



Effective Date:
September 4, 1973.

106 C 7

012726

SECURITIES ACT, 1967

Neither the British Columbia Securities Commission nor the Vancouver Stock Exchange has in any way passed upon the merits of the securities offered hereunder and any representation to the contrary is an offence.

BRITISH COLUMBIA SECURITIES COMMISSION
VANCOUVER STOCK EXCHANGE

CYPRESS RESOURCES LIMITED (NON-PERSONAL LIABILITY)

(Full name of company.)

Registered Office: 700-900 West Hastings Street, Vancouver, B. C.

Head Office: 101-325 Howe Street, Vancouver, B. C.

(Address of head office and registered office of company.)

Statement of Material Facts

1. Give details of the circumstances relating to the offering of the securities and any material changes in the affairs of the issuer.	Underwriting Agreement dated August 27, 1973 See Item 1
2. Set out the description, designation, and number of shares being offered by the issuer or selling shareholder. If any of the shares being offered are to be offered for the account of a selling shareholder, name such shareholder and state the number of shares owned by him, the number to be offered for his account, and the number to be owned by him after the offering.	See Item 1
3. Set out the price to the public, underwriting discounts or commissions and the estimated net proceeds to the issuer or selling shareholder, on both a per share and an aggregate basis. If it is not possible to state the price to the public or the underwriting discount or commissions, the method by which they are to be determined shall be explained. Give the range of the market price during the previous 90 days.	See Item 1
4. State the principal purposes for which the estimated net proceeds to be derived by the issuer from the sale of the shares to be offered are intended to be used and the approximate amount intended to be used for each such purpose.	See Item 4
5. State the laws under which the issuer was incorporated and whether incorporated by memorandum of association, Letters Patent, or otherwise or under a particular part of an incorporating Statute dealing with mining companies and the date thereof.	Incorporated by Memorandum of Association under the British Columbia Companies Act on the 24th day of June, 1957
6. Give names, addresses, and chief occupations for the past five years of the officers and directors of the issuer.	See Item 6
7. State the share capitalization of the issuer showing authorized and issued capital.	Authorized to issue 3,000,000 shares without nominal or par value at maximum price of consideration of \$1.00 Issued: 1,562,349 shares
8. Give particulars of any bonds, debentures, notes, mortgages, charges, liens, or hypothecations of the issuer.	Nil
9. Outline briefly the manner in which the shares being offered are to be distributed, giving particulars of any outstanding or proposed underwriting, sale, or option agreement, including the name and address of each underwriter, purchaser, or optionee. Give similar particulars of sub-underwriting or sub-option agreements outstanding or proposed to be given and particulars of any assignments or proposed assignments of any such agreements. Give names and addresses of persons having any interest, direct or indirect, in underwritten or optioned shares.	See Item 1

INTERIM
LISTING

<p>10. Give name and address of any person or company who beneficially owns, directly or indirectly, in excess of 5 per cent of each class of shares of any company named in answer to item 9 hereof and the number and percentage of each class of shares so owned.</p>	<p>See Item 10</p>
<p>11. Give particulars of any payments in cash or securities of the issuer made or to be made to a promoter or finder in connection with the proposed underwriting.</p>	<p>Nil</p>
<p>12. Give brief particulars of properties owned, leased, held under option, or operated or presently intended to be owned, leased, held under option, or operated by the issuer.</p>	<p>See Item 12</p>
<p>13. State whether any property referred to in item 12 has a known body of commercial ore or reserves of recoverable oil and gas. Give particulars.</p>	<p>To the knowledge of the signatories hereto and to the Company's Consulting Engineers there is no known body of commercial ore on any mining property described in</p>
<p>14. Give brief particulars of the exploration and development work of the issuer during the past year and the results thereof on (1) its own properties and (2) other properties. State amounts spent on each.</p>	<p>Item 12. See Item 14</p>
<p>15. Give brief particulars of property proposed to be acquired by the issuer or any affiliate or acquired by the issuer or any affiliate within the previous three years, including the name and address of the vendor and the cost or proposed cost thereof to the issuer or any affiliate, and if any such vendor is or was an insider or promoter of the issuer or an associate or affiliate of any insider or promoter of the issuer, so state and indicate the nature of the relationship.</p>	<p>See Item 12</p>
<p>16. State the name of any person or company who is or has been a promoter of the issuer within the preceding two years and, if not disclosed in item 15, the nature and amount of anything of value (including money, securities, property, contracts, options, or rights of any kind) received or to be received by each promoter.</p>	<p>See Items 12 and 16</p>
<p>17. If the property referred to in item 15 was or is to be paid for by the issuance of shares of the issuer or any subsidiary, give (a) the number of shares of the issuer and any subsidiary issued to or to be issued to the vendor after giving effect to such transaction, and (b) the number and, if more than 5 per cent of the shares presently outstanding, the percentage of shares of the issuer and any subsidiary owned or to be owned by the vendor after giving effect to the transaction. If the vendor is a company, give the names and addresses of the insiders of the company.</p>	<p>See Item 12</p>
<p>18. Give the number and, if more than 5 per cent, the percentage of the shares of the issuer held in escrow or in pool and a brief statement of the terms of the escrow or pooling agreement. Give the names and addresses of the beneficial owners of such shares.</p>	<p>See Item 18</p>
<p>19. Give the number of shares of the issuer owned of record or beneficially, directly or indirectly, by each person or company who owns of record, or is known either by the issuer or the selling shareholder to own beneficially, directly or indirectly, more than 5 per cent of such shares, in each case within 10 days from the date hereof. Show separately whether the shares are owned both of record and beneficially, of record only or beneficially only, and show the respective amounts in percentages owned in each such manner. Give names and addresses of the owners referred to above.</p>	<p>See Item 19</p>
<p>20. Give a brief statement of any legal proceedings to which the issuer or any of its subsidiaries is a party or of which any of their property is the subject. Make a similar statement as to any such proceedings known to be contemplated.</p>	<p>To the knowledge of the signatories hereto there are no legal proceedings commenced by or against the Company or threatened.</p>

INTERIM LISTING

SCHEDULE TO STATEMENT OF MATERIAL FACTS DATED: September 4, 1973.

Item 1

By an agreement (the "Agency Agreement") dated the 27th day of August, 1973, between the Company and Canarim Investment Corporation Ltd. (the "Agent") of Vancouver, British Columbia, the Agent has agreed to act as such on behalf of the Company and to use its best efforts to sell to the public One Hundred and Fifty Thousand (150,000) shares without nominal or par value of the capital stock of the Company through the facilities of the Vancouver Stock Exchange at the market value for shares of the Company on that Exchange at the time of offering subject to a minimum selling price of \$.70.

These shares will be offered to the public by the Agent for a period of thirty (30) days after the effective date unless sooner sold. The effective date is the date upon which this Statement of Material Facts is accepted for filing by the Vancouver Stock Exchange.

The Agent will receive a commission on each sale in accordance with the regular rates established by the Vancouver Stock Exchange.

Since the Agency Agreement provides that the shares will be sold at a price of at least \$.70 per share or at such greater price as may be effective, the Company cannot provide an estimate of the net proceeds to be derived from the offering. However, if all of the shares offered hereunder are sold at a price of \$.70 per share, the Company will receive \$105,000.00, less commission.

The bid price of the shares of the Company on the Vancouver Stock Exchange at the close of business on the 24th day of August, 1973 was \$.79 to \$.87.

The range of the market price for the 90 (ninety) days preceding that date was a high of \$.80 per share and a low of \$.35 per share.

There are no outstanding underwritings, sub-underwritings, options or sub-option agreements.

**INTERIM
LISTING**

Item 4

In the event that all of the 150,000 shares being the subject matter of the Agency Agreement referred to in Item 1 hereof are sold at the minimum price, the Company will receive \$105,000.00 less commission of approximately \$2,100.00, which proceeds will be used to carry out a diamond drilling programme on the Lad group of mineral claims and to stake additional claims and to conduct geochemical, geological and geophysical surveys as follows:

1.	Transportation Fixed-wing aircraft and helicopter	\$ 15,000.
2.	Camp construction and field supplies	12,500.
3.	Road and drill site construction	15,000.
4.	Diamond drilling: 2,000 feet @ \$20.00	40,000.
5.	Locating of additional claims contiguous with the Lad Group: 50 claims @ \$50.00	2,500.
6.	Geochemical, geological and geophysical surveys on remainder of Lad Group and additional claims	<u>20,000.</u>
		\$105,000.
	Overhead and contingencies	<u>21,000.</u>
		<u>\$126,000.</u>

Item 6

The following are the Directors and Officers of the Company:

<u>Name and Address</u>	<u>Position Held</u>	<u>Principal Occupation or Employment for the Past Five Years</u>
Eberhard Mueller, 13649-28th Avenue, Surrey, B.C.	President and Director	Prospector and Mining Executive of Adanac Mining & Exploration Ltd. - 1967/1971
Frank Xaver Erl, 777 Cardero Street, Vancouver, B.C.	Vice-President and Director	Shift boss with United Keno Hill Mines
Peter C. G. Richards, 900 West Hastings St., Vancouver, B.C.	Secretary	Barrister & Solicitor Partner in the firm of Fulton, Cumming, Richards & Company
Oswald Josef Rottman, 13867-24th Avenue, Surrey, B.C.	Director	Prospector and Miner
Ferdinand Marehard 1067-A Haro Street, Vancouver, B.C.	Director	Steward with B.C. Government Ferries since 1970: prior thereto Steward with C.N.R.

**INTERIM
LISTING**

Item 10

The beneficial owners, directly or indirectly, of more than 5 per cent of the shares of the Agent are as follows:

<u>Name and Address</u>	<u>No. of Shares</u>	<u>Percentage Held</u>
Alfred Edward Turton, 424 Burrard Street, Vancouver, B.C.	24,199	59%
Harold H. Hemsworth, 424 Burrard Street, Vancouver, B.C.	14,086	34%
Peter Brown, 424 Burrard Street, Vancouver, B.C.	2,500	6%

Item 12

The Company is the registered and beneficial owner of an undivided 100% interest in the following recorded mineral claims located in the Yukon Territory 100 miles N.E. of Mayo on the Bonnet Plume River:

<u>Name of Claim</u>	<u>Record Number</u>	<u>Expiry Date</u>
LAD 1 and 2	Y57421-Y57422	March 21, 1974
LAD 49 - 56	Y68564-Y68571	September 1, 1973
SUN 1 - 8	Y69035-Y69042	April 5, 1974
AIR 1 - 16	Y69043-Y69058	April 5, 1974

The Company is still the registered owner of LAD claims 17-48 but, on the advice of the Company's geologist, the Company does not intend to maintain these claims in good standing.

The Company is the registered and beneficial owner of an undivided 100% interest in the following recorded mineral claims located in the Watson Lake Mining Division 3 miles N.W. of Dorsey Lake and approximately 20 miles N. of the Alaska Highway:

<u>Name of Claim</u>	<u>Record Number</u>	<u>Expiry Date</u>
FXE 1 - 6	Y64626-Y64631	August 21, 1974

These claims were all transferred to the Company in consideration of 750,000 vendors shares in the Company, these shares were issued to Eberhard Mueller, Oswald J. Rottman, Ferdinand Marehard, Ferdinand Schomig and Frank Xaver Erl as set forth in Item 18.

The Company has recently located 104 mineral claims near the head waters of the Bonnet Plume River adjoining Barrier Reef Resources Ltd.'s property. Through initial prospecting several beds of spalerite have been traced over a distance of 3,000 feet. Grab samples from the outcrops of this zone have assayed from 7% to 22% zinc. These claims are in the process of being recorded and transferred to the Company.

**INTERIM
LISTING**

Item 14

During 1973 the Company has completed an exploration programme on the LAD Group consisting of geophysical, geochemical and geological surveys. This geophysical survey has outlined a number of strong coincidental lead-zinc anomalies that are closely related to the strong conductors indicated by the Electro-magnetic survey justifying an initial diamond drilling programme.

The Company expended \$21,661.00 on this programme and required support services to July 31, 1973.

A diamond drilling programme has been commenced on this property.

Item 16

Eberhard Mueller, Oswald Josef Rottman, Ferdinand Marchard and Frank Xaver Erl are the promoters of the Company and received the consideration set forth in Item 12.

Item 18

750,000 shares of the Company, being 48% of the total outstanding shares, are held in escrow by the National Trust Company Limited, 510 Burrard Street, Vancouver, B. C. and may not be released or transferred without the consent of the Superintendent of Brokers and the Vancouver Stock Exchange so long as the Company's shares are qualified on the Interim Listing Board. Once the Company's shares are qualified for Full Listing then the consent of only the Vancouver Stock Exchange is required. The shares are held as follows:

<u>Name and Address</u>	<u>No. of Escrowed Shares Held</u>
Eberhard Mueller, 13649-20th Avenue, Surrey, B.C.	150,000
Oswald J. Rottman, 13867-24th Avenue, White Rock, B.C.	150,000
Ferdinand Marchard, 1067-A Haro Street, Vancouver, B.C.	150,000
Ferdinand Schomig, 39568 Government Road, Box 675, Squamish, B.C.	150,000
Frank Xaver Erl, 777 Cardero Street, Vancouver, B.C.	150,000

**INTERIM
LISTING**

Item 19

The shareholders of record having more than 5% of the issued shares of the Company are as follows:

<u>Name and Address</u>	<u>No. of Shares</u>	<u>Nature of Ownership</u>	<u>Percentage</u>
Eberhard Mueller, 13649-20th Avenue, Surrey, B.C.	223,000	Record & Beneficial	14.27%
Oswald J. Rottman, 13867-24th Avenue, White Rock, B.C.	205,000	Record & Beneficial	13.12%
Ferdinand Marehard, 1067-A Haro Street, Vancouver, B.C.	200,000	Record & Beneficial	12.80%
Ferdinand Schomig, 39568 Government Road, Box 675, Squamish, B.C.	197,000	Record & Beneficial	12.61%
Frank Xaver Erl, 777 Cardero Street, Vancouver, B.C.	195,000	Record & Beneficial	12.48%

Item 25

The Company holds a 15% interest in a Grubstake Agreement for which it advanced to the Grubstakers \$5,250.00 for the purpose of prospecting and staking claims in the Godlin Lake Area, North West Territories pursuant to a Grubstake Agreement dated July 4, 1973.

Item 27

Section 61 of the Securities Act, 1967, contains provisions enabling a purchaser of securities offered in the course of primary distribution to rescind the contract of purchase in certain events. The purchaser may rescind where:

- (a) Section 60 has not been complied with;
- (b) Written notice of intention to commence an action for rescission of the contract is served upon the person who contracted to sell the securities within 60 days of the date of delivery of the written confirmation of the sale of the securities; and
- (c) Purchaser is still the owner of the security.

This statement of the purchaser's right of rescission is indicative only and not intended to be comprehensive. For complete details reference should be made to the sections of the Act.

**INTERIM
LISTING**

MacGillivray & Co.

Chartered Accountants

550 Burrard Street
Vancouver 1, Canada
(604) 684-0384 Cable "Charts"

International:
Leidesdorf MacGillivray & Co.
Moore MacGillivray & Co.

Vancouver
Calgary
Edmonton
Winnipeg
Hamilton
Toronto
Montreal
St. Catharines
Brampton
Port Colborne
Listowel

August 24, 1973

To the Shareholders,
Cypress Resources Limited (N.P.L.),
101 325 Howe Street,
Vancouver, B. C.

Dear Sirs:

In accordance with your instructions we have prepared unaudited financial statements as at July 31, 1973. Our information was obtained from the books of the company, other corporate records and information supplied by you. We did not perform an audit of the accounts and accordingly we have not expressed an opinion on the financial statements.

Yours very truly,

MacGillivray & Co.

CHARTERED ACCOUNTANTS

BALANCE SHEET AS AT JULY 31, 1973

ASSETS

CURRENT		
Cash	\$ 14,516	
Term deposits	25,000	
Accounts receivable	<u>362</u>	\$ 39,878
ADVANCES TO MINING SYNDICATE (Note 1)		5,250
FIXED, at cost (Note 2)		
Automotive equipment	3,500	
Mining equipment	<u>2,575</u>	6,075
MINERAL PROPERTIES, at cost (Note 3)		75,900
DEFERRED COSTS (Note 4)		
Administration	19,984	
Exploration and development	<u>37,719</u>	<u>57,703</u>
		<u>\$184,806</u>

LIABILITIES

CURRENT		
Accounts payable		\$ 7,757

SHAREHOLDERS' EQUITY

CAPITAL STOCK (Note 5)		
Authorized -		
3,000,000 common shares of no par value		
Issued -		
1,562,349 shares	\$449,102	
CONTRIBUTED SURPLUS, arising from a surrender of shares to the treasury	<u>15,000</u>	
	464,102	
DEFICIT	<u>287,053</u>	<u>177,049</u>
		<u>\$184,806</u>

Approved by the Board

Robert Mulvey

Donald G Pittman

(Prepared without Audit)

CYPRESS RESOURCES LIMITED (N.P.L.)

NOTES TO THE FINANCIAL STATEMENTS

AS AT JULY 31, 1973

1. ADVANCE TO MINING SYNDICATE

The company has advanced \$5,250 to finance a group of prospectors searching for mineral properties in the Godlin Lake area of the Northwest Territories.

The agreements relating to the financing have not been finalized.

2. DEPRECIATION

No provision for depreciation of fixed assets has been made in the accounts

3. MINERAL PROPERTIES

A. Bonnett Plume River, Mayo Mining District, Yukon Territory

The company acquired 16 mineral claims of which 14 of these claims have been allowed to lapse. No part of the cost has been written off. The company also staked an additional 64 claims adjacent to the above mentioned claims. Of these, 32 will be allowed to lapse

\$ 900

B. Smart River and Dorsey Lake Area, Watson Lake Mining Division, Yukon Territory

The company has acquired 6 claims at no cost from a staking syndicate. However 750,000 shares previously issued at \$.10 per share for the Bonnett Plume River claims, have been transferred to these claims with the approval of the Superintendent of Brokers and the shareholders.

75,000

\$75,900

4. DEFERRED COSTS

The company has adopted the accounting policy of deferring all exploration, development, and administration expenses on properties under development. Upon abandonment of a property the acquisition cost of the property and related exploration and development expenses and a corresponding percentage of administration expenses will be written off to deficit.

5. CAPITAL STOCK

Shares issued are classified as follows:

	<u>Shares</u>	<u>Amount</u>
Issued for cash	712,349	\$361,602
Issued for mineral properties	<u>850,000</u>	<u>87,500</u>
	<u>1,562,349</u>	<u>\$449,102</u>

(Prepared without Audit)

CYPRESS RESOURCES LIMITED (N.P.L.)

NOTES TO THE FINANCIAL STATEMENTS

AS AT JULY 31, 1973

5. CAPITAL STOCK (continued)

During the four months ended July 31, 1973, 250,000 shares were sold under a prospectus dated November, 1972 to net \$75,000 to the treasury

6. DIRECTORS' REMUNERATION

During the four months ended July 31, 1973, \$1,600 was paid to a company controlled by a director for office rent and accounting services. The directors have received no remuneration for their services to the company

7. COMPARATIVE STATEMENTS

Financial statements were not prepared for the corresponding period in 1972 and therefore, comparative figures have not been presented.

(Prepared without Audit)

CYPRESS RESOURCES LIMITED (N.P.L.)
STATEMENT OF SOURCE AND APPLICATION OF WORKING CAPITAL
FOR THE FOUR MONTHS ENDED JULY 31, 1973

SOURCE

Sale of shares \$75,000

APPLICATION

Advances to staking syndicate	\$ 5,250	
Acquisition of mineral property	500	
Purchase of fixed assets	6,075	
Administration expenses	6,598	
Exploration and development expenses	<u>21,661</u>	<u>40,084</u>

WORKING CAPITAL INCREASE 34,916

WORKING CAPITAL DEFICIENCY, at beginning of period 2,795

WORKING CAPITAL, at end of period \$32,121

(Prepared without Audit)

CYPRESS RESOURCES LIMITED (N.P.L.)

ADMINISTRATION, EXPLORATION AND DEVELOPMENT EXPENSES

FOR THE FOUR MONTHS ENDED JULY 31, 1973

ADMINISTRATION

Balance at beginning of period \$13,386

EXPENSES FOR THE PERIOD

Accounting	\$ 800	
Legal and audit	659	
Licenses and taxes	95	
Office expense	269	
Office rent	800	
Promotion	177	
Registrar	818	
Shareholders' information	32	
Telephone	482	
Travel	11	
Listing fees	<u>3,063</u>	

	7,206	
Less - Interest income	<u>608</u>	<u>6,598</u>

BALANCE AT END OF PERIOD \$19,984

EXPLORATION AND DEVELOPMENT

Balance at beginning of period \$16,058

EXPENSES FOR THE PERIOD

Accommodation and meals	\$ 200	
Assay	304	
Automobile	224	
Camp supplies	4,433	
Helicopter and aircraft charters	11,998	
Travel	2,629	
Wages and assessments	1,707	
Insurance	<u>166</u>	<u>21,661</u>

BALANCE AT END OF PERIOD \$37,719

(Prepared without Audit)

REPORT
ON THE
LAD CLAIM GROUP
MAYO MINING DIVISION
NORTHEAST YUKON TERRITORY

Lat. 64°48'N
Long. 133°30'W

for

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

by

P. P. Nielsen, B.Sc., Geophysicist
G. C. Gutrath, B.Sc., P.Eng., Geologist
Atled Exploration Management Ltd.
Vancouver, B. C.

August 10, 1973

NTS 106/C

CONCLUSIONS AND RECOMMENDATIONS

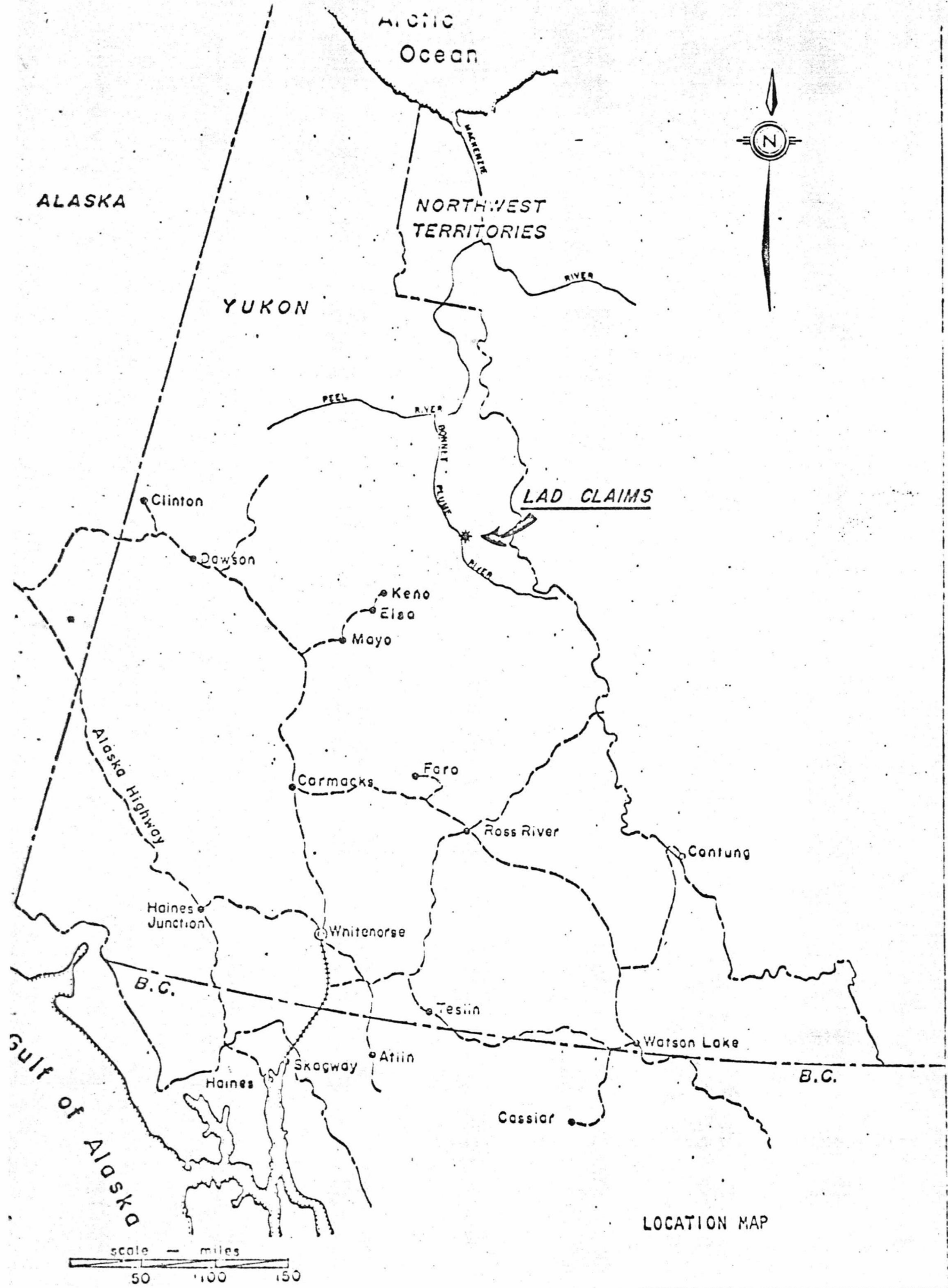
The geophysical surveys have delineated a number of conductors striking sub-parallel to the limestone host rock of Pb-Zn mineralization. The Electro-magnetic survey has indicated that a strong conductor underlies and extends beyond the leached showing suggesting that better grade Pb-Zn mineralization might be encountered below and to the north and south of the showing.

The east-west shear zone is not apparent in the E.M. data probably because the strike of the shear is at a small angle to the transmitter direction. That is, the survey lines were not at or near right angles to the shear direction resulting in coupling problems.

Because sphalerite is a poor conductor at best and could be present in significant concentrations without galena and/or pyrite associations, all conductors are considered significant and worthy of further investigations.

The geochemical survey has outlined a number of strong coincidental lead-zinc anomalies that appear to be closely related to the E.M. conductors. A sufficient amount of geophysical surveying has been carried out to strongly justify an initial diamond drill program. Four 500-foot angle diamond drill holes are recommended initially to test interpreted vertical conductors. DDH #1 is spotted so as to intercept the shear zone and limestone bedding directions at a compromising angle.

Additional claims should be staked and these claims as well as the remainder of the Lad Group should be grid surveyed in preparation for geochemical, geological and geophysical surveys.



LOCATION MAP

ESTIMATED COSTS

1. Transportation	
Fixed-wing aircraft and helicopter	\$ 15,000.00
2. Camp construction and field supplies	12,500.00
3. Road and drill site construction	15,000.00
4. Diamond drilling: 2,000 feet @ \$20.00	40,000.00
5. Locating of additional claims contiguous with the Lad Group: 50 claims @ \$50.00	2,500.00
6. Geochemical, geological and geophysical surveys on remainder of Lad Group and additional claims	<u>20,000.00</u>
	105,000.00
Overhead and Contingencies	<u>21,000.00</u>
	<u>\$ 126,000.00</u>

GEOGRAPHY

Location

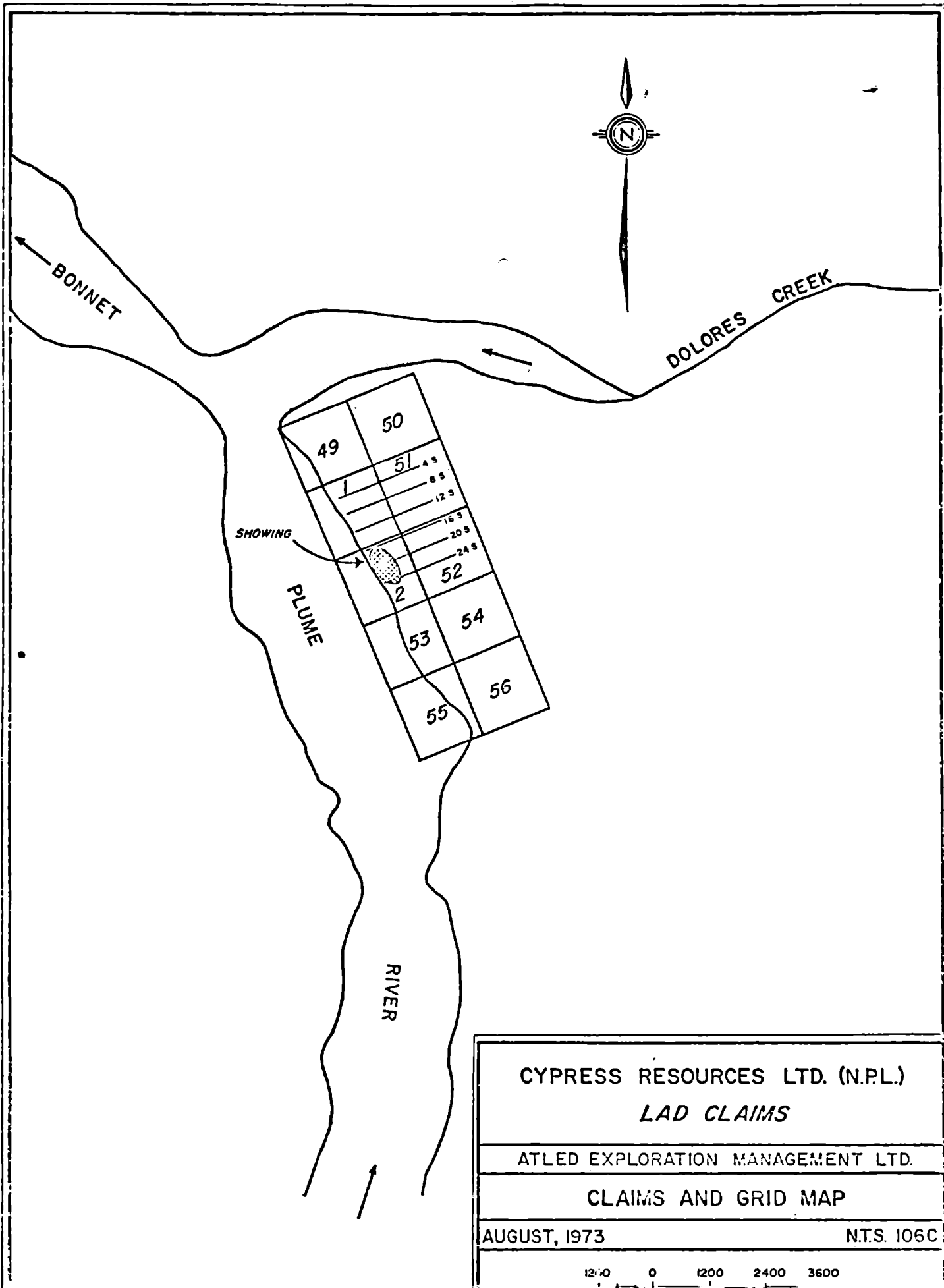
The property is located in the northeast Yukon Territory approximately 100 air miles northeast of the community of Mayo. The claims are on the east bank of the Bonnet Plume River just to the south of Dolores Creek.

Access

Access to the property is by helicopter from Mayo. A winter road connects the area with Mayo.

Topography

The claims cover a gently sloping bench on the east side of the Bonnet Plume River between the elevation of 2,300 feet and 2,400 feet above sea level.



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

ATLED EXPLORATION MANAGEMENT LTD.

CLAIMS AND GRID MAP

AUGUST, 1973

N.T.S. 106C

1200 0 1200 2400 3600

Vegetation

The claim group is lightly timbered along the edge of the river.

Climate

The climate is similar to that found in the central Yukon in which the Anvil and Clinton Creek open pit mines operate on a continuous yearly basis. Winter accumulated snowfall would be in the order of five to seven feet.

Water

There is ample water in the area for any future drilling or mill requirements.

CLAIMS

The Lad Claim Group is located in the Mayo Mining Division.

<u>Claim Name</u>	<u>Record Number</u>
Lad 1 - 2	Y57421 - Y57422
Lad 49 - 56	Y68564 - Y68571

HISTORY

The lead-zinc mineralization was discovered in this area in 1967. Preliminary prospecting was done during this period, but no comprehensive exploration was carried out until Cypress began its program in June, 1973.

GEOLOGY

General

The Bonnet Plume Range is underlain in most part by lower Paleozoic and Proterozoic rocks.

Silurian and Devonian sediments overlie Precambrian rocks consisting of phyllite, schist, shales and related pyroclastics. These rocks are cut by small diorite to syenite intrusives.

Property

The claim group is underlain by fine bedded black argillaceous limestone of Lower Cambrian age that outcrops along the edge of the Bonnet Plume River. The bedding attitude has a predominately north-westerly strike, and dips at 25° to 40° to the northeast. To the east, this area of the claim group is largely covered by overburden although a volcanic series outcrops at higher elevations on the east side of the claim group.

The lead-zinc mineralized zone that is exposed on the edge of the river strikes in an easterly direction and dips at 65° to the north. The zone is a minimum of 200 feet wide, but cannot be traced along strike because of overburden.

The mineralized zone has a horizontal appearance because of intensive, almost complete, surface leaching of the sulphide minerals. As a result of this leaching, assays of surface samples are very low.

GEOCHEMICAL AND GEOPHYSICAL SURVEYS

General

During the period between June 8 and June 15, 1973, a ground magnetometer and electromagnetic survey were executed on the Lad claims in the Bonnet Plume River Area, Yukon Territory on behalf of Cypress Resources Ltd. The work was executed by Mr. P. Henry of Atled Exploration Management Ltd. under the direction of Mr. P. P. Nielsen, geophysicist.

The purpose of the geophysical surveys was to delineate conductive zones similar to a showing containing significant Pb-Zn sulphide mineralization on the property, and to assist in the mapping of rock types and structures over a predominantly overburden-covered area.

Over 4.56 line miles of E.M. coverage and 2.65 line miles of magnetometer coverage was executed which includes baseline readings and five east-west E.M. traverses over the southerly half of the grid. Only the E.M. data along the north-south lines were filtered and contoured.

Soil samples were collected at 200-foot intervals on the grid from the "B" soil horizon. The samples were analyzed for lead and zinc by Chemex Labs Ltd.

GRID INSTALLATION

Prior to the execution of the surveys, a grid was established by the geophysical operator using a Silva Ranger compass, "topofil" chain, and marked flagging. Lines were placed 200 feet apart and stations were marked at 50-foot intervals. A baseline was also established through the centre of the crosslines along the claim line which is on a bearing of 340°.

THE GROUND ELECTROMAGNETIC SURVEY

Method Used

The survey was executed using the VLF Electromagnetic method which incorporates an electromagnetic receiver whereby observations are made at regular intervals along survey lines at right angles to the direction of a signal from a fixed ground naval transmitting station.

The degree of distortion of this primary field is an indication of the conductivity of the ground traversed.

Under optimum conditions, the strike of the conductor is parallel to the transmitter direction and the survey lines are at right angles to this direction.

Field Procedure

Readings are obtained with the Ronka EM-16 unit in the following manner:

1. The station direction is determined by obtaining the minimum signal strength (audio null) in the horizontal plane and,
2. The instrument is then swung upright so that the reference coil (lower end of the handle) is aligned with the primary magnetic field.
3. The instrument is then tilted back and forth and the quadrature dial turned to obtain an audio null.
4. The in-phase tilt angle value is read from an inclinometer on the side of the instrument and the quadrature from the quadrature dial.

Readings were taken at 50-foot intervals on all survey lines. Field notes show transit direction, direction in which the operator faced while taking a reading, in-phase and quadrature values, line and station number, and notes on topography and presence of streams and swamps.

Data Reduction

The in-phase values were filtered using a procedure outlined by Fraser (Contouring of VLF EM data, Geophysics, Vol. 34, No. 6). This procedure has the effect of attenuating topographical effects and phase shifting the results so that real cross overs become contourable values. Negative values are shown contoured and positive values are ignored.

For the Ronka EM-16, the application is as follows:

Readings are taken at 50-foot intervals, and if four successive values are A, B, C, and D (in order of transit direction), the filtered value is given by $(A + B) - (C + D)$ and is plotted midway between B and C.

Discussion of Results and Interpretation

The filtered in-phase values and interpreted conductor axes are shown on the contour map.

The filtered in-phase responses are categorized as follows:

<u>Filtered In-Phase Response</u>	<u>Category</u>
less than -10	background
-10 to -20.	weakly anomalous
-20 to -30	moderately anomalous
greater than -30	strongly anomalous

The contour map indicates one long conductive zone along the east bank of the Bonnet Plume River. Two strongly anomalous features occur within this zone where it crosses Line 8S and Line 24S. The latter is

coincident with the showing consisting of leached pyrite, galena and sphalerite in an east-west trending shear zone within a limestone host rock which strikes northwesterly, parallel to the conductive axis and dips 35° to the northeast.

It is not discernible from the geophysical data whether this conductive zone represents the limestone bed as a whole or whether it reflects a mineralized zone within the bed. As mentioned below in the discussion of the magnetometer survey, the volcanics-limestone contact is interpreted along the eastern edge of the grid and possibly through the northwestern quadrant in the vicinity of the other strong E.M. high within this same conductive zone.

Two weakly anomalous smaller conductive zones are delineated just east of the main zone. These two features could be continuous as shown by the dashed conductor axis between the two zones.

Four other conductors are partially delineated on other portions of the grid.

THE GROUND MAGNETOMETER SURVEY

Comment

A total of 2.65 line miles (including the baseline) was magnetically surveyed on lines spaced 200 feet apart using a station interval of 100 feet.

Method

The instrument used was a vertical force fluxgate magnetometer which is hand held and levelled using a bubble-level on the face of the instrument.

The magnetometer was held by the aid of a harness to maintain constant height above ground and constant distance from the operator. Readings were taken facing one direction using the most sensitive scale possible after zeroing of the meter. All gamma readings are therefore relative and not tied into the absolute vertical component of the earth's field.

Loop times of less than one hour were encountered, resulting in good control of the diurnal corrections. A nearby base-station was read at the beginning and end of each day for the day-to-day correlation and to monitor any possible magnetic storms. Additional control was obtained from the baseline readings. No magnetic storms were encountered, and diurnal variations did not exceed 20 gammas.

Instrumentation

A Sharp MF-1 Model Fluxgate magnetometer was used. This unit measures the vertical force variations of the earth's magnetic field, displayed in gammas, on a meter having five ranges for a total of $\pm 100,000$ gammas.

The MF-1 is very light, is fully portable, has excellent temperature stability, has negligible orientation error and is of rugged construction.

Data Reduction

The readings and time of readings were recorded in a metal-free field book, and transferred to a planimetric map for contouring after the necessary diurnal and day-to-day corrections were made.

The scale of the values-contour map is 1 inch = 200 feet. A 20-gamma contour interval has been used. Areas of high relative magnetic susceptibility (i.e. above 420 gammas) are hachured, and lows less than 380 gammas are "ticked".

Discussion of Results

The values-contour map indicates a small range of relative magnetic susceptibility from 335 gammas at Line 24S, Station 9W to 460 gammas at Line 4S, Station 2E for a total magnetic relief of only 125 gammas.

The extremely low magnetic relief and a lack of outcropping rock units makes interpretation very difficult.

It is postulated that areas above 400 gammas could represent volcanic rocks, while areas below this level are thought to be underlain by sediments, predominantly limestones. A shear or fault is interpreted from the magnetic contour flexures striking easterly from the northwest edge of the main showing area. There is insufficient coverage to the southeast to determine the width of the reported shear-zone.

The main E.M. conductive zone is primarily coincident with the lower magnetic values, but the conductor does cross into magnetically higher areas to the northwest.

Another fault could be present striking easterly through the E.M. anomaly near the northwest end of the main conductive zone as presently known.

Generally, the magnetic survey has been of little assistance in mapping the volcanic-limestone contact or structures.

The magnetic data might be more meaningful upon completion of the initial proposed drill program.

GEOCHEMICAL SURVEY

Lead

The background value for lead in the soils is 20 to 80 ppm., threshold anomalous is plus 100 ppm., and anomalous is plus 120 ppm.

The contoured values outline three elliptical shaped, northerly trending anomalous zones with values ranging as high as 2,480 ppm. lead.

Zinc

The background values for zinc are extremely high in the range of 200 to 400 ppm. zinc, threshold anomalous is 400 to 600 ppm., and anomalous values range from 600 ppm. to a high of plus 4,000 ppm. zinc.

The contoured values outline a number of northerly trending anomalous zones that are coincident with the lead anomalous zones.

PROPOSED INITIAL DRILLING PROGRAM

<u>Hole Number</u>	<u>Length of Hole</u>	<u>Angle</u>	<u>Bearing</u>	<u>Grid Co-ords.</u>
DDH #1	500'	-45°	220°	21+00S; 7+50W
DDH #2	500'	-45°	270°	8+00S; 5+00W
DDH #3	500'	-60°	270°	10+00S; 4+00W
DDH #4	500'	-45°	220°	18+00S; 4+00W

Respectfully submitted,



P. P. Nielsen, Geophysicist



G. C. Gutrath, P.Eng., Geologist

STATEMENT OF AUTHOR'S QUALIFICATIONS

I DO HEREBY STATE THAT:

1. I am the author of this report.
2. I have been actively and responsibly involved in mining exploration using airborne, ground and computer applied geophysics in Western Canada and the United States for the past nine years.
3. I graduated with a B.Sc., degree in Geophysics from the University of British Columbia in 1969.
4. I am presently Manager, Geophysical Division, Atled Exploration Management Ltd., at #420 - 475 Howe Street, Vancouver, B. C.
5. I am a member of the Society of Exploration Geophysicists, the Canadian Institute of Mining and Metallurgy and the B. C. Geophysical Society.

Signed

P. P. Nielsen

P. P. Nielsen

Date

Aug 17/73

ENGINEER'S CERTIFICATE

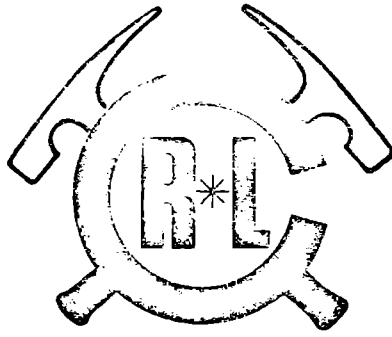
I, GORDON C. GUTRATH, of 3636 Lakedale Avenue, in the Municipality of Burnaby, in the Province of British Columbia, DO HEREBY CERTIFY:-

1. That I am a consulting geologist with a business address of #420-475 Howe Street, Vancouver 1, B. C.
2. That I am a graduate of the University of British Columbia where I obtained my B.Sc. in geological science in 1960.
3. That I am a Registered Professional Engineer in the Geological Section of the Association of Professional Engineers in the Province of British Columbia.
4. That I have practised my profession as a geologist for the past twelve years, and
5. That I have no interest in the property with which this report is concerned, nor do I expect to receive any such interest. I have no interest in the securities of Cypress Resources Ltd. (N.P.L.).



Gordon C. Gutrath, B.Sc., P.Eng.

DATED at the City of Vancouver, Province of British Columbia, this 10th day of August, 1973.



CYPRESS RESOURCES LIMITED

705 – 900 West Hastings Street
Vancouver, B.C. V6C 1B2
Telephone: (604) 688-7775

SHAREHOLDERS REPORT

To the Shareholders:

MARCH, 1974

During the summer of 1973, a substantial discovery was made at the headwaters of the Bonnet Plume River, 120 miles northeast of Mayo, Yukon Territory, causing widespread excitement and claim staking in the area. Your directors are pleased to report that your company was fortunate to be one of the first to stake claims in this area and presently holds 120 claims. Although most of the staking occurred in the Fall of 1973 and the beginning of this year Cypress acquired their claims in July, 1973. Since this time exploration developments in this area has created a tremendous amount of activity resulting in the staking of over 4000 claims covering an area 5 miles wide by 40 miles long.

THE BONNET PLUME DISCOVERY

The first discovery of mineralization in the area was made by Barrier Reef Resources Ltd. during the summer of 1973. The discovery covers three areas – the "Goz Creek" which comprises a claim block 7 miles long and 2 miles wide, the "Harrison Creek" which is located approximately 10 miles west of the Goz Creek group and the "Corn Creek" comprising 56 claims in the same area as the Harrison Creek Group.

The occurrence of widespread lead-zinc mineralization in carbonate rocks is significant and although exploration is still at a very early stage indications are that the nature of the deposit is very similar to the Pine Point orebody. In the main discovery zone on the Goz Creek claim block around a million tons grading 25% zinc is indicated representing a potential gross value of over \$100 million at current metal prices.

During the summer of this year, a major exploration program with a budget of \$375,000 is planned. Both Conwest Explorations and British Newfoundland Exploration Limited have provided the bulk of these funds by each purchasing 150,000 shares at \$1.10 each by way of private placement.

THE CYPRESS RESOURCES LIMITED PROPERTY

The Cypress claim block is immediately to the west of the Barrier Reef Resources Ltd. and the Conwest Explorations properties. Initial prospecting and geological mapping conducted under the supervision of Mr. Gordon C. Gutrath, P. Eng., outlined a favorable zinc mineralization zone which has been traced for 22,000 feet along strike and confined to the upper 400 feet of a dolomite unit. This zone extends eastward cutting through the mountain and is found on the north slope. This eastern extension of the ore zone is considered a very attractive exploration target as the mineralized zone dips conformly with the slope of the hill to make it amenable for open-pit mining. Although no work was done on this area of the property because the discovery was made late in the season a specimen sample taken from this area assayed 38% zinc.

SURFACE SAMPLING

A chip sampling program was carried out over some parts of the mineralized zone which yielded assays varying from a trace of zinc to a high of 59.3% zinc. In total over 4140 feet of sampling was involved resulting in some of the following assays:

- | | |
|--------------------------------|-------------------------------|
| - 30 feet averaging 6.7% zinc | - 60 feet averaging 3.2% zinc |
| - 20 feet averaging 11.1% zinc | - 60 feet averaging 5.2% zinc |
| - 100 feet averaging 2.8% zinc | |

DIAMOND DRILLING

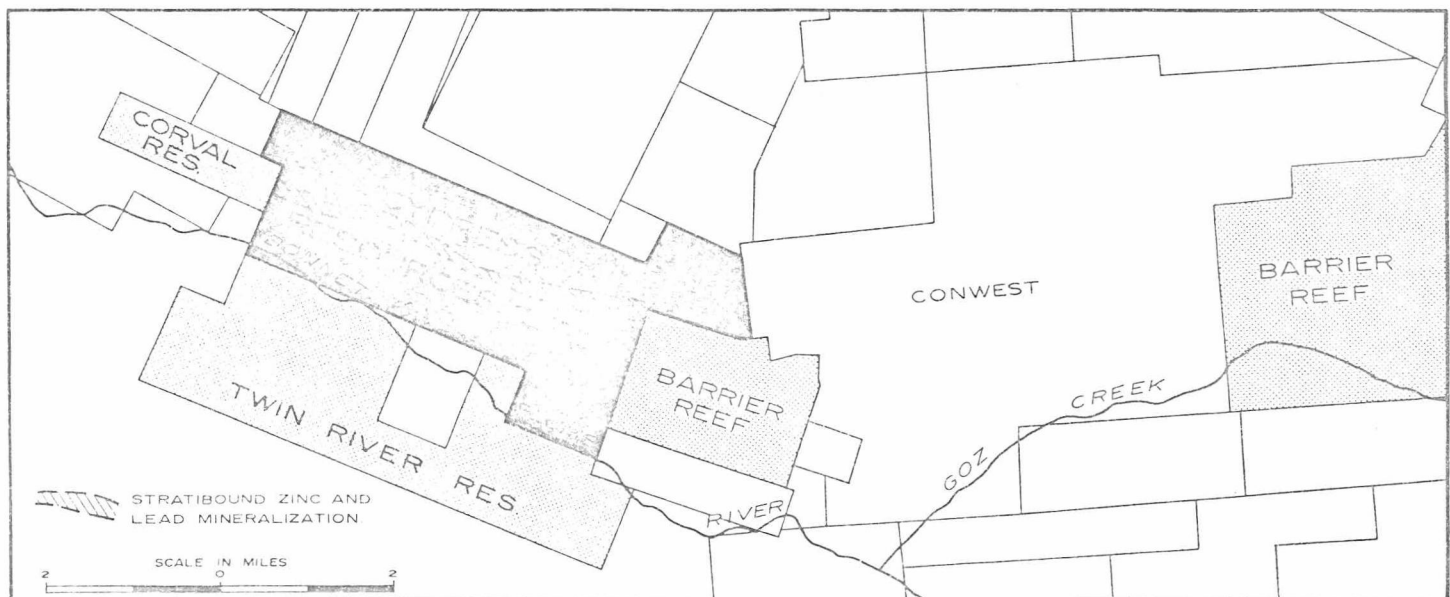
Due to preliminary development work including mapping, prospecting and chip sampling drilling activities were limited although 431 ft. of drilling was completed. The first hole was terminated at 200 ft. due to water problems although it was felt that had this hole continued the mineralized zone would have been encountered at depth. The second hole was collared in mineralization and encountered one 28 ft. intersection averaging 8.3% zinc. Further drilling was not possible as weather conditions caused the closing down of drilling operations on October 7th when temperatures reached 0° Fahrenheit.

FINANCING

Your company has recently completed a financing through the facilities of the Vancouver Stock Exchange of 100,000 shares at \$1.20 per share placing an additional \$120,000 in the company's treasury. If subsequent options are exercised at \$1.45 and \$1.75 a further \$320,000 will accrue to the company treasury. These funds will be sufficient to complete the exploration program recommended by Mr. Gordon C. Gutrath, P. Eng., expected to cost approximately \$190,000. This program will include a minimum of 5000 ft. of drilling.

SUMMARY

Cypress Resources Limited is fortunate to be strategically located in what is developing into the "hottest" area in Western Canada since the Afton Mine discovery. The company has been approached by several major mining companies with offers of financing and it is expected that further details involving these offers can be expected imminently. The company will commence 'start-up' operations by mid-March and drilling is expected to begin by May at which time further news will be forwarded to shareholders.



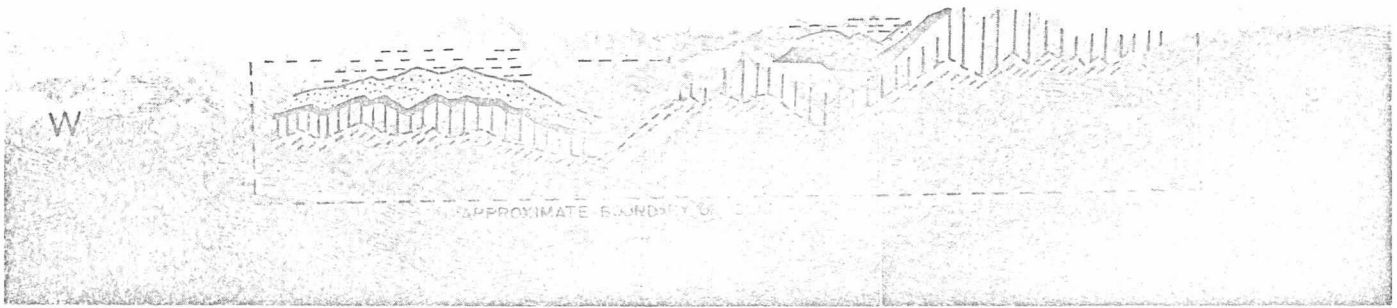


PHOTO. No. 1: LOOKING NORTHEAST ACROSS THE BONNET PLUME RIVER AT THE CYPRESS CLAIM GROUP

LEGEND






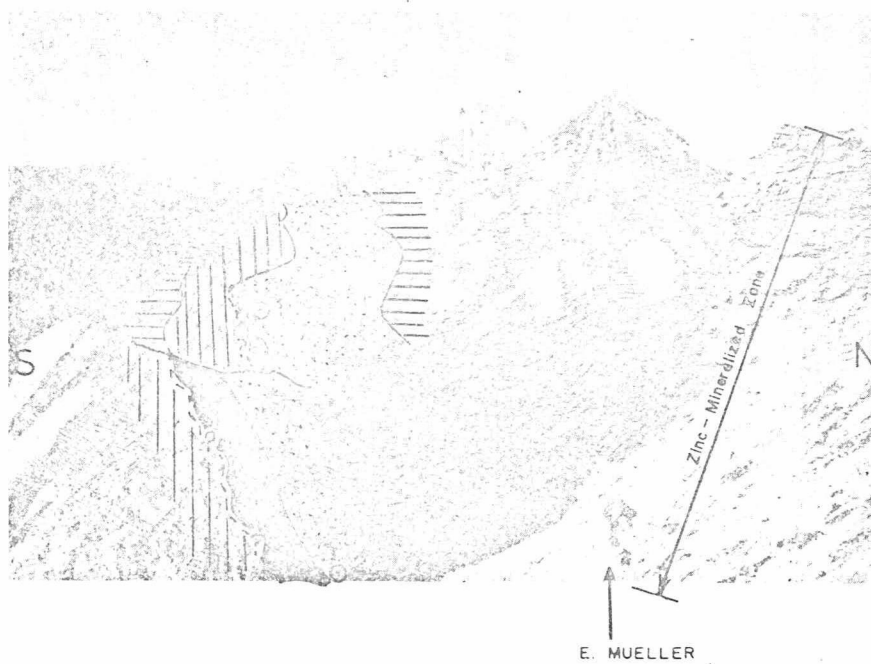
-  Dolomite
-  Shales
-  Dolomite, siliceous, brecciated, irregular reef formation; zinc-lead occurrences
-  Dolomite
-  Shales

PHOTO No. 2: LOOKING WEST



○ Drill Site

CORPORATE DATA

HEAD OFFICE:	705 – 900 West Hastings Street Vancouver, B.C. V6C 1B2 Telephone: (604) 688-7775
DIRECTORS:	EBERHARD MUELLER President & Director FRANK ERL Vice President & Director FERDINAND MAREHARD Director OSWALD ROTTMANN Director
SOLICITORS:	Cummings, Richards & Co. 6th Floor 900 West Hastings Street Vancouver, B.C. V6C 1B2 Telephone: (604) 682-3664
REGISTERED OFFICE:	6th Floor 900 W. Hastings Street Vancouver, B.C. V6C 1B2
REGISTER & TRANSFER AGENTS:	National Trust Company 510 Burrard Street Vancouver, B.C. V6C 2J7
AUDITORS:	MacGillivray & Company 1055 West Georgia Street Vancouver, B.C. V6C 3T3
SHARES LISTED:	Full Listed Vancouver Stock Exchange
CAPITALIZATION:	Authorized: 3,000,000 Shares Issued: 1,812,000 Shares
BANK:	Bank of British Columbia 937 West Georgia Street Vancouver, B.C. V6C 1S3
CONSULTANTS:	Atled Exploration Management Ltd. 420 475 Howe Street Vancouver, B.C. V6C 2B3

NOTICE OF GENERAL MEETING

NOTICE IS HEREBY GIVEN that a General Meeting of the members of CYPRESS RESOURCES LIMITED (N.P.L.) will be held at the York Room, Devonshire Hotel, 849 West Georgia Street, in the City of Vancouver, in the Province of British Columbia, on Tuesday, the 19th day of March, 1974, at the hour of 11:00 o'clock in the forenoon, for the following purposes:

- A. To consider and, if approved, to pass the following Special Resolutions:

RESOLVED AS SPECIAL RESOLUTIONS THAT:

- (1) the Company convert from a specially limited company into a limited company having a Memorandum according to Form 1 of the Second Schedule of the Companies Act and for such purpose the Memorandum and Articles be and the same are hereby altered so that the conditions and provisions thereof comply with the requirements of the Companies Act for a limited company; and the name of the Company be altered by the deletion therefrom of the words, "(Non-Personal Liability)";
- (2) the Memorandum and Articles be altered by deleting therefrom the words wherever they occur, "(Non-Personal Liability)";
- (3) all restrictions on the businesses which the Company is permitted to carry on be cancelled, and that the third paragraph of the Memorandum of the Company (as deemed to be altered by Section 25 of the Companies Act, S.B.C. 1973, ch. 18) be deleted;
- (4) there be no restrictions on the powers which the Company is permitted to exercise;
- (5) the number of shares without par value which the Company is authorized to issue be increased from 3,000,000 to 5,000,000;
- (6) the sixth paragraph of the Memorandum, stating the maximum selling price or consideration at or for which the shares without par value in the capital of the Company may be sold, be deleted;

- (7) the Memorandum of the Company be altered so that it shall be in the following form:

CYPRESS RESOURCES LIMITED

MEMORANDUM

1. The name of the Company is 'Cypress Resources Limited.'
 2. The authorized capital of the Company consists of five million (5,000,000) shares without par value."
- (8) the existing Articles of the Company be cancelled and the form of Articles presented to the Meeting be adopted as the Articles of the Company in substitution for, and to the exclusion of, the existing Articles of the Company.
- B. To transact such other business as may properly come before the Meeting.

Accompanying this Notice of Meeting is an Information Circular and form of Proxy.

TAKE NOTICE that pursuant to the Companies Act, any member may until the 26th day of March, 1974, give the Company a notice of dissent by registered mail addressed to the Company at its registered office, 7th Floor, 900 West Hastings Street, Vancouver, British Columbia, with respect to Resolutions numbers 1 and 3 set forth above.

DATED at Vancouver, British Columbia, this 25th day of February, 1974.

BY ORDER OF THE BOARD

Eberhard Mueller
President.

CYPRESS RESOURCES LIMITED (N.P.L.)

INFORMATION CIRCULAR

SOLICITATION OF PROXIES

This Information Circular relates to the Notice of the General Meeting of Shareholders of CYPRESS RESOURCES LIMITED (N.P.L.) called for March 19, 1974, and is furnished in connection with a solicitation of proxies made on behalf of the management of the Company for use at that Meeting. The cost of solicitation by management will be borne by the Company.

APPOINTMENT AND REVOCATION OF PROXIES

Any person may act as proxy, whether or not he is entitled on his own behalf to be present and vote at the Meeting. The persons named in the attached form of proxy are Directors of the Company. A shareholder has the right to appoint a person to represent him at the meeting other than the persons designated in the accompanying form of proxy, and such right may be exercised by striking out the names mentioned in the form and adding the name of the desired representative in the blank space immediately following those names.

Instruments of proxy, to be valid, must be deposited at the National Trust Company, Limited, 510 Burrard Street, Vancouver, British Columbia, not less than 24 hours before the time fixed for the holding of the Meeting. If a shareholder is a corporation, the instrument of proxy shall be executed under the common seal of the corporation, or the hand of an officer or attorney duly authorized in writing by the corporation, in which case the authority or a notarial copy thereof shall be deposited with the instrument of proxy.

A shareholder giving a proxy has power to revoke the proxy at any time before it is exercised.

EXERCISE OF DISCRETION BY PROXIES

The persons named in the enclosed form of proxy will vote the shares in respect of which they are appointed in accordance with the direction of the shareholders appointing them. In the absence of such direction, the shares will be voted as if the shareholder had specified an affirmative vote.

The enclosed form of proxy confers discretionary authority upon the persons named therein with respect to other matters which may properly come before the Meeting. Management is not aware of any matters to be brought before the Meeting other than those set forth in the Notice of Meeting. If other matters are properly brought before the Meeting, it is the intention of the persons named in the enclosed form of proxy to vote the shares on such matters in accordance with their best judgment.

VOTING SHARES

Shareholders of record 24 hours prior to the time of the Meeting are entitled to vote on all matters at the Meeting. Each shareholder present in person or represented by proxy is entitled to one vote. On a poll, each shareholder is entitled to one vote for each share held by him. The right to vote is limited to shareholders of record 24 hours prior to the Meeting.

On February 22, 1974, there were outstanding 1,712,349 shares of the Company. As of February 22, 1974, no shareholder owns of record or is known by the Company to own beneficially more than 10% of the issued and outstanding shares of the Company.

INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON

No Director or Officer, past or present, or any associate of such persons, has any interest, direct or indirect, in any matter to be acted upon at the Meeting, except to the extent that such persons may be indirectly involved in the normal business of the Meeting or the general affairs of the Company.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

By an Agreement dated the 19th day of February, 1974, Canarim Investment Corporation Ltd. of 424 Burrard Street, Vancouver, British Columbia, (the "Underwriter") has agreed to underwrite 100,000 shares of the Company at \$1.20 to net the Company \$120,000.00, such shares being offered for primary distribution to the public in British Columbia. In consideration therefor the Company is granting to the Underwriter options as follows:

- (a) 100,000 shares at \$1.45 per share exercisable within 90 days of the approval of the Statement of Material Facts by the Vancouver Stock Exchange;
- (b) 100,000 shares at \$1.75 per share exercisable within 180 days of the approval of the Statement of Material Facts by the Vancouver Stock Exchange.

By an Agreement dated the 15th day of February, 1974, the Company granted to the President of the Company, Eberhard Mueller, of 13649 - 28th Avenue, Surrey, British Columbia, an option to purchase 85,600 shares, which said option is exercisable as to one-half of the said shares up to February 15, 1975, and the remaining one-half during the period February 16, 1975, to February 15, 1976. The option price for the first one-half is \$1.20 and the option price for the second one-half is \$1.45. In the event that Eberhard Mueller ceases to be an employee or officer or director of the Company prior to exercising either of the options, then the options shall forthwith be terminated.

PARTICULARS OF MATTERS TO BE ACTED UPON

At the Meeting Shareholders will be asked to approve Special Resolutions (items 1, 2, 3, 4 and 7 as set forth in the Notice of Meeting) that the Company convert from a specially limited company into a limited company and alter its Memorandum accordingly in order to permit the Company to engage in a broader range of businesses.

The Shareholders will also be asked to approve Special Resolutions (items 5 and 6 as set forth in the Notice of Meeting) that the number of shares which the Company is authorized to issue be increased and that the maximum selling price of the Company's shares be deleted in order that the Company may offer additional shares at any price in the future.

In addition the Shareholders will be asked to approve a Special Resolution (item 8 as set forth in the Notice of Meeting) that a new set of Articles be adopted to conform with the requirements of a limited company and with the provisions of the Companies Act, 1973. Copies of the proposed new Articles of the Company are available for inspection before the Meeting at the Records Office of the Company, 6th Floor, 900 West Hastings Street, Vancouver, British Columbia, during normal business hours. Additional copies will be available for inspection at the Meeting.

RIGHTS OF DISSENTING SHAREHOLDERS

Under the provisions of the Companies Act, 1973, a shareholder of the Company may, with respect to Items 1 and 3 set forth in the Notice of Meeting (being the proposed Special Resolution to convert to a limited company and the proposed Special Resolution to delete the restrictions on the businesses which the Company is permitted to carry on) not more than seven (7) days after the passing of such Special Resolutions give notice of dissent to the Company with respect to all of his shares of the Company. If such a Notice of Dissent is given within the said period of time to the Company, the Board of Directors may decide not to act upon the authority of such Special Resolutions. If the Board of Directors proposes to act upon the authority of such Special Resolutions, the Company shall give notice to its dissenting shareholders of its intention to proceed with such Special Resolutions, and upon receipt of such notice from the Company the dissenting shareholder may exercise his right of dissent by delivering to the Company within fourteen (14) days after such notice of the Company was given a notice that he requires the Company to purchase all his shares of the Company and the certificates representing such shares. The dissenting shareholder is then obligated to sell and the Company is obligated to purchase such shares at the fair market value thereof as at the date prior to the passing of such Special Resolutions. Any such dissenting shareholder may apply to the Supreme Court of British Columbia to fix the price of such shares or to enforce the sale and purchase thereof. If the Board of Directors proposes to act upon only one of such Special Resolutions after receiving such Notice of Dissent, then the above procedure and provisions are applicable only with respect to that Special Resolution upon which the Board of Directors proposes to act.

CYPRFSS RESOURCES LIMITED (N.P.L.)
Eberhard Mueller
President.

Vancouver, B. C.
February 22, 1974.

CYPRESS RESOURCES LIMITED (N.P.L.)

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

P R O X Y

PROXY SOLICITED BY MANAGEMENT FOR THE GENERAL MEETING TO BE
HELD ON MARCH 19, 1974.

I, _____, of the City of _____
in the Province of British Columbia, being a member of
CYPRESS RESOURCES LIMITED (N.P.L.), hereby appoint Eberhard
Mueller, or failing him, Frank X. Erl, or failing him,
Oswald J. Rottmann, or failing him, _____,
as my proxy to attend the General Meeting of the Company to
be held on the 19th day of March, 1974, and at any adjourn-
ment or adjournments thereof, and to vote for me and on my
behalf:

1. FOR _____ or AGAINST _____ a special resolution to
convert the Company from a specially limited com-
pany into a limited company;
2. FOR _____ or AGAINST _____ a special resolution to
delete the words "(Non-Personal Liability)" from
the name of the Company;
3. FOR _____ or AGAINST _____ a special resolution to
delete all restrictions on the businesses which
the Company is permitted to carry on;
4. FOR _____ or AGAINST _____ a special resolution that
there be no restrictions on the powers which the
Company is permitted to exercise;
- (5) FOR _____ or AGAINST _____ a special resolution to
increase the number of shares without par value
which the Company is authorized to issue to
5,000,000;
- (6) FOR _____ or AGAINST _____ a special resolution to
delete the maximum selling price of the shares
without par value in the capital of the Company;
- (7) FOR _____ or AGAINST _____ a special resolution
approving the new form of Memorandum of the Com-
pany, as set out in the Notice of Meeting;
- (8) FOR _____ or AGAINST _____ a special resolution
adopting a new set of Articles for the Company;
- (9) In his discretion, on any other business which
may properly come before the Meeting.

(Strike out any of the foregoing matters on which authority
to vote is to be withheld.)

The shares represented by this proxy will be voted as specified, but if no specification is made, will be voted "For" any of the foregoing proposals for which the undersigned has not specified a choice.

This proxy must be signed by the member or his attorney duly authorized in writing, or, if the member is a corporation, either under the common seal or under the hand of an officer or attorney so authorized. Any person may act as proxy whether or not he is entitled on his own behalf to be present and vote at the Meeting at which he acts as proxy.

To be valid, this proxy must be deposited at the National Trust Company, Limited, 510 Burrard Street, Vancouver, British Columbia, not less than 24 hours before the time fixed for the holding of the Meeting.

Reference is specifically made to the accompanying Information Circular for further information and instructions.

DATED at _____ this _____ day
of _____ 1974.

Signature of Member

FCSB

JAMES MCLACHLEN
P O BOX 189
FARG YUKCN NT

Chip sampling and drill core assays indicate that only the breccia zones contain ore grade mineralization. Thirteen lines were run over a strike length of 10,000 feet. Good intersections were found on five of the lines.

Line 1	30 ft. x	Avg.	6.7% Zn =	201
Line 2	20 ft. x	Avg.	11.1% Zn =	222
Line 3	100 ft. x	Avg.	2.8% Zn =	280
Line 4	60 ft. x	Avg.	3.2% Zn =	192
Line 13	60 ft. x	Avg.	5.3% Zn =	318
	<u>270</u>			<u>1213</u> ÷ 270 = 4.49%

Some suggestion of leaching of sulfides is suggested.

Cypress Resources Ltd. is looking for joint venture partners and outside financing to continue exploration on this property.

Recommendation:

The following recommendation is based on discussion with Cypress Exploration personnel who had visited the property, Cypress Resources reports, and property evaluations in the area by the writer.

The Bonnet Plume River prospect is probably one of the best zinc prospects presently held by a junior exploration company in the Northwest which is available for exploration participation.

Because of the poorly known extent and amount of sphalerite mineralization any proposal on this property should be of the type in which Anvil can earn larger shares of interest based on a dollar expenditure. Two approaches to do this are:

1. Purchase of Cypress Resources Ltd. treasury shares at some fixed cost to provide exploration funds. This agreement would then stipulate in what manner these funds can be used.

If additional funds are required, arrangements can be made to purchase additional treasury shares. At some predetermined time, Anvil or a subsidiary would be formed to bring the property into production.

Furthermore, on any commitments and options on the property, Anvil will have a right of first refusal, with predetermined interests by the various parties.

2. A lease-option could be worked.

At this time eight other companies have made, are in the process of making, or have contemplated negotiations for this property. Anvil should submit a letter of intent or other document to Cypress Resources Ltd. outlining its interest and plan for this property.

U. Jansons, Chief Exploration Geologist

PROPERTY NEGOTIATIONS w/ CYPRESS RESOURCES TO
BE CARRIED OUT BY R E G DAVIS FOR ANNUAL
THIS IS BY AGREEMENT REACHED BETWEEN R.E.
THURMOND AND R.E.G. DAVIS ON N ~~21~~²¹ DEC 1973



November 14, 1973

Mr. E. Mueller, President
Cypress Resources Ltd.
101-325 Howe Street
Vancouver, British Columbia

Dear Mr. Mueller:

Anvil Mining Corporation has increased its scope of mineral exploration starting in 1973. Previously, all our efforts were confined to work on the claims staked following the initial discovery of the Faro ore bodies, but now we are able to carry out exploration programs in the whole of the Yukon and Northwest Territories. While Anvil Mining Corporation is jointly held by Cyprus Mining Corp. (60%) and Dynasty Exploration Ltd. (40%), our exploration programs are being carried out independently and in competition with each other.

Anvil's goals in minerals exploration are to increase its lead and zinc reserves and production here in the North, to increase its share of the lead and zinc market, and to make use of its Northern operating experience and established lead and zinc markets.

We here at the Exploration Department are examining properties of merit which could be optioned or joint ventured. We are aware of some of your activities in the Mayo area of the Yukon in lead-zinc exploration, but not with the details of the exploration results. If these properties are available for negotiation and you are interested in dealing with Anvil, please call us here at Faro and we can pursue this matter further.

Sincerely,

U. Jansons
Chief Exploration Geologist

UJ/mm

cc. R. L. Haffner

COMMENTS RE 1981 LIAISON AGREEMENT ON - J. VENTURE WITH
CEGL.

1. ANY EXTENSIONS WILL HAVE TO BE BUDGETED SEPARATELY
SUCH AS THE OPEN ANOMALIES TO THE NORTHWEST. ANY
COMMITMENT THERE TO EXTEND THE GEOCHEM WEST WILL
HAVE TO GET FUNDS FROM SOMEWHERE. -
2. THE LETTER OF INTENT MAKES NO COMMENT
UNDER AGREEMENT AS TO WHAT WILL BE DONE
IF A MINERAL DEPOSIT IS FOUND AND THERE
IS A DESIRE TO BRING IT TO THE DEVELOPMENT
OR PRODUCTION STAGE.

December 28, 1973

Mr. A. Floyd, Geologist
Cypress Resources Limited
101 - 325 Howe Street
Vancouver, B.C.

Dear Mr. Floyd:

This letter is to advise you that we are interested in working out a possible agreement on your Bonnet Plume zinc prospect.

We have been informed that the negotiation from our side will be by personnel from Dynasty Exploration Limited. They should be in contact with you in the near future, if they have not been already.

Sincerely,

Uldis Jansons
Chief Exploration Geologist

/peg