410 Kinchant Street
Quesnel, BC, V2J 7J5

Attention: Mr. Jack Marsh, Project Manager

Re: Results of Horizontal Drain Drilling and Installation Bid
West Quesnel Land Stability Program
Quesnel, B.C.

AMEC Environment & Infrastructure (AMEC) has requested cost quotations from two qualified drilling contractors for completion of horizontal drains in the suburb area of West Quesnel, B.C.

On 13 April 2012 AMEC issued a letter to two horizontal drilling contractors requesting quotations for items specified in the invitation to bid package. The bid schedules were submitted to the following contractors:

- Foundex Explorations Ltd.
- Jensen Drilling Company.

As of the deadline for receipt of completed bid schedules, 17 April 2012, AMEC received a bid from Jensen Drilling Company and a response from Foundex Explorations LTD indicating that they will not be submitting a bid.

Based on the rate provided and past experiences with Jensen Drilling Company, AMEC recommends that Jensen Drilling Company be selected to complete the drilling and installation of horizontal drains for the West Quesnel Land Stability program.
We trust this information meets your current requirements. If you have any questions or concerns, please do not hesitate to contact the undersigned at your convenience.

Yours truly,

AMEC Earth & Environmental
A division of AMEC Americas Limited

[Dmitri Ostritchenko, EIT.
Geotechnical Engineer]

[Nick Polysou, P.Eng.
Regional Manager, Central BC
Senior Associate, Geotechnical Engineer]
April 17, 2012

Mr. Dmitri Ostritchenko  
AMEC Environment & Infrastructure  
3456 Opie Crescent  
Prince George, B.C. V2N 2P9  

Re: West Quesnel De-Watering Program  
Horizontal Drain Installations  

Mr. Ostritchenko,

We are pleased to submit the attached Table 1, Rate Schedule in response to the Invitation to Bid for this work. Please contact Jerry Jensen or the undersigned if you have any questions.

Regards,

Denny McBreen

attachment
Table 1: Rate Schedule

Company Name: Jensen Drilling Co.

Number of Drill rigs to be utilized: 2

Proposed Drilling/Break/Crew Rotation Schedule: 6/10 HR DAYS - NO BREAK

Proposed Start Date: 7/9/12

<table>
<thead>
<tr>
<th>Items</th>
<th>Units</th>
<th>Unit Rate (CAN $)</th>
<th>Quantity</th>
<th>Total Cost (CAN $)</th>
</tr>
</thead>
</table>
| Mobilization/Demobilization  
(includes mob/demob between each drill locations) | Lump Sum | 34,000            | 1        | 34,000              |
| Horizontal Drain Installation Unit Cost  
(all found, includes drilling and installation of schedule 80 horizontal drains) | Per Meter | 71.17             | 10,000   | 711,700             |
| **TOTAL** |       | **745,700** CDN   |          |                    |

<table>
<thead>
<tr>
<th>Extra Cost/Material/Labour</th>
<th>Units</th>
<th>Unit Rate (CAN $)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Crew Standby Rate</td>
<td>Per Hour</td>
<td>175</td>
</tr>
<tr>
<td>Crew and Drill Assistance with Downhole Drill Survey Measurements**</td>
<td>Per Hour</td>
<td>285</td>
</tr>
</tbody>
</table>

* Ignoring incentives and utilizing Unit Rate only (Unit Rate x 1.0)  
** Utilizing REFLEX tool or equivalent to be supplied by AMEC
April 17, 2012

AMEC Environment & Infrastructure
3456 Opie Crescent
Prince George, BC V2N 2P9

Attention: Mr. Dmitri Ostritchenko

Regarding: Invitation to Bid West Quesnel Land Stability Program De-Watering Horizontal Drain Installations

Dear Mr. Ostritchenko,

With regret Foundex respectfully wishes to inform you that we will not be providing a tender package for the above referenced project. Given the time frame for submittal we found it difficult to provide a proper response to your request. The work is very attractive to us but under the circumstances we felt that delivery of anything less than a fully responsive proposal would not do justice to the project.

We have forwarded a binder to you and others at AMEC outlining our capabilities in hopes of displaying the variety of specialty services we have to offer AMEC and their clients. I would like to establish an open line of communication so we may better serve you in the future. In this regard please feel free to contact us at any time to discuss upcoming projects you feel our specialized level of services may be mutually beneficial.

As always should you have any questions or require additional information on our capabilities please feel free to contact me at anytime.

Again thank you for this opportunity. We look forward to working with you in future.

Best regards,

FOUNDEX EXPLORATIONS LTD.

Scott Sharp
Business Development

Cc: Proposals file #4568
D. Ward, E. Fulop, R. Diggle

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