



July 15, 1996

Mr. R. E. Arndt
Anvil Range Mining Corporation
117 Industrial Road
Whitehorse, yukon
Y1A 2T8

Dear Mr. Arndt:

Re: Proposed Diamond Drill Program at the MM-JJ property NTS 105F/7, Yukon

Further to our discussions on July 11, 1996, I have prepared some recommendations and outlined what I believe are reasonable costs to complete a 1700 to 2000 m four hole drill project on Anvil Ranges' MM-JJ property in the McConnell River area. At this point, not having reviewed the existing data I can only base my projected costs on my experience in remote drill sites in the Yukon.

An obvious goal of any additional work on this property is to further extend or define the known mineralized lenses within the Mississippian acid volcanics, to further refine the volcanic stratigraphy and the structural control of mineralization. It would be useful to look at the existing core from previous drilling programs. You may also want to consider down hole directional surveys to accurately locate the mineralized horizons.

Since the property does not have road access the drill and camp must be mobilized and supported by helicopter. This obviously increases costs. However, a land use permit will not be required.

A camp should be established at the property to limit helicopter costs. The use of 4 wheel ATV's could also reduce costs. Apart from a drill crew, a geologist, core splitter/assistant and cook would be required. A crew would be needed to establish a drill fly camp complete with hot running water. It should also be determined if drill pads need to be constructed or if existing pads can be used.

I have taken the liberty of estimating a budget to complete all aspects of this exploration program. It should be possible to complete a 1700 m four hole drill program in thirty days.

Proposed 1996 MM-JJ Claims Exploration Budget

| | |
|---|------------------|
| 1700 m NQ wire-line drilling @ \$120/m | \$204,000 |
| - Helicopter (40 hrs @ \$675/hr) | \$27,000 |
| Fuel (2000 / @ \$0.80) | \$1,600 |
| Analytical (300 samples @ \$18 each) | \$5,400 |
| Geologist (30 days @ \$350 per day) | \$10,500 |
| Core Splitter/Assistant (30 days @ \$200/day) | \$6,000 |
| Cook (30 days @ \$200/day) | \$6,000 |
| Camp Costs | \$12,600 |
| - Camp construction/mobilization | \$12,000 |
| Truck rental | \$1,500 |
| Report Costs | \$8,000 |
| - Assessment Fees | \$1,500 |
| Contingency (at 10%) | \$30,000 |
| GST (7 of \$322,100) | \$22,700 |
| TOTAL | \$348,800 |

Of this total the cost to Anvil Range from Aurum Geological Consultants Inc., would be approximately \$61,000, including GST. This would include supplying camp and cook, geological and support staff and a report. The costs for diamond drilling, helicopter, assay and assessment fees would be covered by Anvil Range Mining Corporation under separate contracts, and would total approximately \$287,000.

The all in cost for this program would come in at approximately \$205 per metre which is a reasonable rate considering location and logistics.

With regard to your other request about drilling 15 km northwest of Faro, I offer the following observations. If the road is passable and a drill and trailer can be hauled to the site then this would probably be the most economic scenario. The added daily travel costs plus the cost of accommodation at either the minesite or local hotel would be more than costs to move a trailer camp to the site.

Sincerely,
Aurum Geological Consultants Inc.



R. Allan Doherty