

**ARCHER, CATHRO**  
AND ASSOCIATES LTD.  
CONSULTING GEOLOGICAL ENGINEERS

Pelly Signal File  
106 C-10  
012736

WHITEHORSE, Y.T. 667-4415

685, TWO BENTALL CENTRE, VANCOUVER, B.C. 688-2568

POST OFFICE BOX 4127  
WHITEHORSE, Y.T.

June 27, 1974

Anvil Mining Corporation Ltd.  
Box 1000  
Faro, Y.T.

Attention: Glen Simpson

Dear Glen,

This letter will confirm our telephone conversation today in which we have agreed that we will conduct preliminary prospecting and geochemical and rock sampling of 240 AL claims on behalf of Anvil. The property is situated in NTS claim sheet 106C/10, about ten miles north of Goz Lake. The work will be performed by a two-man crew, of whom at least one will have previous experience prospecting for lead-zinc in carbonate rocks in the Mackenzie-Ogilvie Mountains. We expect to perform the work between July 6 and 20. The program will cost between \$7,000 and \$10,000 and we will file the results for assessment credit.

Yours truly,

ARCHER, CATHRO & ASSOCIATES LTD.

  
R.J. Cathro

RJC:st

June 27, 1974

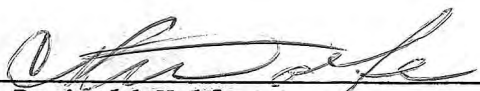
Pelly River Syndicate  
Owners of the AL Mineral Claims

This will serve as a preliminary agreement between Pelly River Syndicate, hereafter called the vendors and Anvil Mining Corporation Limited, hereafter called Anvil, until a more formal agreement can be drawn up.

- 1) Anvil herewith makes a down payment of \$6,000 to the vendors which will allow Anvil or its designated agent sole right to explore the 240 AL claims which to the best of the vendors knowledge were staked and filed in accordance with the existing regulations and are situated in the northeast quarter of Sheet 106-C-10 centered at latitude  $64^{\circ} 40'$  North and longitude  $132^{\circ} 32'$  West for a period of 31 days commencing 1st. July, 1974.
- 2) Anvil will undertake to carry out preliminary exploration on the said AL claims to an expenditure not less than \$8,000 during the period 1st. July to 31 July, 1974, and to file as much of this work as may be accepted by the Mining Recorder for assessment purposes.
- 3) On or before 1st. August, 1974 Anvil or its agent will inform the vendors of its intention to take up an option to acquire 90% ownership of the claim group on the following terms:
  - (a) A further payment of \$10,000 to be made not later than 15th. August, 1974  
  
An additional payment of \$15,000 on or before 1st. March, 1975  
  
An additional payment of \$20,000 on or before 1st. March, 1976  
  
An additional payment of \$100,000 on or before 1st. March, 1977
  - (b) In addition, Anvil will complete work commitments of \$400,000 to 31 December, 1977 and retain those AL claims deemed to be of sufficient interest and value to warrant further work throughout the period of the option agreement by completion and filing of the annual assessment work.
  - (c) Anvil may either purchase the remaining 10% interest in the AL claims at any time for a total sum of \$1,000,000, or said interest is fully carried for the vendors by the company.

- 4) By signing of this document the vendors agree that by abiding to the conditions outlined, Anvil have sole right of first refusal on the interests held by them in the AL claims and that at any time after payment of a total of \$16,000 to the vendors by Anvil the ownership of the subject claims will be transferred to Anvil on request.
- 5) If Anvil do not take up the option on 1st. August, 1974, or having taken up the option terminate it at a later date, all data collected will be written up and filed for assessment and copies of such data provided to the vendors or their designated agents.
- 6) The vendors agree that any of the claims not covered by assessment work in 1974 (item 2 above) may be excluded from the terms of the agreement after 31st. July, 1974, but that any claims so excluded or new claims staked by either party within a radius of one mile of the existing claim boundary during the term of the agreement will become subject to that agreement if requested by Anvil.
- 7) Anvil may terminate the agreement at any time after 31st. July, 1974, provided that assessment commitments for the year have been fulfilled by written notice to the vendors, or will be deemed to have terminated the agreement by failure to meet any of the designated payments within thirty days of the dates indicated. All claims will be transferred to the vendors at the time of termination.

Signed at Faro by:

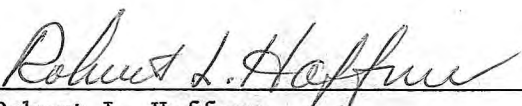
  
C. Reginald Wolfe

6/28/74  
Date


  
Peter J. Goodman

6/28/74  
Date

For Pelly River Syndicate, and

  
Robert L. Haffner

6-28-74  
Date

  
Robert L. Cook

6/28/74  
Date

For Anvil Mining Corporation Limited

PELLY RIVER SYNDICATE

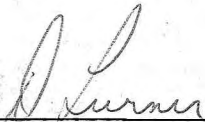
The Officers of Pelly River Syndicate hereby grant Power of Attorney to R. Wolfe and P. Goodman to act for and on behalf of Pelly River Syndicate in all matters of business pertaining to the Syndicate.

Signed this 26th. day of June, 1974 in the City of Faro, Yukon Territory

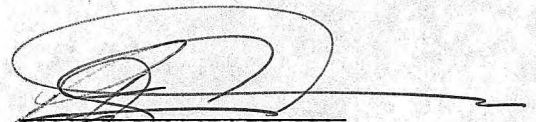
On behalf of Pelly River Syndicate:



R. Wolfe  
President



D. Turner  
Vice-President



P. Goodman  
Treasurer