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SCHEDULE A

of agreement between Gov't & CAMC/Dome

CYPRUS ANVIL MINING CORPORATION

ACTION PLAN MRP - 1

1983 AND 1984

FOR

THE FARO MINE, FARO, YUKON

Plan for the Gov't Funding (historical, now)

MAY 1983

INDEX

CYPRUS ANVIL MINING CORPORATION (CAMC)

M.R.P. - 1

1.0 OBJECTIVE

The objective of the MRP-1 Plan is to make a significant contribution to the long-term viability of the Cyprus Anvil mine at Faro. This objective will be achieved by undertaking a program of removing about 8.6 million BCY of overburden to eliminate an anticipated ore gap problem when the concentrator re-opens. The implementation of the program will provide direct employment for a minimum of 210 people and lower future production costs by approximately 8%. The program will also significantly contribute to the economy of the town of Faro and improve the economic situation in the Yukon generally as well as retain key skills in and around Faro and the Yukon.

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2.0 KEY ASSUMPTIONS

Mine operations to be based on utilization of 1 x 15 cu. yd. electric shovel at 100% availability, which would require demothballing of 2 units.

Continuous mining operation utilizing 2 x 12 hour shifts.

Eight new Euclid 170T trucks will be available following erection and commissioning of four units stored at Fort Neilson during the winter of 1982/83.

Personnel in all departments to be reduced to a minimum required to carry out the stripping program and to provide essential services and maintenance activities and a minimum metallurgical program.

Expenditure on the program to be approximately $50 MM.

3.0 HIGHLIGHTS OF MRP-1

3.1 Employment

Under the MRP-1 a minimum of 210 people (approximately 43 staff and 167 union) will be employed on a full time basis with the mine operating on a continuous shift schedule, 7 days per week.

3.2 Production

The MRP-1 plan for 1983 and 1984 is based on a stripping operation with

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major emphasis on removing the "island" of waste between, zone I and III, (Fig. 3). The majority of waste material stripped during this two year period is contained in mining phases designated as OA and PA. Minor amounts of ore will have to be mined during 1984 to allow contagious access to the waste in the NA phase. Ore mined from the NA phase will be stockpiled for future milling.

Stripping rates are set at 16,000 BCY per day for the duration of 1983 and 1984. It is forecasted that 2.9 million BCY of over-burden can be removed in 1983 based upon a May 1983 start-up and 5.7 million BCY in 1984. See Section 4. and 5. for details. This production rate will be attained by the use of eight Euclid trucks and 50% utilization of two shovels and two drills.

3.3 COSTS

The cost of implementing the Action Plan MRP-1 consists of:

Mine Cost - for waste removal including drill, blast, load and transport;

Mill Cost - only items specified in Section 6.;

Maintenance Cost - for the mine and the mill as they relate to the stripping program;

General and Administration (G&A) Cost - for undertaking the stripping program;

Coal Mine Cost - only in July 1984 for the use in the heating plant;

Truck Lease Cost - for 4 Euclid trucks only;

Environmental Cost - only items specified in Section 7.

It is estimated direct minesite expenditures (including CAMC costs of the townsite operation) will be $18 MM for the period May 22 through December 31, 1983 and $32 MM for the period January 1, 1984 through December 31, 1984. On a month to month basis, there is little fluctuation in cost levels other than for a slight increase in the winter months.

Costs required for head office support in Vancouver and Calgary and not to be shared under the Government funding assistance, and thus not involved in MRP-1, are expected to be in the order of $200,000 per month.

Remarks: Costs for severance and move-out, special studies - Grum and Grum Camp maintenance are not parts of the costs of the Action Plan MRP-1.

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MRP - I

PRODUCTION & COST FORECAST

1983

	MAY	JUNE	JULY	AUG.	SEPT.	OCT.	NOV.	DEC.	TOTAL
PRODUCTION:									
Cu.Yds. Moved (000)	0	128	465	465	464	480	464	464	2,930
Dry Tonnes Milled (000)	0	0	0	0	0	0	0	0	0
MINESITE COST FORECAST $000									
PRODUCTION DEPARTMENTS:									
Mine: Drill & Blast		329	316	316	319	348	336	336	2,300
Mine: Load & Transport		556	525	526	514	532	524	523	3,700
Mill		259	245	239	284	282	319	345	1,973
Mechanical		796	679	667	733	701	693	840	5,109
Environmental		41	22	9	11	10	25	16	134
Coal Mine		0	14	0	0	0	0	0	14
Total Production Depts.		1,981	1,801	1,757	1,861	1,873	1,897	2,060	13,230
G & A DEPARTMENTS:									
Personnel		47	48	52	47	50	47	52	343
Security		1	1	0	1	1	1	1	6
Safety		35	33	33	32	33	35	33	234
Purchasing		40	41	40	41	40	41	40	283
Accounting		32	33	32	33	33	34	34	231
Engineering		48	49	58	51	53	53	51	363
Townsite (Incl. Property Taxes)		234	201	176	186	184	212	208	1,401
Administrative (Incl. Minesite Taxes & Insurance)		153	148	172	148	150	146	152	1,069
Leasing Cost		-	-	-	100	100	100	100	400
May Start-up Cost	540	-	-	-	-	-	-	-	540
Total G & A Depts.	540	590	554	563	639	644	669	671	4,870
Total Minesite Costs	540	2,571	2,355	2,320	2,500	2,517	2,566	2,731	18,100

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MRP - I

PRODUCTION & COST FORECAST

1984

	JAN.	FEB.	MAR.	APRIL	MAY	JUNE	JULY	AUG.	SEPT.	OCT.	NOV.	DEC.	TOTAL
PRODUCTION:													
Cu.Yds. Moved (000)	480	448	480	464	480	480	480	480	464	480	464	464	5,664
Dry Tonnes Milled (000)	0	0	0	0	0	0	0	0	0	0	0	0	0
MINE FORECAST													
PRODUCTION COSTS:													
Mine: Drill & Blast	320	318	320	319	314	308	308	308	314	323	322	322	3,796
Mine: Load & Transport	570	555	571	570	571	630	632	574	565	572	566	565	6,941
Mill	347	336	322	290	263	225	223	221	277	356	374	402	3,636
Mechanical	843	905	869	749	807	896	939	779	962	802	852	842	10,245
Environmental	9	9	13	10	10	20	10	10	10	11	24	17	153
Coal Mine	0	0	0	0	0	0	14	0	0	0	0	0	14
Total Production Costs	2,089	2,123	2,095	1,938	1,965	2,079	2,126	1,892	2,128	2,064	2,138	2,148	24,785
G & A													
Personnel	30	45	39	46	45	47	42	48	46	48	43	37	516
Security	1	0	1	0	1	0	1	1	1	1	1	1	9
Safety	35	36	38	35	35	37	35	38	36	41	39	38	443
Purchasing	45	45	47	46	46	47	46	46	47	46	46	47	554
Accounting	39	33	39	36	41	35	42	35	41	35	42	35	453
Engineering	47	46	47	47	46	47	47	46	47	47	47	48	562
Townsite (Incl. Property Taxes)	209	210	179	180	183	175	174	175	184	181	211	209	2,270
Administrative (Incl. Mine-site Taxes & Insurance)	161	163	161	163	161	162	161	164	160	164	160	163	1,943
Lease Costs	100	100	100	100	100	100	100	100	100	100	100	100	1,200
Total G & A Depts.	667	678	651	653	658	650	648	653	662	663	689	678	7,950
Total	2,756	2,801	2,746	2,591	2,623	2,729	2,774	2,545	2,790	2,727	2,827	2,826	32,735

4.0 MINE PRODUCTION ESTIMATES

Scheduling

The scheduling rate for the 2 Year Plan are as follows:

	Shovel Production Stripping Only (BCY/day)	Drilling (Equivalent BCY/day)
1983	8,000 through June 15 through June 30	11,000 from May 30 through June 30
	16,000 from July 2 through December 31	22,500 from July 2 through December 31
1984	16,000 for the full year	22,500 for the full year

Truck/Shovel/Drill Requirements

To achieve the scheduled rates of this 1983-1984 Mine Plan, the following equipment will be required:

Year	Drills	Shovels	Trucks
1983	2 - at 50% utilization	2 - at 50% utilization	4 Euclids, plus 4 Wabcos till Sept. 1 then 8 Euclids
1984	2 - at 50% utilization	2 - at 50% utilization	8 Euclids

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5.0

1983 - 1984 MINE PLAN QUANTITIES M.R.P.I.

WASTE STRIPPING ONLY - NO MILLING OPERATIONS

Year	Month	Phase	Bench	Waste (BCY)	
1983	June 15-30	OA	4030	128,000	
	July	OA	4030	261,300	
		OA	3900	218,200	
	August	OA	4030	308,600	
		OA	3990	171,400	
	September	OA	3990	166,400	
		PA	3990	297,600	
	October	OA	3990	138,500	
		PA	3990	341,500	
	November	PA	3990	73,900	
		OA	3950	390,100	
	December	OA	3950	464,000	
1984	January	OA	3950	36,900	
		PA	3950	443,100	
	February	PA	3950	12,900	
		UB	3950	394,000	
		OA	3910	57,100	
	March	OA	3910	496,000	
	April	OA	3910	215,900	
		PA	3910	248,100	
	May	PA	3910	173,900	
		UB	3910	306,100	
	June	UB	3910	196,900	
		OA	3870	283,100	
	July	OA	3870	399,900	
		PA	3870	80,100	
	August	PA	3870	399,900	
		NA	3890	80,100	
	September	NA	3890	416,900	(plus 29,000 BCY ore)
		NA	3870	18,100	
	October	NA	3870	437,000	(plus 43,000 BCY ore)
	November	NA	3870	27,900	
		NA	3850	373,100	(plus 63,000 BCY ore)
	December	NA	3850	276,900	
		NA	3850	187,100	

6.0 MILL DEPARTMENT

Tailings Disposal

In order to keep the tailings level of zinc below environmental guidelines, it is necessary to add lime and soda ash on a continuous basis.

Heating Plant

The heating plant is located in the mill complex and as such goes under the Mill budget. However, the heating plant must be kept functional since it provides heat to the truck shop, warehouse building, machine shop, electrical shop and obviously to the concentrator itself.

Power

All power costs are charged to the mill except power used by the shovels and drills which is covered directly under the Mine Department budget. Therefore, all electrical power used in the shops, warehouse offices, administration building, pumphouse, etc. is ultimately charged to the Mill.

Met. Testing Program

Following the mill modification completion in early 1982, the plant did not achieve the results predicted from laboratory work. The met. testing program objective is to improve plant metallurgical results by looking at:

- fine grinding vs. coarse grind
- use of different reagents to improve recovery and grades
- combination or separation of ore types to improve metallurgy
- possible copper recovery
- modification to flotation circuits
- etc.

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7.0 ENVIRONMENTAL DEPARTMENT

Pollution Control Supplies - $23,000

Repairs to upstream blanket. Due to erosion in the fall of 1982, some sections of the upstream blanket on the south side of the diversion canal must be repaired to insure that top soil will not be washed down into the canal.

Consulting - $8,500

- Bio assays $ 5,000

  Four times a year, samples are taken in the pond and sent out for analysis to verify if fish would survive.

- Instrumentation annual report $ 6,000

  Golder and Associates analyze all instrumentation readings and publish conclusions and recommendations.

- Underhill and Underhill survey $30,000

  To meet the requirements of our Water Licence two surveys per year of the diversion canal and of the Cross Valley dam and intermediate dam must be done to verify that no vertical or horizontal movement is occurring.

- Benthic sampling $10,000

  Sampling of the water is done before and after the tailings pond to verify if any contamination of water as a result of the tailing pond.

- Dr. Cherry's report and recommendation re tailings pond $30,000

  In view of finalizing the final abandonment plan of the Anvil mine, Dr. Cherry's report covers ways to investigate the possibility of a dry trailing abandonment.

- Golder Associates, late billings 1982 $ 4,000

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