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PROPOSED EXPLORATION

MAY 15 - JUNE 15, 1971

ANVIL MINING CORPORATION LIMITED

J.S. Brock
Faro, Yukon
May 19, 1971

PROPOSED EXPLORATION

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ANVIL MINING CORPORATION LIMITED

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ANVIL MINING CORPORATION LIMITED

EXPLORATION PROGRAM - 1971

SUMMARY

A re-evaluation of Anvil's exploration program by the exploration management committee has led to a restructuring of Hampton's November, 1970 proposal.

Detailed attention has been paid to the period May 15 - June 15, during which time Dynasty will make exploration personnel available to Anvil. Within this period, a better, deeper penetrating drilling method will be put into use.

A priority area for geological, geophysical and geochemical exploration has been developed around the Faro deposits.

EXPLORATION SEQUENCE

The sequence of exploration for the period May 15 - June 15 has been decided by the exploration management committee and adapted to Hampton's 1971 exploration proposal (November, 1970).

A detailed outline follows:

1. Completion of assessment work requirements on Bob, Lake and Tie mineral claims.

2. Staking of 10 claims, M.O. group, near the "L.O." and "A" group boundary. Competition within the area at this time necessitates immediate action.

3. Completion of Barringer orientation program:

    a) Submission of samples from remainder of selected Faro drill holes.

    b) Selection and submission to Barringer of chip samples from sea, Swim Lake, Vangorda area drill programs for geochemical analysis.

    c) Review of Barringer preliminary geochemical orientation report on Faro core tests.

4. Detailed review of present drilling method with Giles Wilderman of "Big Indian". An economical method must be designed to perfect:

    a) More accurate geochemical sampling of overburden.

b) Deeper drilling capability to at least 700 feet. Drilling to 500 feet must be accomplished with ease to facilitate eventual testing of deeper geophysical targets.

c) Coring apparatus must be available for geological sampling of bedrock.

d) The drill must be self-propelled and track mounted.

Several weeks downtime would be anticipated for either conversion of the existing rig or mobilization of a new one.

5. Turair test survey, 75 line miles in the vicinity of Faro deposits and west of Faro claims.

6. Flying of 295 additional line miles of Turair survey will be contingent upon results gained from the test survey. This extra coverage would be over selected regions of phyllite on Anvil claims.

7. Gravity survey of 'Davis' anomaly contingent on Turair results, see proposal appendix (i).

8. Review of all available exploration data related to Faro priority 1 area:

a) Analysis of all drill information.

b) 1964 Lockwood AEM results.

c) 1965 Lockwood Aeromag
1966 GSC high level mag
1971 Turair test results

d) Barringer geochemical orientation data.

e) Ground survey results

i) 1965 magnetic survey
ii) 1965 - 1971 gravity surveys
iii) 1965 Crone J.E.M.
iv) 1964 - 1965 silt sampling
v) 1965 soil sampling
vi) 1965 Faro area trenching

f) Geology - surface and pit

g) Air photos

9. Compilation of all available exploration data on base maps 1:1320 for drill hole location purposes. It is anticipated that a grid will be drilled on 1000 x 2000 foot centers (Appendix ii). Grid line locations, drill sites and hole depths will be based for optimum testing of existing geological, geochemical and geophysical targets as well as for gathering of geological and geochemical data. A few deeper holes would be planned during the bedrock testing program to explore obvious geophysical targets.

   A cursory examination of the Faro, Gal and Lo claims shows that 100 sites would be drilled on a 1000 x 2000 foot grid. Average depth of each hole is estimated to be 100 feet for an assumed 10,000 feet of drilling within the Faro Priority 1 area.

10. As originally proposed by Hampton, a 1000 x 200 foot soil sampling grid will be laid out and sampled between Blind Creek and Faro. This program would start by mid-June.

11. A detailed structural and petrographic study of the Faro ore body would begin in June under J. Heslop, PhD. student.

12. Evaluation and modification of the program will be done at the June 15 exploration management meeting. At this time, a summary of priority targets for continued drilling would be reviewed.

PERSONNEL (Effective May 15 - June 15)

1. Chief Engineer (M.O. Hampton)

   Receives instructions from management committee. Heads exploration program.

2. Chief Exploration Geologist (W.J. Roberts)

   This position will be temporarily filled by Roberts, a Dynasty employee. Roberts will spend a minimum of 20 days on the project, up to June 15, after which time his position will be re-evaluated in view of hiring a permanent Anvil employee to fill the position. Roberts will report to Hampton. Roberts will be charged out at a rate of $50 per day.

3. Geophysics and Exploration Planning (J.S. Brock)

Brock will spend a minimum of 20 days on the project, up to June 15, after which time his position will be re-evaluated by the management committee. Brock will work with Roberts and report to Hampton. He will be charged out at a rate of $75 per day.

4. Consultants

Consultants such as Bradshaw of Barringer will report to Hampton, with Brock and Roberts in attendance for discussion and planning purposes.

5. Research Geologist (To be hired)

Will report to Hampton.

6. Assistant Geologist (J. Heslop)

Anvil employee who will engage in:

i) Pit mapping (PhD thesis)
ii) Assist Roberts in drill logging
iii) Later (July) assist Research Geologist
iv) Geochemical soil sampling survey (supervision)

Heslop will report to Roberts regarding the drilling and soil sampling program.

7. Drill Supervisor (J. Scheelar)

Anvil employee who will report to Roberts.

8. Sampler (T. Skonseng)

Proposed Anvil employee. This position is contingent and only based on the possibility of using a rotary drill method. Skonseng would pan and prepare samples for logging. He is recommended because of his experience on a similar program with Dynasty in 1965.

SCHEDULE OF EXPLORATION

ANVIL PROGRAM, MAY 15 - JUNE 15, 1971

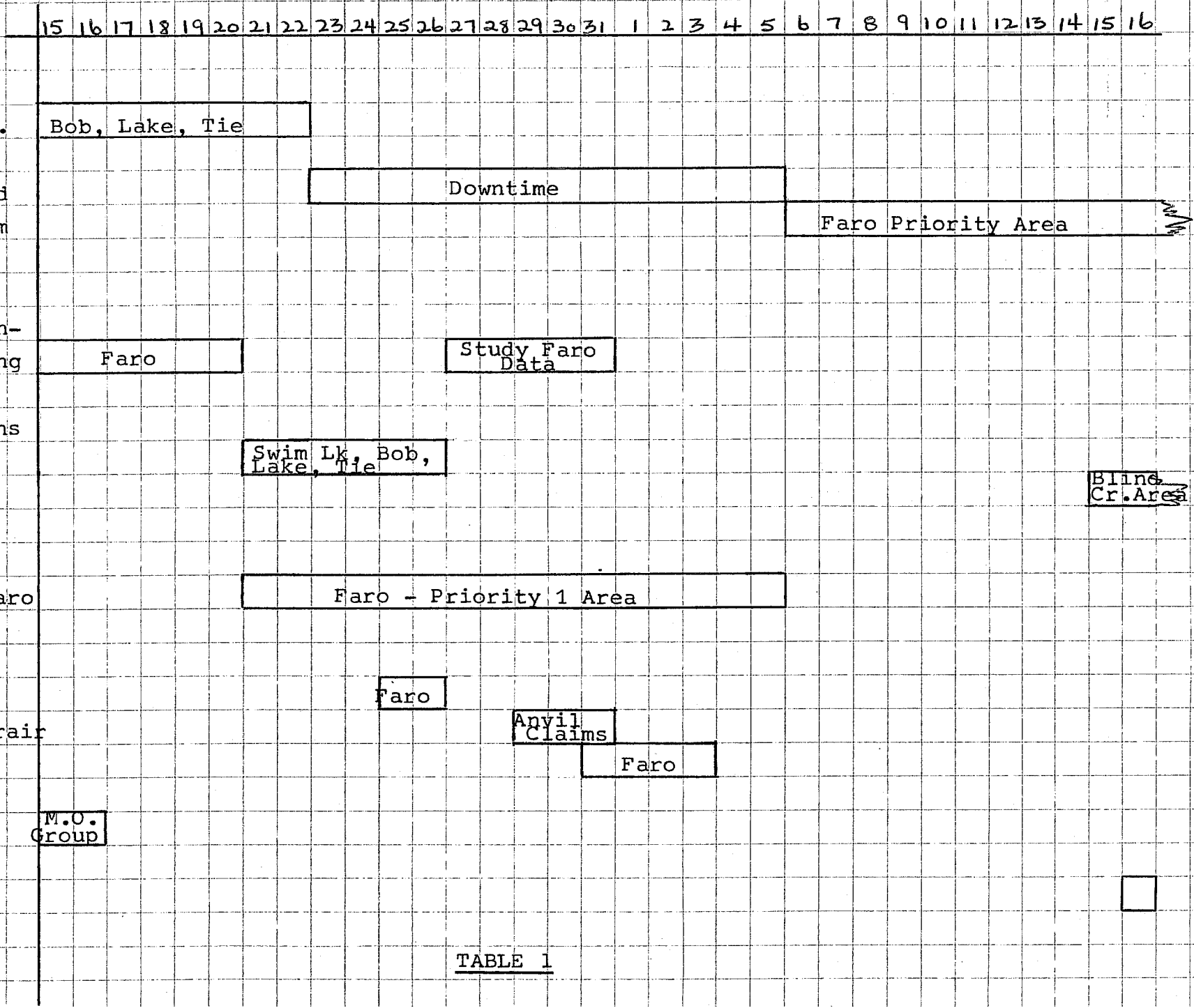
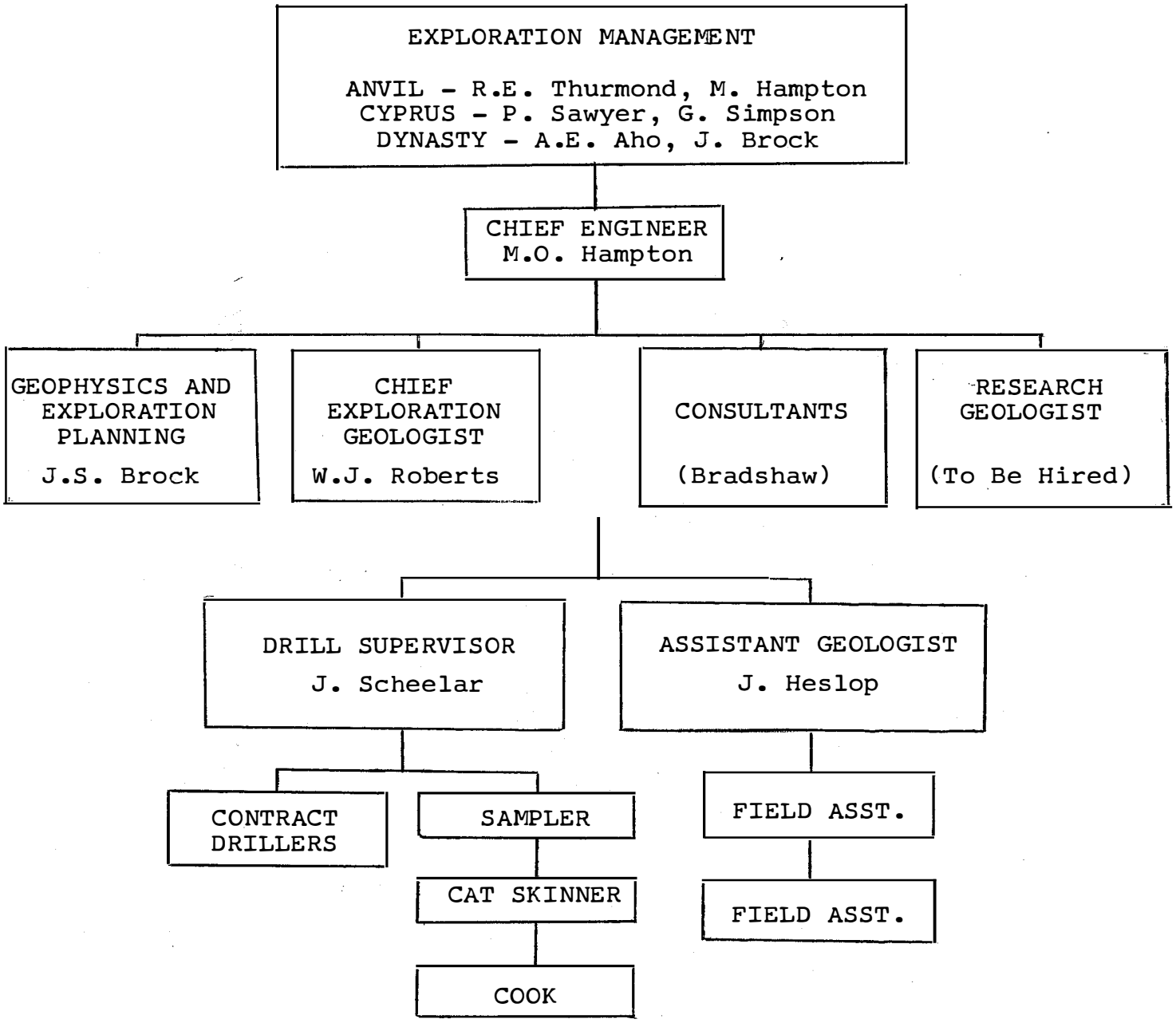


TABLE 1



ORGANIZATION CHART

PROPOSED EXPLORATION STAFF

MAY 15 - JUNE 15, 1971

(After Exploration Meeting, May 12, 1971)

TABLE 2

B U D G E T

ANVIL EXPLORATION - 1971
to June 30, 1971

Month	Project	Job Description	Cost	Month Job Cost	Total Month	Accum. Yr. To Date	Budget Notes
Apr 30	Drilling Geochem.	Estimate		$	$	$ 76,000	
May	Drilling	-Estimate to May 12	... 19,000				
		-Balance, assessment work Tie, Bob, Lake	... 20,000				1
		-Drill modification	... 2,000	41,000			2
	Geology	-Compilation Faro Area Salaries Roberts 12 days	 600				
		Services, Materials est.	 300	900			3
	Geophysic	-Compilation, Faro Area Salaries Brock 10 days	 750				
		Services, materials est.	 300				
		-Turair 75 mile test all incl. est....	5,000				4
		-Turair Bal. of Survey (contingent)	... 15,000	21,050			5
	Geochem.	-Orientation Analysis Bal. Faro Core	 400				
		Drill program samples Sorting - salaries	 200				
		Analysis 500 samples	... 2,500	3,100			6
	Staking	-10 claims M.O. Group All incl. @ $40/claim	 400	400			7
	Camp cost	-Drilling - 14 M.D.	 210				
		Geology - 12 M.D.	 180				
		Geophysics - 10 M.D.	 150				
		Geochem. - 5 M.D.	 75	1,015	67,465	143,465	8

BUDGET (Continued)

Month	Project	Job Description Cost	Month Job Cost	Total Month	Accum. Yr. To Date	Budget Notes
June	Drilling	Drill Mod. Est. Only ... 2,000	$	$	$	
		Drilling Faro Area 25 days @ av. 100'/day @ overall cost $18/ft. ... 45,000	47,000			9
	Geology	Compilation, Faro Area Roberts - 8 days min. 400				
		Chief Expl. Geol. 600				10
		Heslop, 1 month 1,100				
		Vehicle Cost 30 days @ $10/day 300				
		Assaying, misc. 400	2,800			
	Geochem.	Faro Area drill samples Est. 600 samples @ $5 ea. 3,000				11
		Grid survey - June 15 Salaries - 2 assistants 1,200				
		Analysis - 1300 samples 6,500				
		Vehicle costs @ $10/day 150	10,850			12
	Geophysic	Faro Gravity Contract 1,675				13
		Salaries - Brock 10 days 750				
		Misc. materials 200	2,625			
	Camp costs	Drilling - incl.in FTG contract				
		Geology 2 men/1 mo. 900				
		Geochem. 2 men 900				
		Geophysics gravity - inc. in contract				
		Brock - 10 days 150	1,950	65,225	208,690	

BUDGET (Continued)

Month	Project	Job Description	Cost	Month Job Cost	Total Month	Accum. Yr. To Date	Budget Notes
July	Drilling	3000 ft. @ $18		$ 54,000	$	$	
	Geology	As in June	... 3,000				
		Research	... 1,600	4,600			14
	Geochem.	Drill Samples					
		As in June	... 3,000				
		Soil Sampling Survey					
		As in June	...15,700	18,700			
	Geophys.	Contingent on next phase					
		June 16 - July 20					15

BUDGET NOTES

1. $20,000 estimate based on information from Hampton.

2. Drill mod. charges include Scheelar's salary and costs during downtime. Drill change costs will not be billed direct.

3. Geologic salaries based on rates listed under "Personnel". Hampton salary accounted for under Administration.

4. Turair test based on $67/line mile which includes extra wire charges held for possible increased survey coverage.

5. "Contingent" Turair costs based on proposal "Turair Airborne Survey Proposal, Anvil - Dynasty", Appendix (ii).

6. Cost of analysis from Hampton November 1970 estimate.

7. "M.O." claims to be staked in area between "Lo" and "A" groups as proposed by Hampton.

8. Camp costs cover estimate/man/day of $15 for all types of room and board charges incurred by exploration personnel.

9. Drill costs/foot - Rough Estimate Only

   For Rotary Drilling, Costs all Inclusive

Contract rate	$5.50/ft.	
Fuel costs	2.00/ft.	- incl. drill, pumps, vehicles, cat., camp
Camp costs	1.50/ft.	- 10 men @ $150/day drill rate 100 ft./day
Cat time	1.50/ft.	- 4 hrs. @ 37/hr./day drill sites and moves
Anvil personnel	1.00/ft.	- Foreman, sampler, cook @ $3,000/month
Vehicle support	1.50/ft.	- Foremost and pick-up trucks @ $150/day
Bit costs	2.00/ft.	
Downtime	1.00/ft.	- Moves, mechanical, etc.
	$18.00/ft.	

10. Assume chief exploration geologist will be hired by June 15 @ overall $1200/month.

11. Analyses of drilling samples, assume 3,000 ft./mo. = 600, 5 ft. interval samples. Cost of analyses taken from Hampton.

BUDGET NOTES (Continued)

12. Soil sampling survey, after Hampton proposal:
    - Assume 350 line miles survey @ 200 ft. sample spacing = 25 samples/mile
    - One man can sample 2 miles/day
    - Two men average 4 miles/day = 100 samples/day
    - Average 26 day month = 2600 samples/month

13. Faro Gravity Proposal, Appendix (i).

14. Assume research geologist hired by July 1 @ $1600/mo. overall.

15. The balance of the budget will be contingent upon exploration management decision.

A P P E N D I X

APPENDIX (i)
May 13, 1971

EXPLORATION PROPOSAL
FARO MINERAL CLAIMS
GRAVITY SURVEY

INTRODUCTION

A northeast striking conductor, 3,500 feet long and 2,000 feet wide, is located 7,000 feet west of the Faro No. 1 ore body. This anomaly was detailed over 3 flight lines with a Lockwood A.E.M. helicopter-borne system, using an operating frequency of 4,000 Hz. Maximum inphase response is 500 ppm of the primary field at a point located close to 148+00 W, 18+00 S on the 1965 Faro ground geophysical/geochemical survey grid.

A Crone J.E.M. unit, utilizing a coil spacing of 200 feet, was used for ground follow-up, however the presence of a conductor was not confirmed by this method. A possible malfunction within the J.E.M. instrumentation could be the reason for lack of ground detection as the survey area was adequate to compensate for any misplotting of the conductor. Values obtained from Cu, Pb and Zn analyses of soils collected over the same area show "spot high" values above background.

PROPOSAL

The presence of a conductor will be confirmed by the proposed test flying of the Turair A.E.M. survey. The conductor should then be surveyed by gravimetric methods. A total of 4 line miles of coverage for this survey has been outlined on the attached sketch.

Any gravity target would then be drilled during the course of the Faro Priority 1 exploration. Drilling should be done by the proposed modification to a rotary method which will allow testing to a depth of at least 500 feet.

BUDGET ESTIMATE

Starting Date	June 4, 1971
Survey Rate	1 line mile/day
Crew	1 level man 1 rod man 1 gravitymeter man
Crew Contract rate	$250/day
Line Mileage	4 miles

ASSUMPTIONS

4 days plus 1 day contingent = 5 days

1.	Contract Rate	$ 1,250
2.	Room & Board @ Faro $15/man/day	225
3.	MOB-DEMOB, pro rated between Dynasty, Anvil, Kerr Addison projects Estimate only	200
		$ 1,675

Cost per line mile = $ 420

TURAIR AIRBORNE SURVEY PROPOSAL
ANVIL-DYNASTY

Line Mileage Summary

Anvil Claims - Survey area to cover selected sections of phyllite belt	-	370 line miles
Dynasty	-	550 line miles
Total		920 line miles

Cost/line mile as calculated Appendix 1 (b) - $54.30

Anvil	-	approximately	$ 20,000
Dynasty	-	approximately	$ 30,000
		Total	$ 50,000

SCINTREX "TURAIR" A.E.M. SURVEY FOR DYNASTY AND ANVIL

For Anvil Area S.W. Schist Belt - 920 line miles

A. GROSS ASSUMPTIONS

1. Contractors mob. and demob. Toronto-Faro to cost $7,600.
2. Survey rate, including setting out ground loop 150 line miles/day.
3. Helicopter charges for Bell 206 average 8 hrs/day, including positioning charges.
4. Survey line spacing, 1000 ft., average line length, 5 miles, total survey = 920 line miles.
5. Ground loop:
   - assume each loop to be 2 x 6 miles = 16 miles wire
   - 50 survey lines/loop = 250 miles survey/loop
   - 1 mile ground wire/15.5 line miles of survey
   - 920 line miles survey require 60 miles of loop wire (8 - 8 mile reels)
   - 1 reel costs $350, total cost = $2800 or $3.18/line mile of survey

B. SUMMARY OF DAILY CHARGES

1. Equipment and Crew Rental

EM	$400/day	
Mag	$ 50/day	$900/day
5 man geophysical crew	$450/day	
Standby	$600/day	

2. Company Salaries (including NWLC)

Admin. salary pro rate	$100/day

B. SUMMARY OF DAILY CHARGES (Continued)

3. Camp Support @ $16/man/day (Hotel $8, meals $8)

Geophysical crew - 5)		
Helicopter crew - 2)	9 men	$ 145/day
Company crew - 2)		

4. Helicopter - 8 hrs. av/day

Hourly cost:	Tariff @ $250/hr	
	Fuel @ $25/hr	$2,200/day
	Total	$3,345/day

C. SUMMARY OF FIXED CHARGES

1.	Contractor mob./demob. fixed	$ 4,200	
	Plus daily charges:		
	$600/day for 4 days	2,400	$6,600
2.	Line mile costs:		
	Royalty	$ 5.00)	
	EM compilation/interpretation	5.00)	
	Mag.compilation/interpretation	3.00)	$17.18/line mile
	Wire loop	3.18)	
	Material cost	1.00)	

3. Miscellaneous:

Generator gas	$100	
Mosaics	$200	
Contingency	$500	$800

Survey Area (S.W. Schist Belt) - Dynasty claims, open ground and Kerr claims, excluding Vangorda

920 Line miles @ 1000 ft. line spacing

At 150 line miles/day	=	6 days
2 day contingency	=	2 days
Total		8 days

1. Daily charges

8 days at $3,345/day $ 26,760

2. Fixed Charges

Mob/demob.	$ 6,600	
Miscellaneous	800	
920 line miles @ $17.18/ line mile	15,806	
		$ 49,966

Cost/line mile = $ 54.30

PROPOSED EXPLORATION PROGRAM 1971
ANVIL MINING CORPORATION LIMITED
PELLY RIVER MINES LTD.

INTRODUCTION

The October 28 Board of Directors' Meeting decided a meeting would be held among Dynasty, Cyprus and Anvil exploration departments to review the proposed 1971 program. This meeting was held October 28 in Anvil's Vancouver office with J. Hanson, C. Mark and P. Sawyer from Cyprus, A. Aho and J. Brock from Dynasty, and R. Thurmond, J. Olk and M. Hampton from Anvil in attendance. At this meeting it was decided some people from Cyprus and Dynasty would come to Faro to review with M. Hampton the explorations data accumulated to date and make suggestions of changes, additions, or deletions from the exploration program as proposed for 1971.

Drs. Aho, Sawyer and Simpson arrived in Faro November 10 and spent two days with M. Hampton going over the data and discussing various alternatives. A short meeting was held with R.E. Thurmond and this group on November 12 to review the decisions.

It was agreed that the emphasis should be placed on the S.E. side of the Anvil Batholith, where it is known over 80 million tons of sulphides containing economic grades of Pb and Zn occur in five deposits scattered along a 16 mile belt. It is, obviously, along this belt that it is most likely to find additional tonnage. With this in mind, it was decided to postpone the required work on the TED and RAM groups and hold the minimum key claims by cash payment. Drilling on these properties would be very expensive due to the distance from Faro Minesite (15 and 25 miles) and the required helicopter support.

PROPOSALS

The proposals to continue exploration of the area S.E. of the Anvil Batholith are:

1. To carry out a detailed structural and petrographic study of the Faro ore body to determine ore-controls, oregenesis and exploration parameters applicable to the known ore bodies and other areas.

2. To check, correlate and extend the geochemical data over the area of Anvil ground west of Blind Creek. This is to explore at present unknown areas and determine metal ratio and other element factors over the Faro ore bodies which may be of aid in locating other ore bodies.

A flag and compass 1000' x 200' soil sample grid (approximately 350 line miles) is to be laid out over this area. Every other sample will be analyzed initially for Cu, Pb and Zn. The remaining samples will be analyzed and fill in samples taken in indicated anomalous areas. Areas having previous grids may only require a few check lines.

3. To carry out bedrock geochemical sampling (using available DDH material) to determine presence or otherwise of a recognizable geochemical aureole around the Faro ore bodies and any other useful geochemical exploration parameters.

4. To carry out an overburden and bedrock sampling drill program in known and extrapolated favourable geological areas. This is to investigate both known geochemical and geophysical targets and areas of deep overburden where conventional surface exploration methods are of little value. This work will add to the knowledge of the bedrock geology and provide assessment coverage over areas of favourable potential. The geochemical parameters that are established will be utilized in analyzing the data provided from this program.

5. To up-date geological map of the area using all available and proposed collection data as it becomes available. Study available data and air photographs in an attempt to prepare a surficial pleistocene geology map to aid direction of O/B drill program.

6. To provide follow-up gravity and/or other geophysical methods in geochemically anomalous areas indicated by above, particularly where overburden depths become known from drilling data.

7. To complete airborne magnetometer survey over the area missing on the Lockwood survey in Swim Lake area to provide correlating data for an overall geological map based on outcrop and borehole bedrock sampling data. This is to be done only if the equipment is available in the area.

8. To explore the possibility of acquiring control of ore bodies and claims held by Kerr-Addison.

IMPLEMENTATION

The implementation of the proposals would require the following exploration staff:

1. Experienced structural/metamorphic petrologist (8 - 10 yrs. post grad.), preferably with base metals exploration experience. To control overall research program and collaborate with the other exploration people to use the findings to locate additional ore bodies. Required for a minimum of a two year appointment.

2. Experienced exploration geologist (5 - 6 yrs. post grad.) to co-ordinate and supervise geochemical and drill programs and collaborate with others on formulation of future exploration plans.

3. Drill supervisor (probably only for the period that drilling is actually in progress). Several years of drilling and supervisory experience with the knowledge and desire of obtaining accurate samples and efficiency. Reporting to 2.

4. Possibly one Ph.D. candidate (preferably with exploration field experience) to carry out regional and/or detailed metamorphic/stratigraphic studies under direction of 1.

5. Two or three experienced field assistants to implement proposed soil sampling program. Under 2.

6. Consulting Geochemist (suggest P. Bradshaw of Barringer Research) to supervise, co-ordinate and advise on initial orientation program on bedrock and soil geochemical data (2 - 3 weeks).

7. Consulting Structural/Metamorphic Geologist. Only if 1 is not available.

Other personnel required would be the contract drillers personnel, and supporting personnel such as bulldozer operator, etc., depending on what the contractor is responsible for in final contract. Another area not finalized at present is whether or not Anvil will be doing its own geochemical analysis, if so, operating personnel will be required.

Immediate activities by way of implementation of this plan are to recruit the necessary personnel and arrange for the required equipment. To these ends, prospective candidates are being advertised for and drilling contractors have been in to discuss the project and look over the terrain. One of these contractors has submitted a proposal and those of the others are expected.

Drilling will start as early in the new year as equipment can be organized to take advantage of the frozen ground for winter travel.

Barringer Research have been contacted and Dr. P. Bradshaw may be coming to Faro during the first week in December, although a conflict from a prior committment may arise preventing this.

Submitted herewith are the tentative Engineering Department organization chart, budget, index map of geophysical and geochemical work to date and geological maps showing proposed drilling.

ANVIL MINING CORPORATION LIMITED

1971 EXPLORATION

O/B - Bedrock Drill Program	$ 206,000
Gravity (20 miles @ $5.00)	10,000
Diamond Drilling (if target developed)	20,000
Airborne Mag.(if equipment in area)	5,000
Geochem.	48,700
Field equipment, outside assaying, etc.	17,400
Chief Exploration Geologist	15,300
Research Geologist	16,200
Ph.D. Candidate	5,400
Helpers	6,300
Vehicles	7,100
TED and RAM cash payment	2,600
TOTAL	$ 360,000

PELLY RIVER MINES LTD.

Chief Exploration Geologist	$ 1,700
Research Geologist	1,800
Ph.D. Candidate	600
Helpers	700
Vehicles	800
Field Equipment and Lab	500
Geochemical Soil Sample Survey	12,200
O/B - Bedrock Drilling	94,000
Office, Clerical, etc.	6,100
TOTAL	$ 118,000

Total Cost of Program

Anvil	$ 360,000
PRM	118,000
	$ 478,000

Source of Funds for Anvil Program

Anvil	$ 133,600	(max. available)
CMC	135,800	(60% remaining)
Dynasty	90,600	(40% remaining)
	$ 360,000	

Source of Funds for PRM Program

Anvil (57.1%)	$ 67,400
Rose Creek - Vangorda (28.6%)	33,800
Dynasty (5.7%)	6,700
CMC (8.6%)	10,100
	$ 118,000

Summary of Sources of Funds

CMC	Total	$ 146,900
Dynasty	Total	97,300
Anvil	Total	200,000
RCVG	Total	33,800
		$ 478,000