

CYPRESS RESOURCES LIMITED (N.P.L.)

012,22

incorporated under the laws of the
Province of British Columbia

PROSPECTUS

February 15, 1973

HEAD OFFICE: 101 – 325 Howe Street,
Vancouver, B.C.

REGISTERED OFFICE: 7th Floor,
900 West Hastings Street,
Vancouver, B.C.

NEW ISSUE: 250,000 Common Shares

	PRICE TO PUBLIC	COMMISSIONS	PROCEEDS TO ISSUER (only if all the shares are sold)
Per Share	35¢	5¢	30¢
Total	\$87,500	\$12,500.00	\$75,000

THERE IS PRESENTLY NO EXISTING MARKET FOR THE COMPANY'S SECURITIES WITHIN THE PROVINCE OF BRITISH COLUMBIA.

NO SURVEY HAS BEEN MADE OF THE COMPANY'S MINERAL CLAIMS AND THEREFOR IN ACCORDANCE WITH THE MINING LAWS OF THE YUKON TERRITORY AND BRITISH COLUMBIA THEIR EXISTENCE AND AREA COULD BE IN DOUBT.

NO SECURITIES COMMISSION OR SIMILAR AUTHORITY IN CANADA HAS IN ANY WAY PASSED UPON THE MERITS OF THE SECURITIES OFFERED HEREUNDER AND ANY REPRESENTATION TO THE CONTRARY IS AN OFFENCE.

THE PURCHASE OF THE SHARES OFFERED BY THIS PROSPECTUS MUST BE CONSIDERED A SPECULATION AS ALL OF THE PROPERTY IN WHICH THE COMPANY HAS AN INTEREST IS IN THE EXPLORATION AND DEVELOPMENT STAGES ONLY. REFERENCE SHOULD ALSO BE MADE TO THE HEADINGS "PRINCIPAL HOLDERS OF SECURITIES" AND "PROMOTERS" HEREIN FOR A COMPARISON OF THE PERCENTAGE OF SECURITIES BEING OFFERED TO THE PUBLIC FOR CASH AND THOSE ALREADY ISSUED TO THE COMPANY TO ACQUIRE ITS PROPERTIES. THE PERCENTAGE OF SHARES TO BE ISSUED AND OUTSTANDING FOR CASH ON COMPLETION OF THIS OFFERING WILL BE 46.0% AND THAT FOR PROPERTY 54.0% OF THE SHARES TO BE ISSUED AND OUTSTANDING ON COMPLETION OF THIS OFFERING 34.5% WILL BE ISSUED TO THE PUBLIC FOR CASH AND 65.5% WILL BE ISSUED FOR PROMOTERS, DIRECTORS AND CONTROLLING PERSONS FOR CASH AND PROPERTY.

I N D E X

	Page	Paragraph
Name and Incorporation	2	1
Share Offering and Plan of Distribution	2	3
Use of Proceeds	3	2
Share and Loan Capital Structure	5	2
Miscellaneous Information	5	3
Escrowed Shares	6	3
Principal Holders of Securities	8	2
Description of Business and Property of Issuer	8	4
Pending Legal Proceedings	13	1
Promoters	13	2
Directors and Officers	13	3
Auditors	14	6
Transfer Agent	14	7
Purchaser's Right of Withdrawal and Recission	15	1
Certificates	16	2
Engineer's Reports		
Auditor's Financial Statements		

NAME AND INCORPORATION

Cypress Resources Limited (N.P.L.) (hereinafter called the "Company") was incorporated on June 24, 1957, as a private Company under the name Cypress Hills Gas and Oil Co. Ltd. (N.P.L.) pursuant to the "Companies Act" of British Columbia by Memorandum of Association. Its name was changed to Cypress Resources Limited (N.P.L.) pursuant to a Special Resolution dated April 27, 1964. The address of the Head office and principal office of the Company is 101 - 325 Howe Street, Vancouver, B.C., and the address of the Registered office of the Company is 7th Floor, 900 West Hastings Street, Vancouver, B.C.

There have been two amendments to the Memorandum of Association since incorporation:

1. On the 27th day of April, 1964, Clause 5 was amended to reduce the number of shares outstanding to 1,000,000 from 5,000,000 and concurrently with this, Clause 5 was, pursuant to Section 52 of the "Companies Act" amended to read 3,000,000 shares;
2. On June 3, 1959, the Memorandum of Association was amended to convert to a public company.

SHARE OFFERING AND PLAN OF DISTRIBUTION

The Company by this Prospectus offers to sell 250,000 of its shares as fully paid up and non-assessable at or for the price of \$.35 per share subject to a commission in respect of some or all of such shares not exceeding 5¢ per share. The distribution of the shares offered pursuant to this Prospectus will be effected through brokers, broker-dealers, and salesmen duly

registered under the "Securities Act" 1967, who will be paid by a commission of up to 14.28% or 5¢ per share for each share sold, or by Directors of the Company, without commission. The Company may also sell its shares directly to the public in which case it may allow commission of up to 14.28% or 5¢ per share for each share subscribed.

USE OF PROCEEDS

The proceeds of this offering will be used for the purpose of carrying out the development programmes recommended by Dolmage Campbell & Associates Ltd., Vancouver, B.C., in their reports dated November 1st, 1972, as to LAD claims and November 15th, 1972, as to the FXE claims on the Company's mineral claims known as LAD 1 and 2 and 49 to 56 inclusive in the Bonnet Plume River area of the Yukon Territory, and the Company's mineral claims known as the FXE claims in the Dorsey Lake area of the Yukon Territory. The proceeds of this offering to be used for the LAD numbers 1 and 2 and 49 to 56 mineral claims as follows:

(a)	Geochemical sampling, prospecting Two sampler-prospectors	\$ 1,500
(b)	Camp Maintenance	2,000
(c)	Transportation, helicopter	9,000
(d)	Geophysics - Magnetics, electromagnetics linecutting	7,000
(e)	Assaying	1,000
(f)	Field Overhead (travel, communications, freight, claims)	2,000
(g)	Administration, Supervision, Consulting	3,500
(h)	Contingencies (approximately 15%)	4,000
	TOTAL:	<u>\$30,000</u>

The proceeds of this offering to be used for the FXE 1 to 6 mineral claim programme will be used as follows:

(a)	Geological mapping, sampling, base map preparation, etc.	\$ 2,470
(b)	Geochemical sampling, prospecting two sampler-prospectors linecutters	2,680
(c)	Transportation - helicopter	4,000
(d)	Camp Maintenance	2,000
(e)	Assaying	2,000
(f)	Geophysical surveys I.P., magnetics	8,000
(g)	Field Overhead travel, communications, freight, claims, etc.	2,500
(h)	Administration, Supervision, Consulting	2,000
(i)	Contingencies (approximately 15%)	4,350
	TOTAL:	<u>\$30,000</u>

In addition to the proceeds of this offering being used in the development and exploration programmes as above set forth, the balance of the monies on hand at the time of the offering in the amount of \$15,000 will be used for legal, audit and general administrative.

In the event that the proceeds of the sale of the securities should prove insufficient to accomplish the purposes set out above, the order of priority on which they will be applied is as follows:

1. Legal, audit and general administrative;
2. \$30,000 of the monies will be applied to the work programme on the LAD 1 and 2 and 49 to 56 mineral claims in the priority stages as set forth above;
3. The balance of the monies will be applied to the work programme on the FXE mineral claims 1 to 6 in the priority stages as set forth above.

For details of the recommended exploration programme and costs thereof refer to the reports of Dolmage Campbell & Associates Ltd., dated November 1st, 1972, with respect to the LAD claims and dated November 15th, 1972, with respect to the FXE claims as annexed hereto.

No part of the proceeds will be used to invest, underwrite or trade in securities other than those that qualify as an investment in which trust funds may be invested under the laws of the jurisdiction in which the securities offered by this Prospectus may be lawfully sold. Should the Company propose to use the proceeds to acquire non-trustee type securities after initial distribution of the securities offered by this Prospectus, approval by the Shareholders must first be obtained and disclosure must be made to the securities regulatory body having jurisdiction over the sale of the securities offered by this Prospectus.

SHARE AND LOAN CAPITAL STRUCTURE

DESIGNATION OF SECURITY	AMOUNT AUTHORIZED	AMOUNT OUTSTANDING AS OF SEPTEMBER 30TH, 1972	AMOUNT OUTSTANDING AS OF FEBRUARY 15TH, 1973	AMOUNT TO BE OUTSTANDING ON COMPLETION OF OFFERING
Common Shares	3,000,000 No Par Value	1,312,349	1,312,349	1,562,349

The authorized capital of the Company is 3,000,000 shares without nominal or par value of which 1,312,349 are issued as fully paid and non-assessable. All shares of the Company both issued and unissued are Common Shares of the same class and rank equally as to dividends, voting powers and participation in assets. No shares have been issued subject to call or assessment. There are no pre-emptive or conversion rights and no provisions for redemption purchase for cancellation, surrender or sinking or purchase funds.

MISCELLANEOUS INFORMATION

There are no bonds or debentures outstanding and none are intended to be issued.

The Company has not sold shares for cash since

January 27th, 1964, until 300,000 Common shares were sold from a Prospectus dated June 20th, 1972. On January 27th, 1964, 14 shares were sold for 4¢ each to net the Company 4¢ per share and prior to this sale 3,000 shares were sold for 50¢ each during March of 1961.

PRIOR SALES within the past twelve months:

<u>Number of Shares</u>	<u>Price Per Share</u>	<u>Net Cash Received</u>	<u>Commission Paid</u>
750,000	Deemed price of 1¢ per share	For property	Nil
300,000	10¢	\$30,000	Nil

ESCROW SHARES AS AT 6 FEBRUARY, 1973

DESIGNATION	NUMBER OF SHARES HELD IN ESCROW	PERCENTAGE OF CLASS
Common shares	750,000	57.6%

ESCROWED SHARES

There were 600,000 escrowed shares surrendered to the Company as a gift in the year ending 1963.

The said 750,000 shares in escrow were issued pursuant to an Agreement dated the 15th day of December, 1972, for the FXE mineral claims 1 to 6 inclusive, described under the heading "Description of Business and Property" and are held in escrow with the National Trust Company Limited, the transfer agent of the Company pursuant to an Escrow Agreement.

As of the 6th day of February, 1973, the said 750,000 shares are held in escrow by the National Trust Company Limited subject to the direction or determination by the British Columbia Securities Commission (Commission).

The escrow restrictions provide that the shares may not be traded in, dealt with in any manner whatsoever or released, nor may the Company, its transfer agent or escrow holder, make any transfer or record any trading of the shares without the consent of the Commission.

In the event the Company loses or abandons or fails to obtain title to all or part of the property or assets for which it allotted all or part of the escrow shares, the Company

will declare any such event to the Commission by way of directors' resolution and the holders of such shares, the trustee thereof and the Company have agreed that such number of shares as the Commission determines shall have become subject to cancellation, shall be surrendered to the Company by way of gift for cancellation.

Pursuant to an Agreement dated the 24th day of May, 1972, 750,000 shares were issued to John L. Bell, Eberhard Mueller, H. Stanley Cornwell, Frank Erl, William George Bennett, George Dobson, Anton Sgorzelski and Harry McGinty, for and in consideration of the transfer by them to the Company of mineral claims in the Yukon Territory known as LAD 1 to 16 inclusive, described under the heading "Description of Business and Property".

Subsequent to the issuance of the said 750,000 shares, and prior to the 15th day of December, 1972, and as a result of the Engineer's recommendations with respect to the mineral claims LAD 3 to 16 inclusive, the original holders of these Vendors shares, save and except Eberhard Mueller, agreed to transfer their total escrowed share holdings to Eberhard Mueller, namely 612,000 shares, or cause them to be gifted back to the Company as the said Eberhard Mueller may determine in order that the Company could acquire new mineral claims.

The said Eberhard Mueller exercised his discretion given to him by the original vendors by causing the said shares to be transferred to the new vendors for and in consideration of the transfer to the Company of the FXE mineral claims 1 to 6 inclusive as aforesaid.

The new vendors Escrow Agreement entered into with the National Trust Company Limited and dated the 15th day of December, 1972, is available for inspection at the Company's offices at 101 - 325 Howe Street, Vancouver, B.C., weekdays from 9 a.m. to 5 p.m.

PRINCIPAL HOLDERS OF SECURITIES

Set forth hereunder are particulars of the principal holders of shares of the Company:

NAME AND ADDRESS	DESIGNATION OF CLASS	TYPE OF OWNERSHIP	NUMBER OF SHARES OWNED	PERCENTAGE OF CLASS
Frank Xaver Erl	Common	Record and Beneficial	195,000	14.97%
Ferdinand Marehard	Common	Record and Beneficial	200,000	15.36%
Eberhard Mueller	Common	Record and Beneficial	223,000	17.12%
Oswald Josef Rottman	Common	Record and Beneficial	205,000	15.74%
Ferdinand Schomig	Common	Record and Beneficial	200,000	15.36%

The percentage of the shares of the Company beneficially owned directly or indirectly by all Directors and Senior Officers of the Company as a group is 78.55%.

DESCRIPTION OF BUSINESS AND PROPERTY OF ISSUER

The Company is a mining company engaged in prospecting for an exploration of mining properties.

The Company's LAD 1 to 56 inclusive mineral claims are located in the Yukon Territory, 100 miles north-east of Mayo on the Bonnet Plume River. These claims are known as the LAD group and there are 56 claims within the group. Access to the property can be achieved by flying to a nearby airstrip that was constructed by Bonnet Plume River Mines Ltd. A winter cat road connects the area to Mayo, Yukon Territory.

NAME OF CLAIM	RECORD NUMBER	EXPIRY DATE
LAD 1 - 8	Y 57421 - Y 57428	21st March, 1973
LAD 9 - 16	Y 57429 - Y 57436	21st March, 1973
LAD 17 - 24	Y 68556 - Y 68563	30th August, 1973
LAD 25 - 32	Y 68406 - Y 68413	16th August, 1973
LAD 33 - 40	Y 68416 - Y 68424	18th August, 1973
LAD 41 - 48	Y 68488 - Y 68495	23rd August, 1973
LAD 49 - 56	Y 68564 - Y 68571	1st September, 1973

Copper was discovered initially in the district in 1967 by a Prospector named Mr. L. Brown. He staked claims on the discovery showing and on several other occurrences discovered that year. In 1968 the claims were sold to Bonnet Plume River Mines Ltd., who proceeded to construct a winter road to the area in early 1968. In the summers of 1968 and 1969 an airstrip was constructed on the north fork of Dolores Creek, the numerous showings on Bonnet Plume River claims were mapped and sampled and to some extent diamond drilled.

The LAD group was staked initially in 1969 when the Bonnet Plume River Mines activity spurred prospecting in the area. The then extensive Claim Block was prospected in 1970 and several occurrences were found on the sixteen claims known as LAD 1 to 16 inclusive, now owned by the Company. These claims were staked by John L. Bell, Eberhard Mueller, H. Stanley Cornwell, Frank Erl, William George Bennett, George Dobson, Anton Sgorzelski and Harry McGinty to whom 750,000 shares were issued by the Company in March, 1972.

During the summer of 1972 the Company carried out a prospecting programme in the vicinity of the LAD 1 to 16 inclusive mineral claims and as a result of this prospecting programme staked forty claims known as LAD 17 to 56 inclusive.

During August, 1972, the Company's geologist examined the LAD mineral claims 1 to 16 inclusive and recommended that no further work be carried out on the LAD mineral claims 3 to 16

unless work carried out on the remaining LAD claims indicated the possibility of locating economic mineral values on the said LAD claims 3 to 16. As a result of the engineer's recommendations the Company has now determined that unless work on the LAD 1 and 2 and 17 to 56 mineral claims indicate LAD 3 to 16 inclusive mineral claims should be retained that the Company will allow LAD 3 to 16 inclusive mineral claims to lapse. The said LAD mineral claims 3 to 16 are in good standing until the 19th day of March, 1973.

As a result of the Company's decision to allow the LAD claims 3 to 16 to lapse, the original vendors, namely John L. Bell, Eberhard Mueller, H. Stanley Cornwell, Frank Erl, William George Bennett, George Dobson, Anton Sgorzelski and Harry McGinty agree to transfer vendors shares to Eberhard Mueller as set forth under "Miscellaneous Information" and which shares were transferred to the new vendors for the FXE claims.

Initially the programme proposed by the Company's geologists, Dolmage Campbell & Associates Ltd., is a detailed soil survey conducted over the entire property. Samples should be assayed for lead, zinc and copper. A magnetometer survey should be carried out over the flagged geochemical grid with the object being to firmly define the limestone-volcanic contact. The magnetometer survey should be followed by a selective EM-16 electromagnetic survey. The electromagnetic survey to be preceded by cutting formal grids should be designed to search the entire length of the volcanic-limestone contact on the property, to search the eastward extension of the river zone shear and to appraise any geochemical anomalies removed from the contact and the projected shear. Electromagnetic conductors with sufficient size and conductivity to be of economic interest should ultimately be investigated by bulldozer trenching or diamond drilling.

The cost of the proposed programme which would be mobilised, serviced and demobilised by helicopter from Mayo is estimated as follows:

Geochemical sampling, prospecting Two sampler-prospectors	\$ 1,500
Camp Maintenance	2,000
Transportation - helicopter	9,000
Geophysics - Magnetics, electromagnetics, linecutting	7,000
Assaying	1,000
Field Overhead (travel, communications, freight, claims)	2,000
Administration, Supervision, Consulting	3,500
Contingencies (approximately 15%)	4,000
	<hr/>
	\$30,000

There has been no work done on the LAD 1 and 2 and 49 to 56 inclusive mineral claims to date by the present management.

There has been no underground development nor is any contemplated. There is no surface or underground plant or equipment on the property. There is no known body of commercial ore on the LAD group and the proposed programme is an exploratory search for commercial ore.

The FXE group is located in the Watson Lake Mining Division three miles north-west of Dorsey Lake, and approximately 20 miles north of the Alaska Highway. Access to the property may be accomplished best by helicopter from the Highway.

The property consists of six mineral claims as shown on Figure 2, arranged in a simple rectangular block. The mineral claims which comprise the property are enumerated as follows with their respective record numbers:

NAME OF CLAIM	RECORD NUMBER
FXE 1 - 6 inclusive	Y 64626 - Y 64631 inclusive

Elevations on the property range from timberline at 4500 feet to 5500 feet.

The property has a history of previous staking. Apparently copper occurrences were discovered in the area initially in 1968 and the showings were staked at that time. In 1969 the owner walked a bulldozer into the property from the Alaska Highway and cut two

short bulldozer trenches. No further work was done and the property was subsequently allowed to lapse.

The copper occurrences were restaked in 1972 by Mr. Oswald J. Rottman, one of the vendors of the property, and 750,000 shares originally issued for the LAD mineral claims 1 to 16 inclusive were transferred to the present vendors for and in consideration of the transfer of these mineral claims, namely FXE 1 to 6, to the Company. The vendors of the FXE 1 to 6 incurred expenses in prospecting and staking these claims totalling \$1,310 prior to the sale thereof to the Company.

On the basis of the available information, additional exploration which should consist of more precisely evaluating the copper occurrences to determine their economic potential is clearly warranted. Preliminary evidence such as the apparent widespread distribution of copper occurrences with their possible continuity masked by overburden between the occurrences, the relatively favourable access to the property, the surrounding topography which would be amenable to open-pit mining methods, and the nature of the mineralization suggests the possible presence of a porphyry-type copper deposit on the FXE property.

Initially the programme for these mineral claims is that the said six mineral claims be geologically mapped (supported by sampling and intense visual prospecting), surveyed with a magnetometer, and sampled geochemically (assay for copper). Line spacing for the magnetometer, geochemical and geological surveys should be followed by an induced polarization survey over areas considered most favourable as determined by the data derived from the above preliminary surveys. The object of these various surveys should be to clearly define diamond drill targets.

The programme will be mobilized, serviced and demobilized by helicopter from the Alaska Highway and using services available at Watson Lake.

There has been no work done on this property to date by the present management.

There has been no underground development nor is any contemplated. There is no surface or underground plant or equipment on the property. There is no known body of commercial ore on the FXE group and the proposed programme is an exploratory search for commercial ore.

PENDING LEGAL PROCEEDINGS

There are no pending legal proceedings to which the issuer or any of its subsidiaries is a party or of which any of their property is the subject.

PROMOTERS

Frank Xaver Erl, Ferdinand Marehard, Eberhard Mueller, Oswald Joseph Rottman [REDACTED] acting in their capacity as directors of the Company may be considered Promoters of the Company in accordance with Section 2 (1) of the Securities Act, 1967.

DIRECTORS AND OFFICERS

NAME, ADDRESS AND POSITION HELD	PRINCIPAL OCCUPATION OR EMPLOYMENT FOR THE PAST FIVE YEARS	APPOINTED DIRECTOR	SHARES BENEFICIALLY OWNED
Frank Xaver Erl 777 Cardero Vancouver, B.C. Vice President and Director	Shift Boss with United Keno Hill Mines	September 28th, 1972	195,000
Ferdinand Marehard 1067 - A Haro Vancouver, B.C. Director	Steward with B.C. Government Ferries since 1970: prior thereto Steward with C.N.R.		200,000
Eberhard Mueller 13649 - 28th Avenue Surrey, B.C. President and Director	Prospector and mining executive: Director of Adnac Mining & Exploration Ltd. 1967/1971	March/December 1970: May 4th, 1971	223,000
Oswald Josef Rottman 13867 - 24th Avenue Surrey, B.C. Director	Prospector and Miner	October 19th, 1972	205,000

Peter C.G. Richards Barrister and Solicitor Nil
7th Floor
900 West Hastings Street
Vancouver, B.C.
Secretary

Reference is made to the caption "Description of Business and Property of Issuers" wherein the interests of the Directors of the property acquired by the Company in consideration received by them therefor is disclosed.

REMUNERATION PAID TO DIRECTORS

During the 6 month period ending September 30, 1972, \$2,500 was paid to a company controlled by two of the previous directors for office rent, salaries and telephone. During the 1972 prospecting season, \$832 was paid to one Frank Erl as a salary for staking the additional LAD claims which are recorded in the Company's name but was paid to Erl prior to him becoming a director of the Company.

The company's financial year end is on March 31st of each year.

No estimate of the aggregate of all future remuneration payments can be made at the present time as no estimate can now be given as to the nature and extent of future professional or supervision services.

No dividends have been paid within the five years preceding the date of the Prospectus.

AUDITORS

MacGillivray and Company
Chartered Accountants
550 Burrard Street
Vancouver 1, B.C.

TRANSFER AGENT

National Trust Company Limited
510 Burrard Street
Vancouver, B.C.

PURCHASER'S RIGHT OF WITHDRAWAL AND RECISSION

Sections 61 and 62 of the Securities Act, 1967 (British Columbia) provide in effect that where a security is offered to the public in the course of primary distribution:

- (a) A purchaser has a right to rescind a contract for the purchase of a security while still the owner thereof if a copy of the last Prospectus together with financial statements and reports and summaries of reports relating to the securities as filed with the British Columbia Securities Commission was not delivered to him or his agent prior to delivery to either of them of the written confirmation of the sale of the securities, written notice of intention to commence an action for rescission must be served on the person who contracted to sell within sixty days of the date of delivery of the written confirmation but no action shall be commenced after the expiration of three months from the date of service of such notice.

- (b) A purchaser has the right to rescind a contract for the purchase of such security while still the owner thereof, if the Prospectus or any amended Prospectus offering such security contains an untrue statement of a material fact or omits to state a material fact necessary in order to make any statement therein not misleading in the light of the circumstances in which it was made, but no action to enforce this right can be commenced by a purchaser after expiration of ninety days from the later of the date of such contract or the date on which such Prospectus or amended Prospectus is received or is deemed to be received by him or his agent.

Reference is made to the said Act for the complete text of the provisions under which the foregoing rights are conferred.

CERTIFICATES

The foregoing constitutes full, true and plain disclosure of all material facts relating to the securities offered by this Prospectus as required by PART VII of the British Columbia Securities Act, 1967, and the regulations thereunder.

CYPRESS RESOURCES LIMITED (N.P.L.)

Ronald Joseph Kattanasian

Donald & Co.

Ferdinand Marchand

Frank M. Kelly

DOLMAGE CAMPBELL & ASSOCIATES LTD.
CONSULTING GEOLOGICAL & MINING ENGINEERS
1000 GUINNESS TOWER
VANCOUVER 1, B.C.

CYPRESS RESOURCES LTD. (N.P.L.)
Vancouver, B. C.

Report on the
FXE CLAIMS
Smart River, Yukon

November 15, 1972

Robert S. Adamson, P.Eng.
Consultant

Dolmage Campbell & Associates Ltd.

Vancouver,
Canada

TABLE OF CONTENTS

	<u>Page</u>
SUMMARY AND RECOMMENDATIONS	1
INTRODUCTION	2
Location and Access Property History	
GEOLOGICAL SETTING	3
MINERAL OCCURRENCES	3
CONCLUSIONS	4
Recommendations Estimated Costs	
CERTIFICATE	6
ASSAY RESULTS	Appendix

LIST OF ILLUSTRATIONS

		<u>Following Page</u>
Figure 1	Location Map	2
Figure 2	Copper Occurrences	2

DOLMAGE CAMPBELL & ASSOCIATES LTD.
CONSULTING GEOLOGICAL & MINING ENGINEERS
1000 GUINNESS TOWER
VANCOUVER I. B. C.

SUMMARY

The FXE claim group, located 20 miles north of the Alaska Highway near Dorsey Lake in the Yukon Territory, comprises six mineral claims. The property is a copper prospect.

The Geological setting of the area consists of Late Cretaceous to Early Tertiary granitic stocks and small batholiths intrusive into broadly-folded, northwest-trending, Mid-Paleozoic sedimentary rocks. Samples of frost-heaved rocks taken from the property indicate that the property geology consists essentially of intrusives with a gabbro-diorite composition.

Mineral occurrences comprise four oxidized showings containing massive and disseminated crystalline pyrite with associated chalcopyrite and minor hematite. Host rocks for the mineralization are diorite, gabbro and brecciated chert.

It is concluded that the economic potential of the occurrences should be thoroughly assessed from the standpoint of the possible presence of a porphyry-type copper deposit. In the view of the writer because of the tonnage potential presently indicated detailed and systematic preliminary exploration is fully warranted.

RECOMMENDATIONS

The writer proposes that a systematic program of detailed geological mapping, sampling, and prospecting be carried out on and near the various mineral occurrences on the property. The six-claim property should be geologically mapped, magnetically surveyed, and geochemically sampled in its entirety.

An induced polarization survey should be conducted over specific overburden-covered areas and mineral occurrences that would be isolated by the above preliminary exploration. The results of this program will be necessary to provide the data required to define diamond drill targets.

The estimated cost of the above first stage program is \$ 30,000.

DOLMAGE CAMPBELL & ASSOCIATES LTD.
CONSULTING GEOLOGICAL & MINING ENGINEERS
1000 GUINNESS TOWER
VANCOUVER 1, B.C.

INTRODUCTION

Dolmage, Campbell and Associates Ltd. have been requested by Mr. E. Mueller of Cypress Resources Ltd. to examine the available data and to prepare a report on their FXE group of mineral claims in the Yukon Territory. The writer has not examined the property; however, he has carried out extensive and detailed geological investigations within and peripheral to the Cassiar batholith a few miles south of the property.

LOCATION AND ACCESS: (60° 12' N, 131° 12' W)

The property is located in the Watson Lake Mining Division, three miles northwest of Dorsey Lake and approximately twenty miles north of the Alaska Highway. Present access to the property may be accomplished best by helicopter from the highway.

PROPERTY:

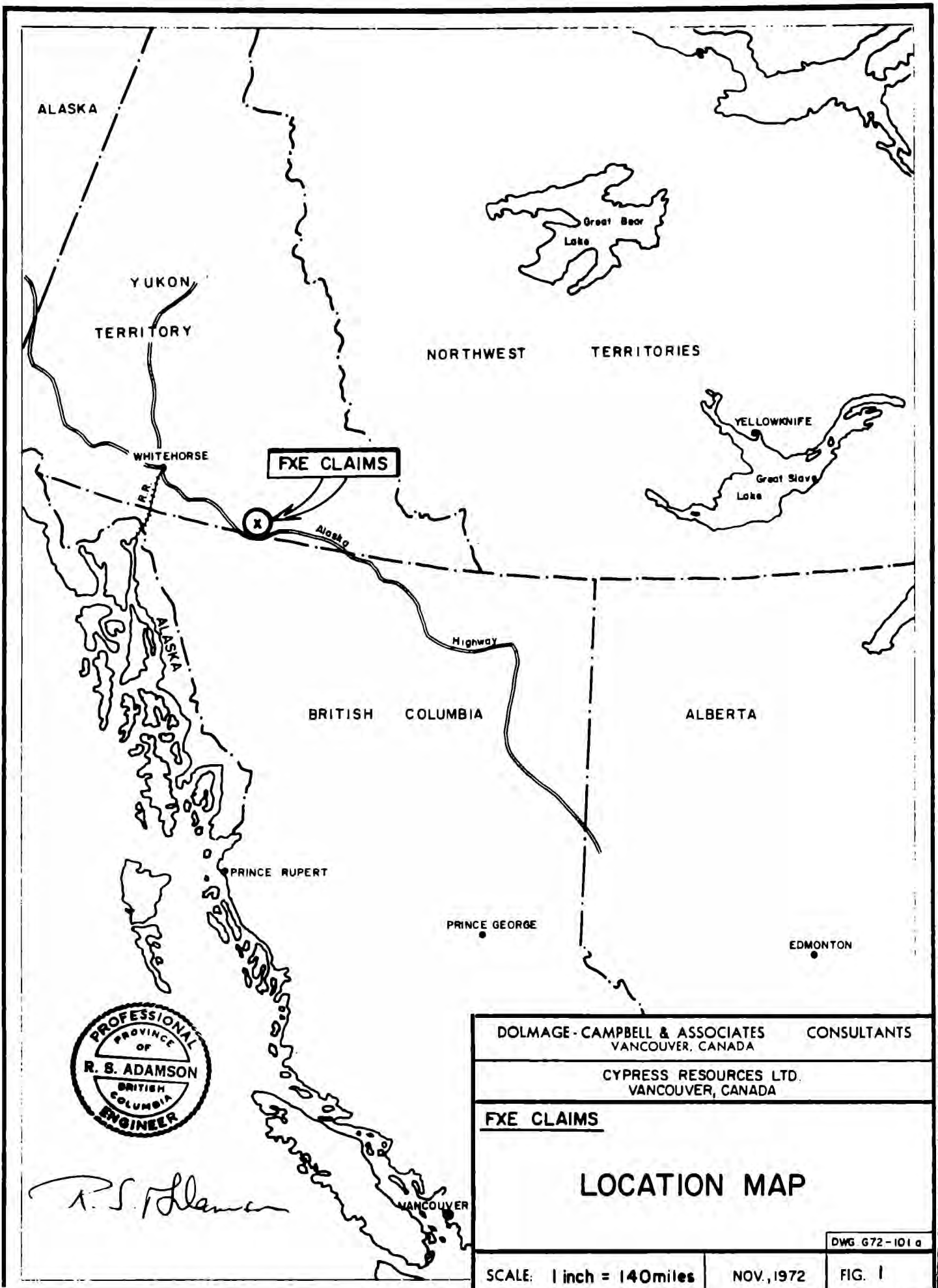
The property consists of six mineral claims as shown on Figure 2, arranged in a simple rectangular block. The mineral claims which comprise the property are enumerated as follows with their respective record numbers:

<u>Claim Name:</u>	<u>Record Number:</u>
FXE 1-6 inclusive	Y 64626 - Y 64631, inclusive

Elevations on the property range from timberline at 4500 feet to 5500 feet.

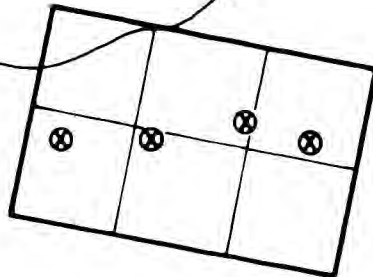
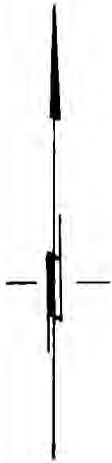
HISTORY:

The property has a history of previous staking. Apparently copper occurrences were discovered in the area initially in 1968 and the showings were staked at that time. In 1969 the owner walked a bulldozer into the property from the Alaska Highway and cut two short bulldozer trenches. No further work was done and the property was subsequently allowed to lapse. The copper occurrences were restaked in 1972 by Mr. Oswald Rottman.



R. S. Adamson

DOLMAGE-CAMPBELL & ASSOCIATES CONSULTANTS VANCOUVER, CANADA	
CYPRESS RESOURCES LTD. VANCOUVER, CANADA	
<u>FXE CLAIMS</u>	
LOCATION MAP	
DWG. G72-101 a	
SCALE: 1 inch = 140 miles	NOV., 1972
	FIG. 1



R. S. Adamson

⊗ Copper Occurrence

DOLMAGE-CAMPBELL & ASSOCIATES CONSULTANTS
VANCOUVER, CANADA

CYPRESS RESOURCES LTD.
VANCOUVER, CANADA

FXE CLAIMS

COPPER OCCURRENCES

DWG. G72-102a

SCALE 1" = 1/2 mile

NOV., 1972

FIG. 2

GEOLOGICAL SETTING

The FXE claim group lies within the Wolf Lake map area (NTS sheet 105 C). The regional geology of the area has been mapped by W. H. Poole, J. A. Roddick, and L. H. Green of the Canadian Geological Survey, who published a geological map in 1960 (Map 10 - 1960).

The area is underlain by Upper Devonian to Lower Mississippian sedimentary rocks which consist of chert, hornfels, argillite, slate, phyllite, quartzite and limestone. The formations have been broadly folded along north-west axes. Upper Cretaceous to Lower Tertiary small batholiths and stocks intrude the above rocks. In composition they vary from biotite leuco-quartz monzonite to alaskite.

Samples of mineralized rocks taken from four localities on the property indicate that rocks of diorite-gabbro composition occur within the claim block. Outcrops are apparently few on the property, however, occurring primarily as frost-heaved rocks (felsenmeer) within extensive grass-covered overburden.

MINERAL OCCURRENCES

Mineralization occurs at four isolated localities on the property as shown on Figure 2. The writer examined mineralized samples taken from frost-heaved rocks at the four localities. Mineralization consists predominantly of massive and disseminated crystalline pyrite carrying associated chalcopyrite and minor hematite. Host rocks vary; diorite, gabbro and chert were recognized, although most samples were oxidized (limonite and malachite) to some extent. Two composite grab samples from the four occurrences assayed 2.75% and 0.64% copper.

CONCLUSIONS:

On the basis of the available information, additional exploration which should consist of more precisely evaluating the copper occurrences to determine their economic potential is clearly warranted. Preliminary evidence such as the apparent widespread distribution of copper occurrences with their possible continuity masked by overburden between the occurrences, the relatively-favourable access to the property, the surrounding topography which would be amenable to open-pit mining methods, and the nature of the mineralization suggests the possible presence of a porphyry - type copper deposit on the FXE property.

RECOMMENDATIONS:

The writer proposes that the entire property (6 claims) be geologically mapped (supported by sampling and intense visual prospecting), surveyed with a magnetometer, and sampled geochemically (assay for copper). Line spacing for the magnetometer, geochemical and geological surveys should be followed by an induced polarization survey over areas considered most favourable as determined by the data derived from the above preliminary surveys. The object of these various surveys should be to clearly define diamond drill targets.

ESTIMATED COSTS:

The cost of the proposed program which would be mobilized, serviced and demobilized by helicopter from the Alaska Highway and using services available at Watson Lake is estimated as follows:

Geological mapping, sampling base map preparation etc.	\$ 2,470.
Geochemical sampling, prospecting two sampler-prospectors-linecutters	2,680.
Transportation helicopter	4,000.
Camp Maintenance	2,000.
Assaying	2,000.

ESTIMATED COSTS cont'd:

Geophysical surveys	
I. P., magnetics	\$ 8,000.
Field Overhead	
travel, communications, freight, claims etc.	2,500.
Administration, Supervision, Consulting	2,000.
Contingencies (approximately 15%)	<u>4,350.</u>
TOTAL	\$30,000.



Respectfully submitted by,

A handwritten signature in cursive script, appearing to read "R. S. Adamson".

R. S. Adamson, P.Eng.

CERTIFICATE

I, Robert S. Adamson, with business and residential addresses in Vancouver, British Columbia, do hereby certify that:

1. I am a consulting geological engineer.
2. I am a graduate of the University of British Columbia, (B.A.Sc., in Geological Engineering, 1957).
3. I am a registered Professional Engineer of the Province of British Columbia.
4. From 1957 to 1967 I was engaged in mineral exploration in Canada as a geologist for a number of companies. I was Chief of Exploration for Anvil Mining Corp. Ltd. when I retired in 1967 to join the firm of Dolmage, Campbell & Associates Ltd. as a senior engineer. In 1968 I became an associate of the firm.
5. I have not visited the FXE property of Cypress Resources Ltd. but have examined mineralized samples taken from the property.
6. I have not received, directly or indirectly, nor do I expect to receive any interest, direct or indirect, in the property of Cypress Resources Ltd. or of any affiliate thereof, nor do I beneficially own, directly or indirectly, any securities of Cypress Resources Ltd. or any affiliate thereof.



Respectfully submitted,

A handwritten signature in cursive script that reads "R. S. Adamson".

R. S. Adamson, B.A.Sc., P.Eng.

DOLMAGE CAMPBELL & ASSOCIATES LTD.

CONSULTING GEOLOGICAL & MINING ENGINEERS

1000 GUINNESS TOWER

VANCOUVER 1, B.C.

CYPRESS RESOURCES LTD. (N.P.L.)

Vancouver, B. C.

Report on the

LAD CLAIMS

Bonnet Plume River, Yukon

November 1, 1972

and /s/

**Robert S. Adamson, P.Eng.
Consultant**

Dolmage, Campbell & Associates Ltd.

**Vancouver,
Canada**

TABLE OF CONTENTS

	<u>Page</u>
SUMMARY AND RECOMMENDATIONS	1
INTRODUCTION	2
Location and Access	
Property	
History	
GEOLOGICAL SETTING	3
Regional Geology	
Property Geology	
MINERAL OCCURRENCES	4
GEOCHEMISTRY	4
CONCLUSIONS	5
Recommended Exploration Program	
Cost Estimates	
CERTIFICATE	7
ASSAY CERTIFICATES	Appendix

LIST OF ILLUSTRATIONS

		<u>Following Page</u>
Figure 1	Location Map	2
Figure 2	Claim Map	3
Figure 3	River Zone Geochemistry	4

DOLMAGE CAMPBELL & ASSOCIATES LTD.

CONSULTING GEOLOGICAL & MINING ENGINEERS

1000 GUINNESS TOWER

VANCOUVER I. B.C.

SUMMARY AND RECOMMENDATIONS

The LAD Claim Group, located on the Bonnet Plume River 100 miles northeast of Mayo in the Yukon Territory, comprises 10 contiguous mineral claims. The property is a lead-zinc prospect.

The Geological setting of the area consists of northwest-trending Precambrian sedimentary and volcanic rocks unconformably overlain by Cambrian sedimentary rocks, which are intruded by dykes, sills, and small stocks of an unknown age. Regional block and thrust faults trend northwesterly. The geology of the property comprises northwest-trending, easterly-dipping limestone in apparent contact with volcanics on the east.

Mineral occurrences on the property consist of an east-west trending, steeply-dipping shear zone, 250 feet in width, weakly mineralized with massive galena, sphalerite and pyrite on fractures and shears in the zone. The mineralized shear in outcrop occurs as rusty, leached gossan within an extensive, black, limestone outcrop.

It is concluded that the above mineral occurrence is not of direct economic significance. However, because of the strength of the mineralized shear, the nature of the mineralization, and the geological setting of the property, more systematic, thorough exploration is warranted. The primary target to be sought within the property's geological environment should be a massive-sulphide replacement-type lead-zinc ore deposit.

RECOMMENDATIONS:

The writer proposes that a systematic property exploration program be implemented on the LAD claim group. The work should consist of a combined geochemical soil sampling survey and a magnetometer survey. These surveys should be followed by selected EM-16 electromagnetic surveys over favourable geochemical and geological anomalies defined by the soil and magnetic surveys. Should this program result in the definition of significant electromagnetic conductors, they should then be investigated by bulldozer trenching or diamond drilling.

The estimated cost of the above program, excluding trenching and/or drilling, is \$30,000.

DOLMAGE CAMPBELL & ASSOCIATES LTD.
CONSULTING GEOLOGICAL & MINING ENGINEERS
1000 GUINNESS TOWER
VANCOUVER 1, B.C.

INTRODUCTION

On August 23, 1972 the writer examined the zinc-lead occurrences on the LAD claims in the Yukon Territory. The writer was accompanied during the examination by Mr. R. McCandless, geologist for Dolmage Campbell and Associates Ltd., who had previously mapped and sampled mineral occurrences and had carried out some reconnaissance geochemical soil sampling on the property.

LOCATION AND ACCESS: (64° 48' N, 133° 30' W)

The property lies in the Mayo Mining Division, approximately 100 miles northeast of Mayo, Yukon Territory, (Figure 1). It is located on the east bank of the Bonnet Plume River at the mouth of Dolores Creek. (Figure 2)

Access to the property can be achieved at present either directly by helicopter from Mayo or indirectly by fixed wing aircraft to an airstrip on the nearby property of Bonnet Plume River Mines then by helicopter or foot to the property. For heavy supplies a winter road connects the area with Mayo.

PROPERTY:

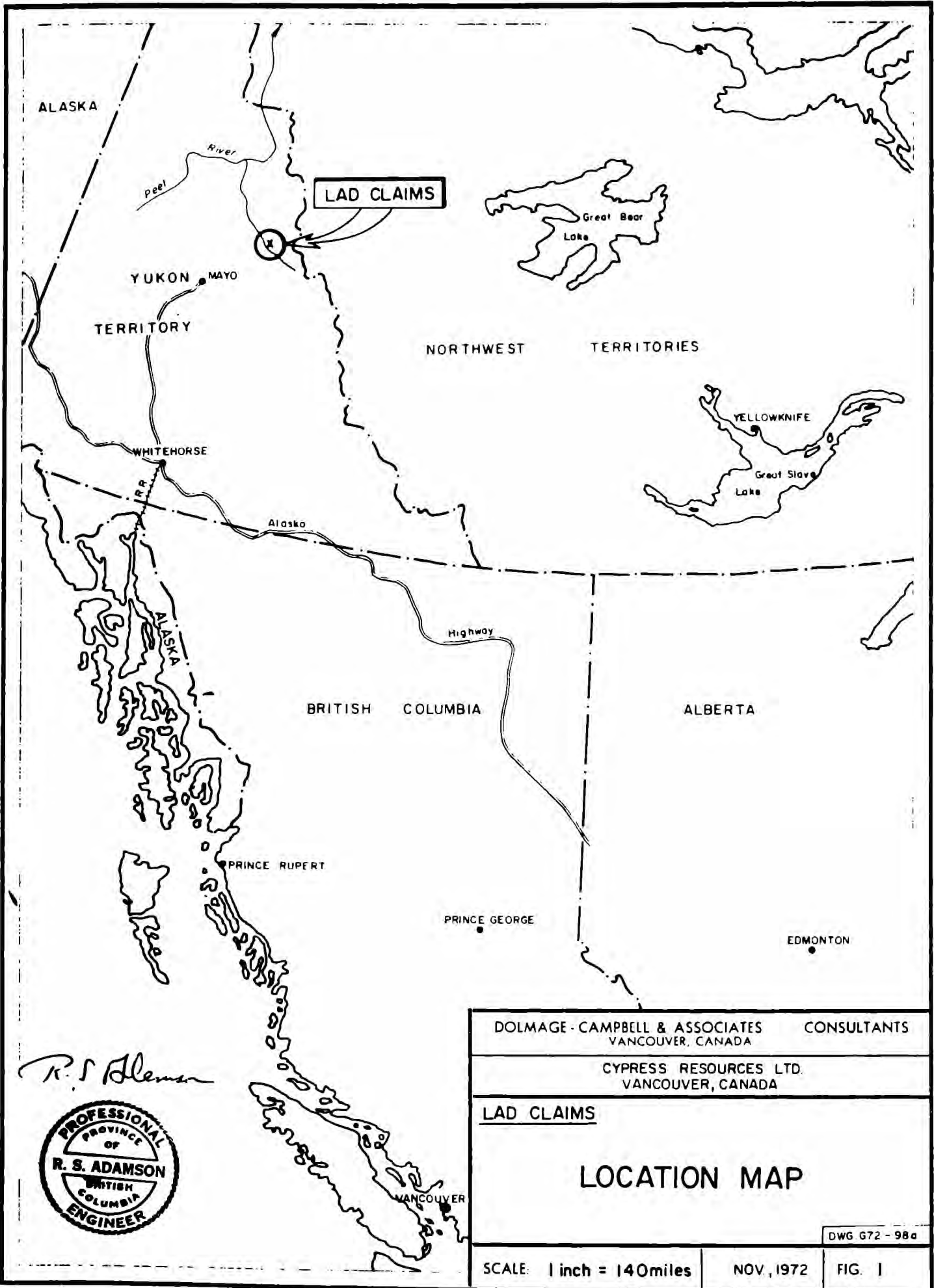
The LAD claim group consists of ten mineral claims located in rectangular fashion, trending northwesterly (See Figure 2). The mineral claims with their record numbers are enumerated as follows:

	<u>Claim Name</u>	<u>Record No.</u>
LAD	1-2 m.c.'s	Y 57421 - Y 57422
LAD	49 - 56 m.c.'s incl.	Y 68564 - Y 68571 incl.

HISTORY:

Numerous copper occurrences were discovered initially in the area by Mr. L. Brown, a prospector, in 1967. His claims were incorporated into Bonnet Plume River Mines Ltd. in 1968, who carried out a comprehensive program of diamond drilling, supported by airstrip and winter road construction.

Intensive prospecting activity was spurred as a result of the company's work, particularly in 1969. This activity resulted in the discovery of the LAD zinc-lead occurrences. To date no work other than some visual prospecting and the preliminary aforementioned work by Mr. McCandless has been done on the property.



R. S. Adamson



DOLMAGE - CAMPBELL & ASSOCIATES		CONSULTANTS
VANCOUVER, CANADA		
CYPRESS RESOURCES LTD.		
VANCOUVER, CANADA		
<u>LAD CLAIMS</u>		
LOCATION MAP		
		DWG G72 - 98a

SCALE: 1 inch = 140 miles	NOV., 1972	FIG. 1
---------------------------	------------	--------

GEOLOGICAL SETTING

REGIONAL GEOLOGY:

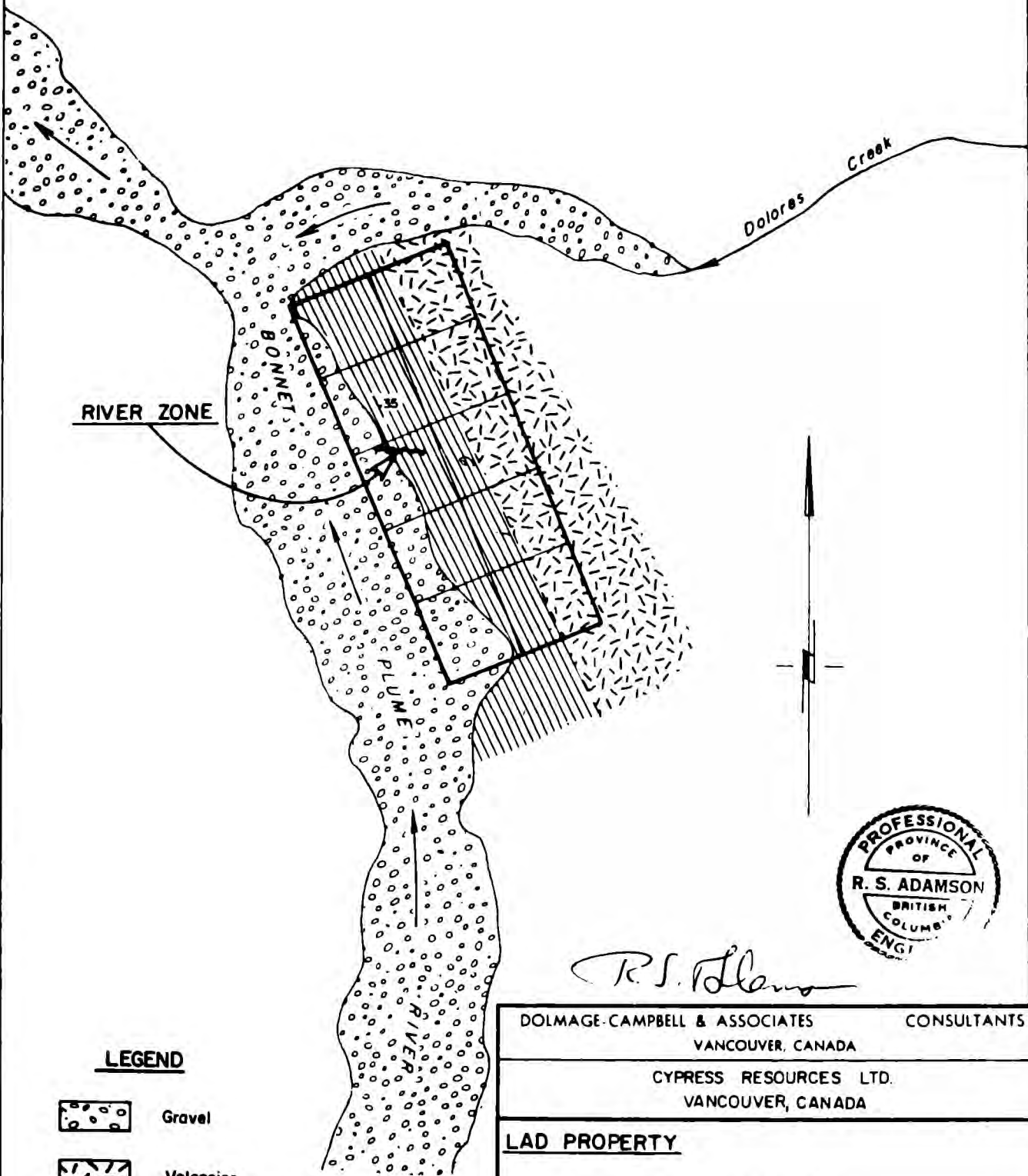
Proterozoic to early Paleozoic rocks of the Katherine Group underlay the Bonnet Plume River area. The Precambrian rocks consist of gritty quartzite, shale, conglomerate, phyllite, schist, volcanic flows and fragmental rocks. Lower Cambrian limestone unconformably overlays these older rocks. Intrusive rocks ranging from diorite to syenite of unknown age intrude the above formations as dykes, sills, and small stocks.

Structurally, the sedimentary and volcanic rocks have been broadly folded along northwest axes. Northwest-trenching normal and thrust faults of regional magnitude bound the area.

PROPERTY GEOLOGY: (Figures 2 and 3)

On the property an extensive exposure (900 feet in length) of blocky to thin-bedded, black limestone, possibly of Lower Cambrian age, crops out along the east bank of the Bonnet Plume River. The bedding strikes northwesterly, consistent with regional attitudes in the district, and dips 35° to the northeast; East of the limestone outcrop, an overburden-covered, forested bench extends for approximately $3/4$ of a mile before the terrain rises sharply. Volcanic rocks occur on this higher terrain. The limestone-volcanic contact, of potentially economic interest, appears to lie on the eastern half of the LAD claim group.

As shown on Figure 3, a mineralized shear cuts the limestone outcrop. The shear, designated the river zone and approximately 250 feet in width, trends east-west and dips 70° to the north.



RIVER ZONE

Dolores Creek


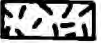

BONNET RIVER

PLUME RIVER



R. S. Adamson

LEGEND

-  Gravel
-  Volcanics
-  Limestone

DOLMAGE-CAMPBELL & ASSOCIATES		CONSULTANTS
VANCOUVER, CANADA		
CYPRESS RESOURCES LTD.		
VANCOUVER, CANADA		
LAD PROPERTY		
CLAIM MAP		
		DWG. G. 72-99a
SCALE 1" = 1/2 mile	NOV, 1972	FIG 2

MINERAL OCCURRENCES

Mineralization on the LAD property occurs in the limestone outcrop along fractures in the shear zone. Two sets of fractures are mineralized; a dominant one, which defines the shear zone, strikes east-west and dips 70° north (shear fractures are spaced at 5-10 foot intervals), and a subordinate set striking north 30° east and dipping vertically. Mineralization consists of massive pyrite, galena, and sphalerite but surface weathering has developed a leached, rusty, oxidized gossen on the surface. The sulphides can only be discerned by digging along the fractures to uncover fresh material.

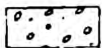
Three chip samples were taken from the outcrop. The locations of samples 4052 and 4053 are shown on Figure 3. Sample number 4051 was taken from a local occurrence 500 feet northwest of the shear zone. The samples returned the following assay values:

<u>Sample No.</u>	<u>Width</u>	<u>% Pb.</u>	<u>% Zn.</u>	<u>oz/Ag.</u>
4051	15 feet	0.04	0.03	0.12
4052	25 feet	0.25	1.11	0.20
4053	25 feet	0.09	0.94	0.22

GEOCHEMISTRY

As shown on Figure 3 eight soil samples were taken from the bench area east of the river. Several samples returned anomalously high values in zinc and lead. As these samples were of a reconnaissance nature and were taken for calibration purposes only, no direct significance should be attached to them at present. However, the results do indicate that geochemistry could be a useful prospecting tool for discovering other mineralized zones which may be masked by overburden.

LEGEND



Gravel



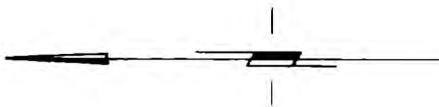
Limestone



Shearing



Soil Sample Location
(ppm Zn/Pb)



2800/88

330/67

330/67

3100/566

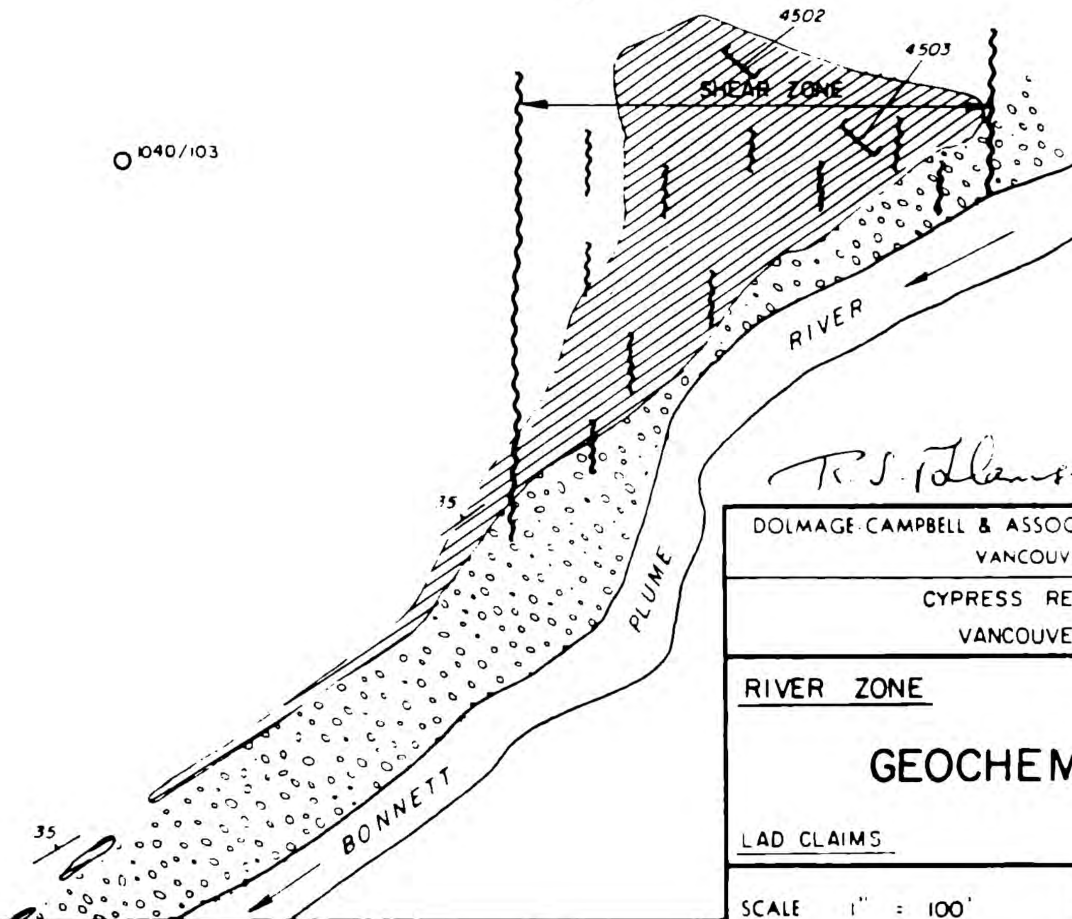
040/103

4000+ / 350

560/50

280/70

280/63



R. S. Adamson

DOLMAGE CAMPBELL & ASSOCIATES CONSULTANTS
VANCOUVER CANADA

CYPRESS RESOURCES LTD
VANCOUVER, CANADA

RIVER ZONE

GEOCHEMISTRY

LAD CLAIMS

DWG G72-100a

SCALE 1" = 100'

NOV, 1972

FIG 3

CONCLUSIONS

It is evident that the mineralized river zone shear is not of direct economic interest. However, because of the strength of the controlling structure (shear) and the basic geological setting of the property it is the writer's opinion that further prospecting is warranted.

In view of the remoteness of the property from existing roads, power, services, etc., to be of economic significance a substantial deposit in terms of tonnage and grade must be found in the Bonnet Plume area. Therefore, in the search for such a deposit on the LAD claims exploration should be geared to locating a massive-sulphide (connoting grade) replacement-type (connoting tonnage) deposit. The nature of the mineralization in the river zone, which must be considered epigenetic in origin, and the geological setting of the property holds promise that such a deposit might be found on the property.

Other than the long outcrop exposed on the river bank outcrops on the property are few. Hence, geochemical and geophysical prospecting should be stressed in preference to visual prospecting. On the basis of the presently available evidence the projected intersection of the river zone shear eastward to its intersection with the limestone-volcanic contact should be regarded as the principal target area for definitive exploration.

RECOMMENDED EXPLORATION PROGRAM:

The writer proposes that a detailed soil survey be conducted over the entire property. Samples should be assayed for lead, zinc, and copper. A magnetometer survey should be carried out over the flagged geochemical grid with the object being to firmly define the limestone-volcanic contact. The magnetometer survey should be followed by a selective EM-16 electromagnetic survey. The electromagnetic survey, to be preceded by cutting formal grids, should be designed to search the entire length of the volcanic-limestone contact on the property, to search the eastward extension of the river zone shear, and to appraise any geochemical anomalies removed from the contact and the projected shear. Electromagnetic conductors with sufficient size and conductivity to be of economic interest should ultimately be investigated by bulldozer trenching or diamond drilling.

COST ESTIMATES:

The cost of the proposed program which would be mobilized, serviced, and demobilized by helicopter from Mayo is estimated as follows:

Geochemical sampling, prospecting Two sampler-prospectors	\$ 1,500.
Camp Maintenance	2,000.
Transportation, helicopter	9,000.
Geophysics - Magnetics, electromagnetics, linecutting	7,000.
Assaying	1,000.
Field Overhead (travel, communications, freight, claims)	2,000.
Administration, Supervision, Consulting	3,500.
Contingencies (approximately 15%)	4,000.
TOTAL	<u>\$30,000.</u>



Respectfully submitted by

R. S. Adamson

R. S. Adamson, P.Eng.

DOLMAGE CAMPBELL & ASSOCIATES LTD.

CONSULTING GEOLOGICAL & MINING ENGINEERS

1000 GUINNESS TOWER

VANCOUVER 1, B.C.

CERTIFICATE

I, Robert S. Adamson, with business and residential addresses in Vancouver, British Columbia, do hereby certify that:

1. I am a consulting geological engineer.
2. I am a graduate of the University of British Columbia, (B.A.Sc., in Geological Engineering, 1957).
3. I am a registered Professional Engineer of the Province of British Columbia.
4. From 1957 to 1967 I was engaged in mineral exploration in Canada as a geologist for a number of companies. I was Chief of Exploration for Anvil Mining Corporation Ltd. when I retired in 1967 to join the firm of Dolmage, Campbell & Associates Ltd. as a senior engineer. In 1968 I became an associate of the firm.
5. I examined the LAD property of Cypress Resources Ltd. on the Bonnet Plume River in the Yukon Territory on August 30, 1972.
6. I have not received, directly or indirectly, nor do I expect to receive any interest, direct or indirect, in the property of Cypress Resources Ltd. or of any affiliate thereof, nor do I beneficially own, directly or indirectly, any securities of Cypress Resources Ltd. (N.P.L.) or any affiliate thereof.

Respectfully submitted,



R. S. Adamson, B.A.Sc., P.Eng.

VANCOUVER
CALGARY
TORONTO
HAMILTON
BRAMPTON
ST. CATHARINES
PORT COLBORNE
MONTREAL

MacGillivray & Co.

Chartered Accountants

550 BARRARD STREET,
VANCOUVER 1, CANADA,
(604) 684-0384

J. J. BROWN, B.Comm., C.A.
D. G. STEELE, B.A., C.A.
K. S. JOHNSTONE, C.A.
J. D. CRAIG, C.A.
C. D. YEOMANS, C.A.
W. D. RADBOURNE, C.A.

AUDITORS' REPORT TO THE SHAREHOLDERS

We have examined the balance sheet of Cypress Resources Limited (N.P.L.) as at September 30, 1972 and the statement of source and application of working capital for the period then ended. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion these financial statements present fairly the financial position of the company as at September 30, 1972 and the source and application of its working capital for the period then ended, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding period.



November 8, 1972

CHARTERED ACCOUNTANTS

CYPRESS RESOURCES LIMITED (N.P.L.)
BALANCE SHEET AS AT SEPTEMBER 30, 1972

ASSETS

CURRENT			
Bank			\$ 12,023
MINERAL PROPERTY (Note 1)			75,400
DEFERRED COSTS			
Administration	\$ 7,155		
Exploration and development	<u>12,746</u>	<u>19,901</u>	
			<u>\$107,324</u>

LIABILITIES

CURRENT			
Accounts payable			\$ 5,275

SHAREHOLDERS' EQUITY

CAPITAL STOCK			
Authorized -			
3,000,000 common shares of no par value			
Issued and fully paid (Note 2) -			
1,312,349 common shares	\$374,102		
CONTRIBUTED SURPLUS			
600,000 shares surrendered in 1962 by way			
of gift	<u>15,000</u>		
		389,102	
DEFICIT	<u>287,053</u>	<u>102,049</u>	
			<u>\$107,324</u>

APPROVED ON BEHALF OF THE BOARD

"E. Mueller"

"F. Erl"

Directors



CYPRESS RESOURCES LIMITED (N.P.L.)

NOTES TO THE FINANCIAL STATEMENTS AS AT SEPTEMBER 30, 1972

1. MINERAL PROPERTY

- (a) Bonnett Plume River and tributary, Delores Creek,
Yukon Territory, Mayo Mining District

The company acquired 16 mineral claims for 750,000
escrowed shares of the company with an attributed
value of \$.10 each \$75,000

The company also staked 40 mineral claims adjacent
to the above mentioned claims 400

- (b) Smart River and Dorsey Lake area, Yukon Territory,
Watson Lake Mining Division

The company has acquired six claims for no cost
from a staking syndicate. The British Columbia
Securities Commission approval of a transfer of
the 750,000 escrowed shares, previously issued
to the vendors of the 16 claims in the Mayo
Mining District (see above) to the vendors of
these claims, is being sought -

\$75,400

2. CAPITAL STOCK

	<u>Shares</u>	<u>Amount</u>
Issued for cash	462,349	\$286,602
Issued for mineral properties	<u>850,000</u>	<u>87,500</u>
	<u>1,312,349</u>	<u>\$374,102</u>

During the six months ended September 30, 1972, 300,000 shares were sold
under a prospectus dated June 20, 1972 for \$30,000. No commissions
were paid.

In addition, 750,000 escrowed shares were issued for a mineral property.
(Note 1)

3. DIRECTORS' REMUNERATION

During the six months ended September 30, 1972, \$2,500 was paid to a company
controlled by two directors (who have since resigned) for office rent,
salary and telephone. A further \$832 was paid to a director for field
work.

4. COMPARATIVE STATEMENTS

The company was inactive and did not prepare financial statements as at
September 30, 1971. Therefore, comparative figures have not been
presented.

CYPRESS RESOURCES LIMITED (N.P.L.)

ADMINISTRATION, AND EXPLORATION AND DEVELOPMENT EXPENSES

FOR THE SIX MONTHS ENDED SEPTEMBER 30, 1972

ADMINISTRATION

Audit and accounting	\$ 650
Legal	2,850
Office and bank charges	95
Office rent, salary and telephone	2,500
Printing	550
Registrar and transfer fees	<u>510</u>
	<u>\$ 7,155</u>

EXPLORATION AND DEVELOPMENT

Accommodation and meals	\$ 464
Automobile rental and operation	873
Camp supplies	1,166
Geological consulting	2,131
Helicopter rental and travel	5,514
Sundry	240
Wages and assessments	<u>2,358</u>
	<u>\$12,746</u>

CYPRESS RESOURCES LIMITED (N.P.L.)

STATEMENT OF SOURCE AND APPLICATION OF WORKING CAPITAL

FOR THE SIX MONTHS ENDED SEPTEMBER 30, 1972

SOURCE		
Sale of shares		\$30,000
APPLICATION		
Acquisition of mineral property	\$75,400	
Less - Attributed value of shares issued therefor	<u>75,000</u>	
	400	
Administration expenses	7,155	
Exploration and development expenses	<u>12,746</u>	<u>20,301</u>
WORKING CAPITAL INCREASE		9,699
WORKING CAPITAL DEFICIENCY, at beginning of period		<u>2,951</u>
WORKING CAPITAL, at end of period		<u><u>\$ 6,748</u></u>