

ON LETTERHEAD

AUGUST 15, 1996

AMOCO CANADA LIMITED  
P.O. BOX 200, STATION M  
CALGARY, ALBERTA  
T2P 2H8

ATTENTION: MR. DON MACGREGOR  
MANAGER, LANDS ADMINISTRATION

DEAR SIR:

**RE: MM/JJ MINING CLAIMS JOINT VENTURE - YUKON**

AS OPERATOR OF THE MM/JJ MINING CLAIMS JOINT VENTURE IN THE WATSON LAKE DISTRICT OF THE YUKON TERRITORY, ANVIL RANGE MINING CORPORATION (ARMC) IS REQUESTING YOUR PARTICIPATION IN THE 1996 EXPLORATION PROGRAMME ON THE ABOVE MINING CLAIMS.

THE EXPLORATION PROGRAMME WILL CONSIST OF A MINIMUM OF 1800 METRES OF DIAMOND DRILLING IN AT LEAST FOUR HOLES ON THE MM/JJ PROPERTY. (SEE ATTACHED PLANS AND SECTIONS). THE APPROXIMATE COST OF THIS EXPLORATION PROGRAMME WILL BE \$320,000.00 AND WILL INCLUDE SETTING UP A CAMP (SERVICED BY HELICOPTER), SURVEYING IN OLD AND NEW HOLES, DIAMOND DRILLING, CORE LOGGING AND ASSAYING OF THE MINERALIZED ZONES. THIS PROGRAMME WILL COMMENCE DURING THE MONTH OF AUGUST, 1996 AND TAKE APPROXIMATELY ONE MONTH TO COMPLETE. DUE TO THE FACT THAT THE PROPERTY IS AT A HIGH ELEVATION IN THE PELLY MOUNTAINS, IT IS CRITICAL THAT THE PROGRAMME START BEFORE SNOWFALL, IN EARLY FALL. THE NEED TO COMPLETE THIS WORK ASAP IS THAT THERE ARE ASSESSMENT REQUIREMENTS TO FILE BY OCTOBER OF THIS YEAR.

THE BUDGET FOR THE PROGRAMME WILL BE \$320,000 (SEE ATTACHED).

YOUR CONTRIBUTION AT A 49% PARTICIPATION WOULD BE \$156,800. PLEASE LET ARMC KNOW OF YOUR INTENTIONS FOR PARTICIPATION AND /OR OF THE JV AGREEMENT IN GENERAL.

A FEW MONTHS AGO, I TALKED TO A MR. ROB JEFFERIES IN YOUR DEPARTMENT ABOUT THIS MINING JOINT VENTURE THAT A PREDECESSOR COMPANY OF AMOCO'S, HUDSON BAY OIL & GAS COMPANY LIMITED (HBOG), HAD IN A JOINT VENTURE WITH AN ARMC PREDECESSOR COMPANY, CYPRUS ANVIL MINING CORPORATION (CAML). ACCORDING TO THIS JOINT VENTURE AGREEMENT

*Don Macgregor*

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DATED JUNE 1, 1976, BETWEEN HBOG AND CAML (FAXED TO MR. JEFFERIES ON  
JULY 4, 1996), HBOG (NOW AMOCO?), HAD A 49% WORKING INTEREST IN THE  
MM/JJ CLAIMS.  
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ACCORDING TO MR. JEFFERIES, AMOCO HAS NO RECORD OF THIS JOINT  
VENTURE AGREEMENT AS HE HAS BEEN TRYING TO LOCATE IT IN THE AMOCO  
FILES.

AS THE SUCCESSOR COMPANY OF HBOG, AMOCO IS ASKED TO CONTRIBUTE \$ ??  
FOR THE PROPOSED EXPLORATION OR BE DILUTED DOWN, AS PER THE  
AGREEMENT. (TO DATE, AUGUST 15, 1996, HBOG/AMOCO HAS CONTRIBUTED \$??  
TOWARDS THE JOINT VENTURE)

PLEASE ACKNOWLEDGE THIS REQUEST FOR PARTICIPATING FUNDS FOR THE  
PROPOSED PROGRAMME.

YOURS TRULY,  
ANVIL RANGE MINING CORPORATION

RICHARD E. ARNDT, P. ENG.  
SUPERINTENDENT, EXPLORATION PROJECTS

cc: MR. KURT FORGAARD  
PRESIDENT AND CEO

1996 MM/JJ EXPLORATION PROGRAMME BUDGET

THE PURPOSE OF THIS PROGRAMME IS TO CARRY OUT ASSESSMENT WORK ON A PROPERTY THAT HAS HAD PREVIOUS WORK WITH INTERESTING RESULTS IN SULPHIDE MINERALIZATION OF LEAD AND ZINC. DUE TO THE MOUNTAINOUS TERRAIN OF THE PROPERTY, ALL CAMP AND DRILLING EQUIPMENT AND PERSONNEL HAVE TO BE MOBILIZED BY HELICOPTER BEFORE THE WINTER SEASON STARTS IN SEPTEMBER.

CAMP		
HELICOPTER	18 HOURS @ \$700/HOUR	\$12,600
FUEL		\$1,125
ASSAYS	200 @ \$18 EACH	\$3,600
GEOLOGIST	30 DAYS @ \$350/DAY	\$10,500
ASSIST.	30 DAYS @ \$200/DAY	\$6,000
COOK	30 DAYS @ 200/DAY	\$6,000
FOOD	7 PEOP. x 30 DAYS x \$40	\$8,400
TRUCK RENT	30 DAYS	\$1,080
SUB TOTAL		\$49,305
CAMP SETUP		\$21,000
PAD/TRAIL		\$18,150
		\$39,150
ASSAYS	100 - AU,AG,CU,ZN,PB	\$2,500
REPORTS		\$8,000
ASSESS. FEES		\$6,000
		\$16,500
SUB TOTAL	CAMP	\$104,955
<b>TOTAL</b>	<b>WITH DRILLING</b>	<b>\$296,233</b>



MM/JJ SUMMARY OF EXPLORATION EXPENDITURES

1973 Exploration programme prospecting, geology, geochemistry, ground magnetic, gravity drilling – 2 holes for total of 805 ft (245.5m)	\$52,240.00	
1974 Exploration programme geology, geochemistry, ground magnetic drilling – 2 holes for total of 2010 ft (612.6m)	\$123,043.00	
1975 Exploration programme demobilization of drill rig	\$5,754.00	
		\$181,037.00 ANVIL MIN. CORP TOTAL
1976 Exploration programme geology drilling – 7 holes for total of 5505 ft (1677.9m) (programme costs estimated from assessment filed for 76MM-02 = \$21,46/foot)	\$118,164.00	
1977 Exploration programme geology, geochemistry drilling – 4 holes for total of 5388 ft (1642.3m)	\$174,760.20	<i>\$ 22.43/ft</i>
1978 Exploration programme geology, geochemistry (20 days) (programme costs estimated)	\$15,000.00	
		\$307,924.20 CAMC-HBOG JV TOTAL
1987 Exploration programme trenching	\$12,299.04	
1987 Recording Assessment	\$720.00	

# MMJJ Diamond Drill Bid Comparison Spreadsheet

15-Aug-96

Cost Items	Assumptions		Advanced		Caron	
	Total	Unit	Rates	Cost	Rates	Cost

## DIAMOND DRILLING

**FIXED**  
 08/12/96

# of Drill Holes	5 ddh's		
# of Site Moves	2 moves		
<b>Overburden and Casing of DDH</b>			
NW 0-15	60 metres	\$60.00	\$3,600.00
NW 15-30	metres		\$0.00
NW 30-45	metres		\$0.00
<b>Subtotal</b>	60 metres		\$3,600.00
<b>Diamond Drilling</b>			
NQ BR-150	750 metres	\$55.75	\$41,812.50
NQ 150-300	750 metres	\$55.75	\$41,812.50
NQ >300	850 metres	\$59.00	\$50,150.00
<b>Subtotal</b>	2350 metres		\$133,775.00
<b>TOTALS</b>	2470 metres		\$140,975.00

## BASE OPERATING RATES

OP RATE (OP) for DRILL	hr	\$25.00	\$21.00
NON-OP RATE (NOR) for DRILL	hr	\$15.00	\$21.00
LABOUR RATE (LR)	hr	\$29.00	\$35.00

## MOB/DEMOB OF DRILL

MOBILIZATION	flat	\$5,000.00	\$5,000.00	\$0.00
DEMOBILIZATION	flat	\$3,500.00	\$3,500.00	\$0.00
MOB VEHICLE*	12 hr		\$0.00	\$85.00
DEMOB VEHICLE*	12 hr		\$0.00	\$85.00
MOB LABOUR*	12 hr/4men		\$0.00	1
DEMOB LABOUR*	12 hr/4men		\$0.00	1
<b>Subtotal</b>			\$8,500.00	\$5,400.00

\*Note: vehicle/labour mob/demob=assump.total\*#of vehicles/men\*rate

## DRILLING COST PLUS ACTIVITIES\*

CONDITION HOLE	2 hr/100m	OP&2*LR	\$4,100.20	OP&2*LR	\$4,495.40
REAM CASE	1 hr/100m	OP&2*LR	\$2,050.10	OP&2*LR	\$2,247.70
DELAYS	1 hr/100m	NOR&2*LR	\$1,803.10	NOR&2*LR	\$2,247.70
DRILL MOVES	12 hr/move	NOR&2*LR	\$3,144.00	NOR&2*LR	\$3,864.00
CREW TRAVEL	4 hr/day	LR	\$116.00	LR	\$140.00
WATER LINES	0 hr/200m	2*LR	\$0.00	2*LR	\$0.00
STAGING-DDH	6 hr/ ddh	OR&2*LR	\$2,490.00	OR&2*LR	\$2,730.00
DIP TESTS	1 hr/100m	OR&2*LR	\$2,050.10	OR&2*LR	\$2,247.70
<b>Subtotal</b>			\$15,753.50		\$17,972.50

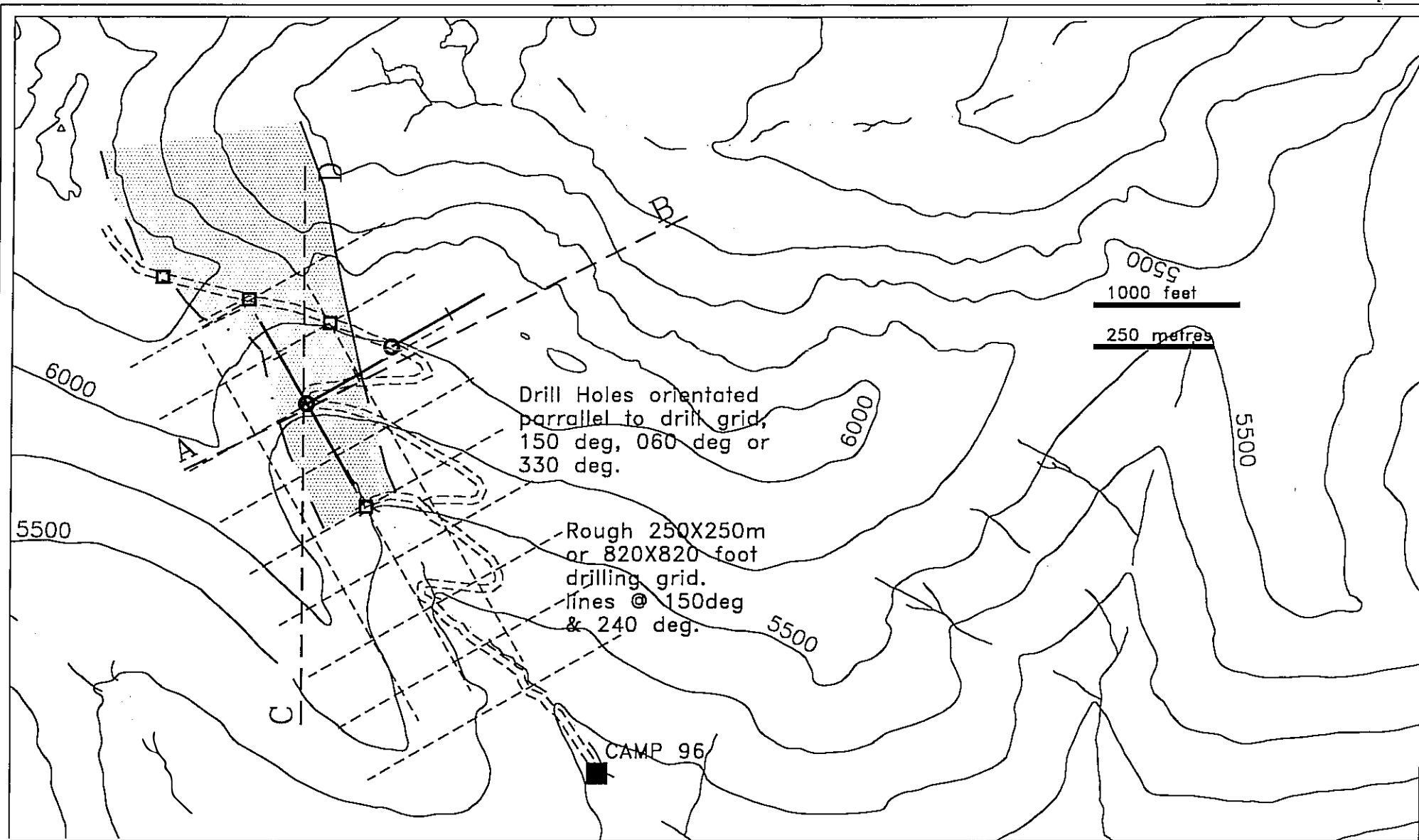
## CONSUMABLES

CORE BOXES	428 box	\$10.00	\$4,280.00	\$10.00	\$4,280.00
CONSUMABLES	5000 flat	108%	\$5,400.00	115%	\$5,750.00
ADDITIVES	5000 flat	108%	\$5,400.00	115%	\$5,750.00
LOST EQUIPMENT	5000 flat	108%	\$5,400.00	115%	\$5,750.00
QUAD	21 day	\$30.00	\$630.00		\$0.00
FUEL COSTS	4 l/metre	\$0.50	\$4,940.00	\$0.50	\$4,940.00
<b>Subtotal</b>			\$26,050.00		\$26,470.00

## TOTAL COSTS

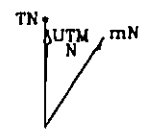
<b>TOTAL COST FOR DRILLING PROGRAM</b>	<b>\$191,278.50</b>	<b>\$271,441.60</b>
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Note: At this time, Advanced Drilling Ltd. is the recommended contractor



**LEGEND**

- Projected Target Area of massive sulphide mineralization
- Proposed 1996 Diamond Drill Holes Series 1
- Trace of Proposed Hole with projected intersection
- Series 2
- Geological Section Lines
- Quad Trail (proposed)

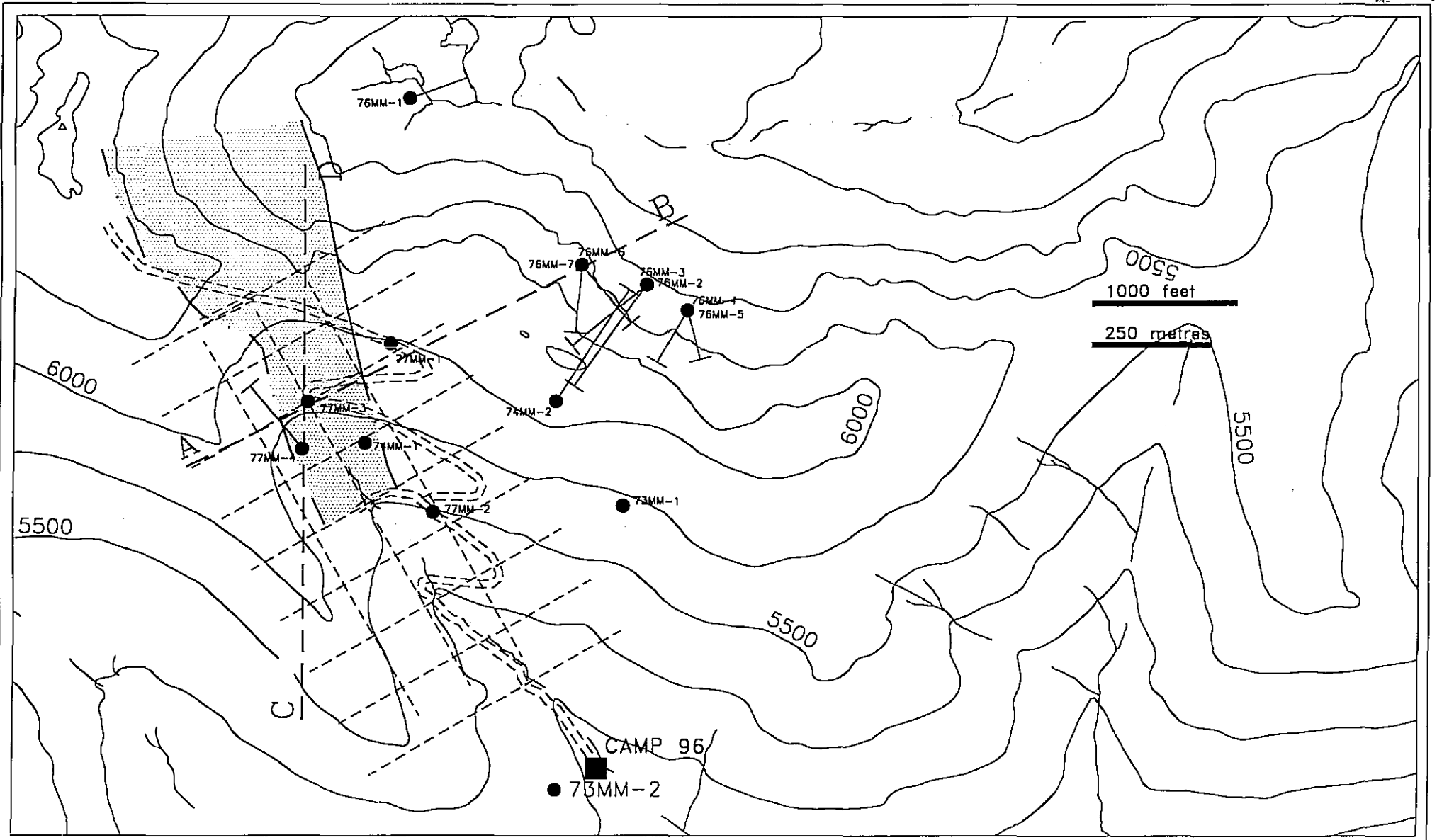


**ANVIL RANGE  
MINING CORPORATION**

**MM / JJ CLAIMS  
1996 DIAMOND DRILLING**

Exploration Department

Scale: 1:	FILE: MM9600H	DATE: 10/08/96	
DRAWN: DJR	DWG:	FIGURE:	



**LEGEND**



Projected Target Area  
of massive sulphide mineralization

77MM-2

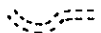


Pre 1996 Diamond Drill Holes

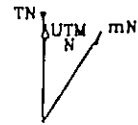
A

B

Geological Section Lines



Quod Trail (proposed)



**ANVIL RANGE  
MINING CORPORATION**

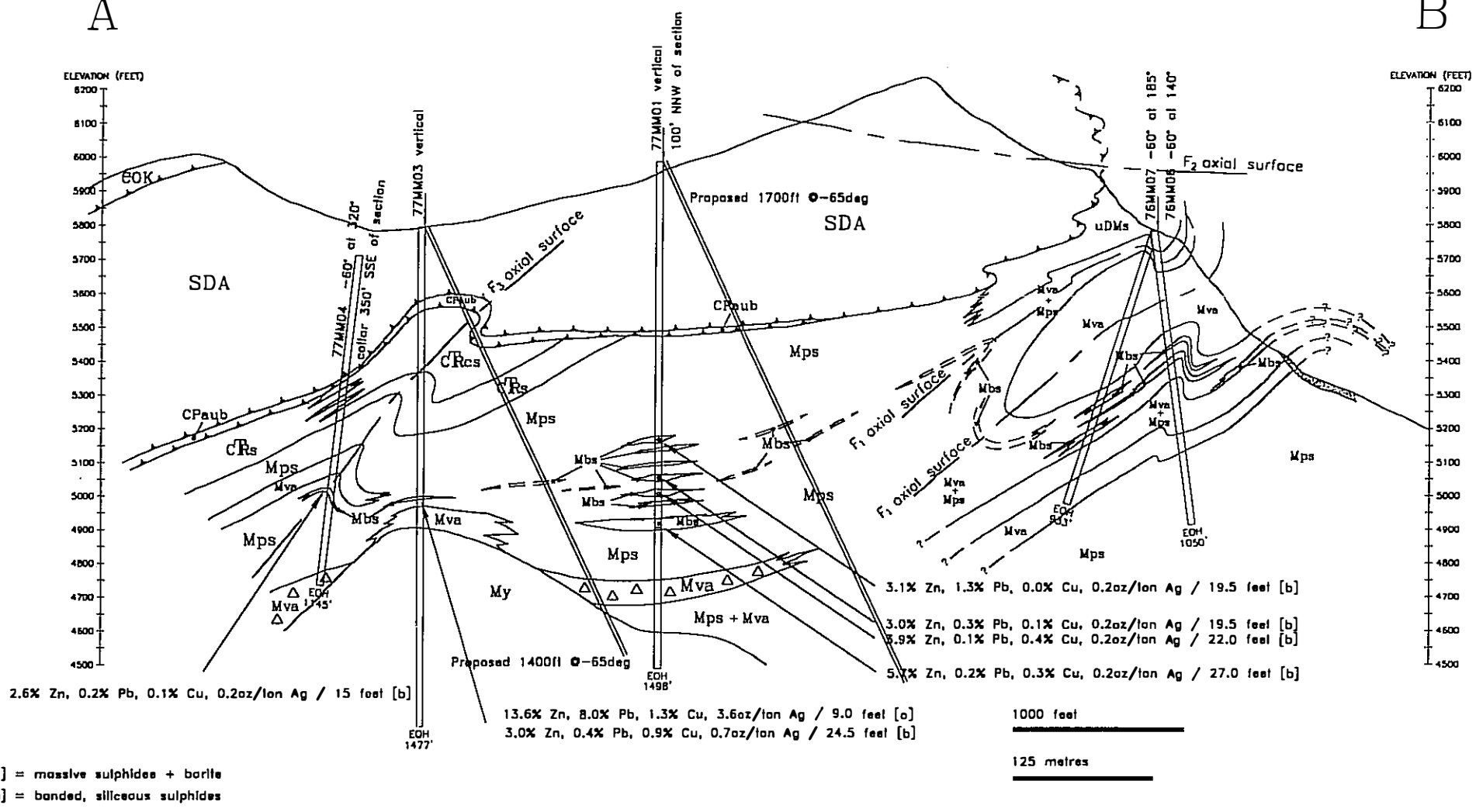
**MM / JJ CLAIMS**  
Pre 1996 Drilling

Exploration Department

Scale: 1:	FILE: PRE9600H	DATE: 16/08/96
DRAWN: DJB	DWG:	FIGURE:

A

B



[a] = massive sulphides + barite  
 [b] = banded, siliceous sulphides

1000 feet  
 125 metres

LEGEND

- CPaub** Highly sheared and brecciated serpentinite and serpeninized dunite
- CRs** Carboniferous-Triassic calc-silicate schist
- CRc** Carboniferous-Triassic calcareous, carbonaceous phyllite and marble

- uDMs** Upper Devonian-Mississippian Carbonaceous shale locally slightly calcareous
- Mva** Mississippian Felsic to intermediate composition tuff and lapilli tuff - locally pyritic
- My** Trachyte stock

- Mps** Garnetiferous pelitic schist
- Mbs** Massive pyritic sulphides or sulphide-banded phyllite - locally baritic
- SDA** Silurian-Devonian Askin Group dolostone, quartzite, limestone
- EOK** Cambrian-Ordovician Kechika Group argillaceous, nodular limestone and calc-silicate

ANVIL RANGE MINING CORPORATION

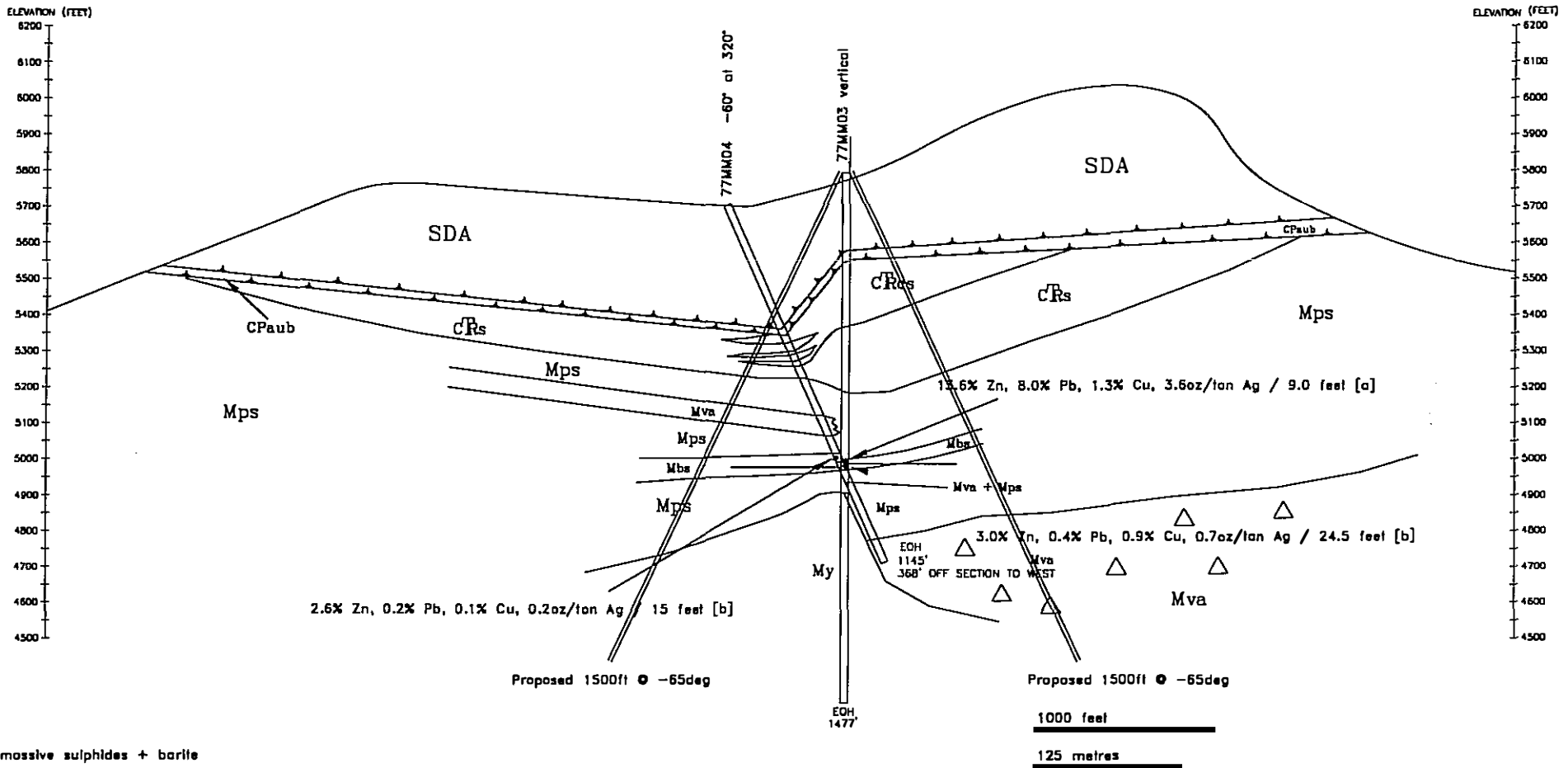
MM / JJ CLAIMS  
 VERTICAL SECTION A-B

Exploration Department

SCALE:	FILE:MMXSAB.DWG	DATE: 10/08/98
DRAWN: DJB	DWG:	FIGURE:

C

D



[a] = massive sulphides + barite  
 [b] = bonded, siliceous sulphides

LEGEND

- |   |   |  |
|---|---|--|
| <p><b>CPaub</b> Highly sheared and brecciated serpentinite and serpentinized dunite</p> <p><b>CRs</b> Carboniferous-Triassic calc-silicate schist</p> <p><b>CRa</b> Carboniferous-Triassic calcareous, carbonaceous phyllite and marble</p> | <p><b>uDMs</b> Upper Devonian-Mississippian Carbonaceous shale locally slightly calcareous</p> <p><b>Mva</b> Mississippian Felsic to intermediate composition tuff and lapilli tuff - locally pyritic</p> <p><b>My</b> Trachyle stock</p> | <p><b>Mps</b> Corniferous pelitic schist</p> <p><b>Mbs</b> Massive pyritic sulphides or sulphide-banded phyllite - locally baritic</p> <p><b>SDA</b> Silurian-Devonian Askin Group dolostone, quartzite, limestone</p> <p><b>EOK</b> Cambrian-Ordovician Kechika Group argillaceous, nodular limestone and calc-silicate</p> |
|---|---|--|

ANVIL RANGE MINING CORPORATION

MM / JJ CLAIMS  
 VERTICAL SECTION C-D

Exploration Department

Scale:	FILE:MMX3CD.DWG	DATE: 18/08/96
DRAWN: DJR	DWG:	FIGURE:



**Anvil Range**  
MINING CORPORATION

**FAXED**  
Confirmed

117 Industrial Road, Whitehorse, Yukon Y1A 2T8  
Telephone (403) 633-5588 Facsimile (403) 668-6518

We are sending 16 page(s) including this facsimile. If you do not receive the entire transmission, please contact us immediately at (403) 633-5588. Thank you.

**VIA FACSIMILE**

**TO:** Mr. Rob Jefferies, Land Department

**DATE:** July 4, 1996

**COMPANY:** Amoco Canada

**FAX NO.:** (403) 233-1040

**FROM:** Richard Arndt, Superintendent of Exploration Projects

**SUBJECT:** Cyprus Anvil & Hudson's Bay Agreement

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As we had discussed this afternoon, here is the agreement between Cyprus Anvil Mining Corporation (Cyprus) and Hudson's Bay Oil and Gas Company Limited (HBOG), relating to a joint venture on mining claims in the Yukon Territory called the MM and JJ Claims. This agreement is dated June 1, 1976.

Anvil Range Mining Corporation is the successor to Cyprus and Amoco Canada appears to be the successor to HBOG.

Anvil is proposing a drilling and field program this summer on the claims and will be sending you a letter outlining the program in the next few weeks.

Hope you have luck in finding the MM/JJ files.

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WHITEHORSE



FARO



TORONTO