

REGISTERED

February 3, 1981

Mr. H. Fromme  
President  
Yukon Revenue Mines Ltd.  
c/o 117 Industrial Road  
Whitehorse, Yukon  
Y1A 2T8

Dear Mr. Fromme:

Re: Coal Exploration Licence #101

Cyprus Anvil Mining Corporation has made sufficient exploration expenditures on Coal Exploration Licence #101 to satisfy the requirements of Clause 2 of our letter agreement of June 20 1979.

Under Clause 5 of the same agreement, notice is hereby given by Cyprus Anvil that the agreement will terminate on March 17, 1981, with all obligations of Cyprus Anvil under the agreement terminating as of that date.

The refund of YEAR 1 and YEAR 2 work deposits (\$2,134.35 and \$4,268.70) will be made directly to Yukon Revenue Mines Ltd. by the Department of Indian and Northern Affairs.

Yours truly,

CYPRUS ANVIL MINING CORPORATION

T. J. Adamson  
Senior Geologist, Coal Projects

TJA/ck

September 29, 1980

Mr. H. Fromme  
President  
Yukon Revenue Mines Ltd.  
c/o 117 Industrial Road  
Whitehorse, Yukon  
Y1A 2T8

Dear Mr. Fromme:

Enclosed are two copies of a "Report on Diamond Drilling - Coal  
Exploration Licence No. 101".

As we discussed by telephone, I have no objection to you filing a  
portion of the excess expenditure (over and above the \$14,940.45 ex-  
penditure requirement on the coal licence) to satisfy the assessment  
work requirements on the KIN mineral claim group.

Yours truly,

CYPRUS ANVIL MINING CORPORATION

T. J. Adamson

TJA/ck  
Encl.

September 26, 1980

Mr. T. W. Dent  
Head, Mining Lands ~~Division~~ SECTION  
Mining Division  
Northern Non-Renewable Resources Branch  
Department of Indian and Northern Affairs  
Ottawa, Ontario K1A 0H4

Dear Sir:

Re: Coal Exploration Licence No. 101  
Yukon Revenue Mines Ltd.

Enclosed herewith, in triplicate, is a "Report on Diamond Drilling - Coal Exploration Licence No. 101", with an included Statement of Costs. Drilling expenditures totalled \$39,653.20. Of this total, an amount of \$14,940.45 is applied to satisfy the YEAR 1 through YEAR 3 required expenditures on this coal licence.

In accordance with Sec. 43 of the Territorial Coal Regulations, please return to Yukon Revenue Mines Ltd. the YEAR 1 and YEAR 2 deposits (\$2,134.35 and \$4,268.70) and return to Cyprus Anvil Mining Corporation the YEAR 3 deposit (\$8,537.40).

Yours truly,

CYPRUS ANVIL MINING CORPORATION

TJA/ck  
Enc.

T. J. Adamson

c.c. Mr. H. Fromme, President  
Yukon Revenue Mines Ltd.  
c/o 117 Industrial Road  
Whitehorse, Yukon Y1A 2T8

May 14, 1980

Mr. Frank Horvat  
General Manager  
Birtley Coal & Minerals Testing  
505 - 50th Avenue S.E.  
Calgary, Alberta  
T2H 1X9

Dear Frank,

Enclosed is a coal sample designated as IR-80-01. Please combine all three plastic bags into a single sample, crush, and extract a representative sample. Retain the remainder for future work, if required.

Analyses required: Proximate  
S  
cal/gm  
equilibrium moisture  
F.S.I.

Please report results on a.d.b., a.r.b., and d.b.

Best regards.

Yours truly,

CYPRUS ANVIL MINING CORPORATION

T. J. Adamson

TJA/ck

December 20, 1979

REGISTERED  
SPECIAL DELIVERY

Mr. H. Fromme  
President  
Yukon Revenue Mines Ltd.  
c/o 117 Industrial Road  
Whitehorse, Y.T. Y1A 2T8

Dear Mr. Fromme:

Re: Coal Exploration Licence No. 101

Please find enclosed our cheque in the amount of \$3,000.00, being the cash payment mentioned in Sec. 1 of our letter of intent dated June 20, 1979, which was accepted by Yukon Revenue Mines Ltd. on June 25, 1979. As agreed during your December 19, 1979 telephone discussion with Glen Simpson, we will continue to operate, for the present time, under this letter of intent rather than a final agreement.

We were unable to carry out a planned exploration program on Coal Licence No. 101 during the 1979 field season because of ground conditions and the unavailability of suitable equipment.

It is intended to carry out work on the licence during 1980. Prior to the licence anniversary date of March 17th, a request will be made to D.I.A.N.D. to allow us to carry forward and combine the required Year 2 expenditure on the licence with the Year 3 expenditure requirement. The deposit made to D.I.A.N.D. by Yukon Revenue to secure Year 2 expenditures will ultimately be refunded to Yukon Revenue.

Yours truly,

CYPRUS ANVIL MINING CORPORATION

T. J. Adamson

TJA/ck  
Encl.



Indian and  
Northern Affairs

Affaires indiennes  
et du Nord

F

NORTHERN AFFAIRS PROGRAM  
200 Range Road  
Whitehorse, Yukon Territory  
Y1A 3V1

21 November 1979

Cyprus Anvil Mining  
Corporation  
330 - 355 Burrard St.  
VANCOUVER, B. C.  
V6C 2G8

Your file    Votre référence

Our file    Notre référence

YA9C499

Attention: Mr. T. J. Adamson  
Coal Geologist

Dear Sir:

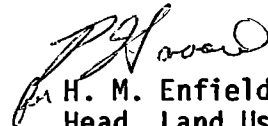
Re: Land Use Permit YA9C499  
Drilling Program - Indian River Area

We note that the work applied for has not been carried out. Land use fees less the permit application fee are, therefore, refundable.

We will be forwarding under separate cover a cheque in the amount of twenty (\$20.00) dollars to cover these fees.

Thank you for your co-operation.

Yours truly,

  
H. M. Enfield  
Head, Land Use

cc - Head, Field Services  
- R.M.O., Dawson City

KK/mea



NORTHERN AFFAIRS PROGRAM  
200 Range Road  
Whitehorse, Yukon  
Y1A 3V1

31 October 1979

Your file    *Voire référence*

Our file    *Notre référence*

YA9C499

Cyprus Anvil Mining  
Corporation  
330 - 355 Burrard St.  
VANCOUVER, B.C.  
V6C 2G8

Attention: Mr. T.J. Adamson  
Coal Geologist

Dear Sir:

Re: Land Use Permit YA9C499  
Drilling Program - Indian River Area

In reviewing our records we note the above captioned permit has never been finalized. As the applied work was never carried out, we are finalizing this permit.

Land Use Permit YA9C499 is hereby closed in our records and final clearance granted.

Thank you for your co-operation.

Yours truly,

*H.M. Enfield*

H.M. Enfield  
Head, Land Use

CC: R.M.O., Dawson  
Head, Field Services

September 6, 1979

Mr. H. M. Enfield  
Head, Land Use  
Northern Affairs Program  
Indian and Northern Affairs  
200 Range Road  
Whitehorse, Yukon  
Y1A 3V1

Dear Sir:

Re: Land Use Permit YA9C499  
Indian River Area

This project was not carried out during the term of the above-referenced permit. Very swampy ground conditions along the only access route made it impossible to mobilize a skid-mounted drill rig onto the property. A helicopter-supported program or a winter program will be attempted at some later date. At such time, a new application for a land use permit will be made.

Yours truly,

CYPRUS ANVIL MINING CORPORATION

T. J. Adamson

TJA/ck



NORTHERN AFFAIRS PROGRAM  
200 Range Road  
Whitehorse, Yukon  
Y1A 3V1

28 August 1979

Cyprus Anvil Mining Corp.  
330 - 355 Burrard Street  
VANCOUVER, B.C.  
V6C 2G8

Your file    Votre référence

YA9C499

Our file    Notre référence

Attention; T.J. Adamson  
Coal Geologist

Dear Sir:

RE: Land Use Permit YA9C499  
Drilling Program - Indian River area

The above captioned land use permit expired 23 July 1979.  
Please advise this office whether or not this program was  
carried out this summer.

If in fact the work was done we will require the following  
information:

1. The lands actually utilized during the land use operation  
and drawn to scale on the map or maps which will clearly  
define the area utilized. The normal procedure in pre-  
senting maps of different scales is to prepare one at  
1:250,000 and the other at a scale which clearly depicts  
the operation as it was conducted on the surface.

ALL MAPS MUST HAVE THE NORTH INDICATOR, SCALE, AND CO-  
ORDINATES CLEARLY MARKED.

2. A submission indicating the acreages utilized in each  
segment of the land use operation appropriate to your  
permit, i.e. campsites, drillsites, seismic lines, ac-  
cess routes, ect.
3. A submission outlining the calculation of fees for ease  
of reference.

Your co-operation is respectfully requested.

Yours truly,

*H.M. Enfield*  
H.M. Enfield  
Head, Land Use

CC: R.M.O. Dawson City  
Head, Field Services

Indian and  
Northern AffairsAffaires indiennes  
et du NordNORTHERN AFFAIRS PROGRAM  
200 Range Road  
Whitehorse, Yukon Territory  
Y1A 3V1

23 July 1979

Cyprus Anvil Mining Corporation  
330 - 355 Burrard Street  
VANCOUVER, B. C.  
V6C 2G8Your file    *Votre référence*Our file    *Notre référence*

YA9C499

Attention: T. J. Adamson  
Coal Geologist

Dear Sir:

Re: Land Use Permit YA9C499  
Drilling Program - Indian River Area

Enclosed is your land use permit and annexed operating conditions issued to cover the above captioned program.

Also enclosed is your general receipt number C63337 in the amount of forty (\$40.00) dollars issued to cover land use permit application and land use fees.

Your co-operation is respectfully requested.

Yours truly,

P. H. Beaubier  
Assistant Director  
Renewable Resourcescc - Head, Field Services  
- R.M.O., Dawson City

Encl:

copy - T.J.A. (file)



LAND USE PERMIT PERMIS D'UTILISATION DES TERRES

NORTHERN AFFAIRS PROGRAM PROGRAMME DES AFFAIRES DU NORD

PERMIT CLASS - PERMIS CATEGORIE
A
PERMIT NUMBER - PERMIS NO
YA9C499

Subject to the Territorial Land use regulations and the terms and conditions in this permit, authority is hereby granted to:

Sous réserve du règlement sur l'utilisation des terres territoriales et des conditions de ce permis:

CYPRUS ANVIL MINING CORPORATION

Permittee - Détenteur de permis

To proceed with the land use operation described in the application of:

Est autorisé à entreprendre les travaux d'exploitation des terres décrits dans la demande de permis du:

DATE 14 JULY 1979	SIGNED BY - SIGNATURE T. J. ADAMSON, Coal Geologist
TYPE OF LAND USE OPERATION GENRE DE TRAVAUX D'EXPLOITATION DES TERRES DRILLING & ACCESS	LOCATION - EMPLACEMENT INDIAN RIVER

This permit may be assigned, extended, discontinued, suspended or cancelled pursuant to the territorial land use regulations.

Ce permis peut faire l'objet d'une cession, d'une prolongation, d'une cessation, d'une suspension ou d'une annulation, en vertu du règlement sur l'utilisation des terres territoriales.

Dated at Date à WHITEHORSE, YUKON

*P. H. Beaudin*  
Engineer - Ingénieur

This Ce 20TH Day of JULY, 19 79

23 JULY 1979  
Commencement Date - Date du début des travaux

31 JULY 1979  
Expiry Date - Date d'achèvement

NOTE

IT IS A CONDITION OF THIS PERMIT THAT THE PERMITTEE COMPLY WITH ANY OTHER APPLICABLE ACT, REGULATION, ORDINANCE, BY-LAW OR ORDER. DEFAULT HEREOF MAY RESULT IN SUSPENSION OR CANCELLATION OF THIS PERMIT.

REMARQUE

LE DÉTENTEUR DU PRÉSENT PERMIS DOIT SE CONFORMER À TOUT AUTRE RÉGLEMENT, LOI, DÉCRET, RÉGLEMENT MUNICIPAL OU ARRÊTÉ APPLICABLE. LE MANQUEMENT À CETTE OBLIGATION POURRAIT DONNER LIEU À LA SUSPENSION OU À L'ANNULATION DU PERMIS.

NAME OF PERMITTEE: CYPRUS ANVIL MINING CORPORATION

LAND USE PERMIT NUMBER: YA9C499

DATE: 20 JULY 1979

THE OPERATOR CYPRUS ANVIL MINING CORPORATION SHALL ADHERE TO ALL APPLICABLE CONDITIONS IN THE TERRITORIAL LAND USE REGULATIONS (P.C. 1977-532) (SOR/77-210) AND UNDER THE AUTHORITY OF THE SAID REGULATIONS, SHALL CONDUCT THIS LAND USE OPERATION AUTHORIZED UNDER PERMIT NUMBER YA9C499 IN ACCORDANCE WITH THE FOLLOWING OPERATING CONDITIONS:

OPERATING CONDITIONS

PLANS - PRELIMINARY/OPERATIONAL

1. THE OPERATOR'S FIELD SUPERVISOR SHALL CONTACT MR. B. A. LEARY, RESOURCE MANAGEMENT OFFICER AT DAWSON CITY, PHONE NUMBER 993-5468, PRIOR TO COMMENCING THE LAND USE OPERATION.
2. NO MACHINERY, EQUIPMENT OR VEHICLE ASSOCIATED WITH THIS LAND USE OPERATION SHALL BE USED ELSEWHERE THAN ON THOSE ROUTES OR AREAS DESIGNATED IN PLANS FORMING PART OF THE APPLICATION RECEIVED ON 10 JULY 1979, AND APPROVED BY THE ENGINEER. THERE SHALL BE NO DEVIATION FROM THOSE ROUTES OR AREAS DESIGNATED IN THE SAID PLANS, EXCEPT WITH THE PRIOR WRITTEN CONSENT OF THE ENGINEER.
3. THE PERMITTEE SHALL ENSURE THAT THE LAND USE AREA IS KEPT CLEAN AND TIDY AT ALL TIMES.

FUEL STORAGE/DYKING

4. THE PERMITTEE SHALL NOT LOCATE MOBILE FUEL FACILITIES WITHIN TWELVE METRES FROM THE ORDINARY HIGH WATER MARK WHEN THE OPERATION IS STATIONARY FOR A PERIOD EXCEEDING TWELVE HOURS.
5. NO PETROLEUM PRODUCTS SHALL BE ALLOWED TO SPREAD TO SURROUNDING LANDS OR INTO BODIES OF WATER.
6. ALL FUEL CONTAINER OUTLETS, EXCEPT THE OUTLET CURRENTLY IN USE, SHALL BE SEALED TO PREVENT LEAKAGE.

DISPOSAL - GARBAGE/TIMBER/DEBRIS/PETROLEUM/CHEMICAL

7. ALL GARBAGE AND DEBRIS SHALL BE BURNED DAILY.
8. ALL COMBUSTIBLE GARBAGE AND DEBRIS SHALL BE BURNED IN A CONTAINER ACCEPTABLE TO THE LAND USE INSPECTOR.
9. THE PERMITTEE SHALL DISPOSE OF ALL BRUSH AND TREES CLEARED FROM TRAILS AND LINES BY PUSHING OR FELLING INTO THE ADJACENT FOREST ON BOTH SIDES, CUTTING THE BRANCHES FROM THE STEMS, AND CUTTING THE STEMS INTO LENGTHS SO THAT ALL PARTS OF TREES FELLED LIE FLAT ON THE GROUND SURFACE. NO LEANERS SHALL BE LEFT.
10. THE PERMITTEE SHALL CARRY OUT TOTAL DISPOSAL OF DEBRIS, BRUSH AND TIMBER ON ALL AREAS VISIBLE FROM PUBLIC ROADS, HIGHWAYS OR NAVIGABLE WATERWAYS UNLESS OTHERWISE AUTHORIZED IN WRITING BY THE LAND USE INSPECTOR.
11. ALL COMBUSTIBLE WASTE PETROLEUM PRODUCTS SHALL BE DISPOSED OF BY INCINERATION OR REMOVAL.

12. ALL SCRAP METAL, DISCARDED MACHINERY AND PARTS, BARRELS AND KEGS, BUILDINGS AND BUILDING MATERIAL SHALL BE REMOVED FROM TERRITORIAL LANDS.

CROSSINGS - LAKES/STREAMS/DRAINAGE PATTERNS

13. THE PERMITTEE SHALL NOT USE THE BEDS OF STREAMS FOR ACCESS ROUTES EXCEPT FOR THE PURPOSE OF CROSSING THE STREAMS UNLESS OTHERWISE APPROVED IN WRITING BY THE LAND USE INSPECTOR OR ENGINEER.

EROSION - CONTROL/PREVENTION

14. THE PERMITTEE SHALL, WHERE FLOWING WATER FROM BORE HOLES IS ENCOUNTERED, PLUG THE BORE HOLES IN SUCH A MANNER AS TO PERMANENTLY PREVENT ANY FURTHER OUTFLOW OF WATER. THE ARTESIAN OCCURRENCE IS TO BE SKETCHED ACCURATELY AND REPORTED TO THE ENGINEER.
15. THE PERMITTEE SHALL REMOVE ANY OBSTRUCTION TO NATURAL DRAINAGE CAUSED DURING ANY PART OF A LAND USE OPERATION AND THE AREA RESTORED TO THE ORIGINAL CONTOURS PRIOR TO THE EXPIRY DATE OF THE PERMIT.
16. THE PERMITTEE SHALL SUSPEND OR LIMIT OVERLAND TRAVEL WITH VEHICLES AND MACHINERY WHEN RUTTING OCCURS.

WILDLIFE/FISHERIES/RECREATIONAL

17. THE PERMITTEE SHALL PLUG ALL BORE HOLES AS THE LAND USE OPERATION PROGRESSES.
18. THE PERMITTEE SHALL NOT CUT ANY STREAM BANK UNLESS AUTHORIZED IN WRITING BY THE LAND USE INSPECTOR OR ENGINEER.

19. THE PERMITTEE SHALL NOT CONDUCT THE LAND USE OPERATION SO AS TO IN THE OPINION OF THE LAND USE INSPECTOR CAUSE UNNECESSARY DAMAGE TO WILDLIFE, OR WILDLIFE HABITAT.

RESTORATION/REVEGETATION/AESTHETICS

20. THE PERMITTEE SHALL DOGLEG ALL LINES THAT APPROACH LAKES, STREAMS, OR PUBLIC ROADS, AS REQUIRED IN WRITING BY THE LAND USE INSPECTOR OR ENGINEER.
21. THE PERMITTEE SHALL CLEAN UP AND RESTORE TO THE SATISFACTION OF THE LAND USE INSPECTOR; ALL LANDS USED DURING THIS OPERATION PRIOR TO THE EXPIRY DATE OF THE PERMIT.

REPORTS - ADDITIONAL RESPONSIBILITIES

22. THE PERMITTEE SHALL WITHIN EIGHT HOURS OF THE SPILL, REPORT ALL SPILLS OF PETROLEUM FUEL OVER FOUR HUNDRED LITRES TO THE LAND USE INSPECTOR OR ENGINEER.
23. THE PERMITTEE SHALL, TEN DAYS PRIOR TO THE COMPLETION OF THE LAND USE OPERATION, ADVISE THE LAND USE INSPECTOR OF HIS PLANS FOR REMOVAL OR STORAGE OF EQUIPMENT, MATERIALS AND WHEN FINAL CLEAN-UP AND RESTORATION OF THE LAND USED WILL BE COMPLETED.
24. SECTION 11, OF THE FOREST PROTECTION ORDINANCE, REQUIRES THAT A FIRE PERMIT BE OBTAINED BEFORE STARTING OPEN FIRES, INCLUDING CAMPFIRES.



P. H. BEAUBIER  
ASSISTANT DIRECTOR  
RENEWABLE RESOURCES



Indian & Northern Affairs / Affaires indiennes et du Nord

GENERAL RECEIPT / RÉCÉPISSÉ GÉNÉRAL

C 63337

Branch / Direction

Date <i>July 11/79</i>	Nature and No. of Remittance - Forme et n° de la remise <i>Cheque # 8511</i>	Invoice No. - Facture n° <i>YA9C 499</i>	Location - Endroit <i>Whitehorse</i>
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Received the Sum of - Recu la somme de  
*Forty* XX/100 DOLLARS \$40 00

From - De  
*Cyprus Anvil Mining Corp.*  
*330-355 Burrard Street*  
*Vancouver, B.C. V6C 2G8*

For - Pour *Land use Permit*  
*Appl. fee + land use fees.*  
*3-532-20204-4002-00012-5005*

*S. Borgford*  
Authorized Officer - Fonctionnaire autorisé

IAND 10-38 (3-72) 7530-21-023-4068

July 5, 1979

Director of Land Use  
D.I.A.N.D.  
Northern Natural Resources and  
Environment Branch  
200 Range Road  
Whitehorse, Y.T.

Gentlemen:

Please find enclosed an application for a  
land use permit for a small mining exploration drilling  
project in the Indian River area, near Dawson, Y.T.

Yours truly,

CYPRUS ANVIL MINING CORPORATION

T. J. Adamson

TJA/ck  
Encl.



Fees - Droit	Amount - Montant	Receipt No. - Reçu N°	Date	Class - Catégorie A _____ B _____	No. - N°
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Note ► If insufficient space, attach a sheet.      Nota ► Au besoin, utiliser un feuillet supplémentaire.

1 Name & Mailing Address - Nom et adresse postale du requérant  Cyprus Anvil Mining Corporation 330 - 355 Burrard Street Vancouver, B.C. V6C 2G8	2 Address of Head Office in Canada if Incorporated. Dans le cas d'une société, adresse du siège social au Canada.  Cyprus Anvil Mining Corporation 330 - 355 Burrard Street Vancouver, B.C. V6C 2G8
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3 QUALIFICATIONS - TITRES  See sec. Voir sec. ► 21	a(I) <input type="checkbox"/> (a)(II) <input checked="" type="checkbox"/> (a)(III) <input type="checkbox"/> (b) <input type="checkbox"/> (c) <input type="checkbox"/>	No(s) exploration permit mineral claims if applicable. N°(s) des permis d'exploration minière, s'il en est.  Coal Exploration Licence #101 (115-0-11, NE ¼)
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4 LAND USE OPERATIONS - Describe the purpose, nature, location & extent of the operation. UTILISATION DE TERRES - Annexer un exposé du but de la nature de l'endroit et de la portée de l'opération projetée. Three or four short (<100m) coal exploration diamond drill holes to be drilled on Coal Exploration Licence #101 (NTS 115-0-11, NE ¼). Site access and drill moves will utilize a D-7 or equivalent bulldozer. Field work to take about 1 week; probably last week in July. Access cat trails 2,000m x 10m = 2 ha. Drill sites 4 x 400m <sup>2</sup> = .16 ha.	5 Total No. of personnel - N° total du personnel  5	6 Hectares  2.16
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EQUIPMENT, VEHICLES AND FACILITIES - ÉQUIPEMENT VÉHICULES ET INSTALLATIONS

7 Type - Genre	8 No. - Quantité	9 Size - Dimension	10 Purpose - Usage
Diamond Drill	1	Longyear 38	Exploration Diamond Drill Holes.
Bulldozer	1	D-7 or equivalent	Access trails to drill sites, drill moves.

CONTRACTORS & SUB-CONTRACTORS - ENTREPRENEUR ET SOUS-TRAITANT

11 Names and Adresses - Noms et adresses J. T. Thomas Diamond Drilling Ltd. P. O. Box 394 Smithers, B.C. VOJ 2N0	12 Functions - Fonctions  Diamond Drilling Contractor
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FUELS - COMBUSTIBLES

13 Type - Genre Diesel	14 Type & Nos. of Containers Genre et N°s de réservoirs 10-15 45 gal. drums	15 Capacity - Capacité (Litres) Max. on property of 3,000 1.	16 Method to contain fuel in case of leakage Mode de retenue de combustible en cas de fuite Fuel stored in sound drums, in dry location away from any drainages. Empty drums to be removed immediately from property.
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17 METHOD OF EMPTYING AND FILLING CONTAINERS - MODE DE VINDANGE ET DE REMPLISSAGE DES RÉSERVOIRS      Hand Pump

18 WASTE DISPOSAL - arrangements planned for disposal of garbage, sanitary wastes and debris. ENLEVEMENTS DES ORDURES - mesures prévues pour l'enlèvement des ordures des effluents sanitaires et des détritius.

All waste to be burned and buried. Crew (5-man) to be accommodated in "permanent" ATCO trailer camp now existing on property.

19 CONTACT: Name and address of field supervisor - Nom et adresse du chef du chantier

T. J. Adamson, c/o Cyprus Anvil Mining Corporation, 330 - 355 Burrard Street, Vancouver, B.C.

20 TIME SCHEDULE PROPOSED DURÉE ESTIMATIVE DES TRAVAUX  Start - Début July 23/79 Completion - Fin July 31/79	21 APPLICATION FEES - DROITS DEMANDE DE PERMIS \$ 10.00 Class 'B' Catégorie \$ 20.00 Class ('A') Catégorie	22 LAND USE FEES (See Schedule) DROITS D'UTILISATION DE TERRES (voir annexe) 1 Hectares @ (\$ 20.00) \$ 12.00	TOTAL \$ 40.00
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Signature T. J. Adamson (Print) Name - (écrire en lettres mouillées) Nom      Coal Geologist      Title - Titre      July 4, 1979      Date

June 20, 1979

Mr. R. Granger  
Yukon Revenue Mines Ltd.  
117 Industrial Road  
Whitehorse, Y.T.  
Y1A 2T8

Dear Mr. Granger:

Re: Coal Exploration Licence No. 101

Further to our telephone conversation of June 18th, I have applied some thought as to how best we could work an option on Coal Exploration Licence No. 101.

Although we are positive towards the long-term potential of coal in the Yukon, it is probable that it will be a substantial number of years before any large scale coal mine development could be viable in the area of the subject licence. Any agreement will have to allow Cyprus Anvil to postpone major exploration expenditures until such time as the potential market for this coal develops but, at the same time, should ensure some return to Yukon Revenue during those years when little or no exploration work may be carried out. The agreement will be complicated by the fact that, in the initial years, it will deal with the coal exploration licence and then, in subsequent years, with an unknown number of coal leases acquired within the original licence area.

Outlined below, for your consideration, is a summary of the conditions on which we could base an agreement.

1. Cyprus Anvil will make a cash payment of \$3,000.00 to Yukon Revenue upon execution of the agreement.
2. Cyprus Anvil will commit to keep the exploration licence in good standing to March 17, 1981 by making sufficient exploration expenditures to satisfy the work requirements for Year 2 and Year 3 of the licences, as set out in the Territorial Coal Regulations. That is, \$0.10 per acre for Year 2 and \$0.20 per acre for Year 3, for a total of \$12,806.10.

3. The deposit made to D.I.N.A. by Yukon Revenue, to secure Year 2 expenditures on the licence, will be refunded to Yukon Revenue when the above exploration expenditures are filed by Cyprus Anvil.
4. Cyprus Anvil will submit the deposit to secure Year 3 expenditures on the licence, if and when required.
5. Cyprus Anvil can terminate the agreement on thirty days' written notice of such intent to Yukon Revenue, at any time after sufficient work has been filed to maintain the licence in good standing to March 17, 1981.
6. If notice of termination of the agreement has not been given by Cyprus Anvil prior to the expiration of the time period allowed under the Territorial Coal Regulations for the application for a lease within the licence area, then Yukon Revenue, at the request and expense of Cyprus Anvil and at a location specified by Cyprus Anvil, will make application for such a lease. This lease would forthwith be transferred to Cyprus Anvil. During the term of this agreement, Yukon Revenue shall not acquire, by application or by assignment, any additional leases within the original licence area.
7. Any additional leases acquired by Cyprus Anvil within the original licence area, by application or by direct assignment from stakers working under the direction of Cyprus Anvil, shall come under the terms of this agreement. If this agreement is terminated by Cyprus Anvil, all leases held by Cyprus Anvil, within the original licence area, shall be transferred to Yukon Revenue. The foregoing provisions of this Clause 7 shall not apply to leases acquired by Cyprus Anvil at arms length from third parties.
8. Cyprus Anvil will maintain all leases in good standing during the term of this agreement.
9. For a period commencing March 17, 1981 and continuing until commencement of commercial production from the property, Cyprus Anvil will expend \$50,000.00 per year on the leases. Any shortfall in expenditures would incur a payment in lieu to Yukon Revenue of 10% of the amount of such shortfall.
10. Work commitments will include lease rental payments.
11. Excess expenditures made in any year will be brought forward to satisfy work commitments of subsequent years.
12. Upon commencement of commercial production by Cyprus Anvil, a royalty shall be payable to Yukon Revenue. This royalty will be calculated on the tonnage of any coal produced from the lease for purposes other than exploration and physical tests expressed as

long tons of coal product available for shipment. The royalty shall have a minimum base rate of 50¢ per ton, or 2% of the mine-site sales price of the coal for external sales, or 2% of the minesite cost plus 20% for coal used internally within Cyprus Anvil, whichever is greater.

13. All payments made to Yukon Revenue by Cyprus Anvil, prior to production, with the exception of Item No. 1 above, shall be regarded as advances on royalties.

If these conditions are agreeable to you, please sign the duplicate copy of this letter as indicated, which will be regarded as a letter of intent under which we can proceed with field work and which will be the basis for us to write up a more formal agreement.


Yours truly,


CYPRUS ANVIL MINING CORPORATION

  
T. J. Adamson

TJA/ck

AGREED AND ACCEPTED This 25  
Day of June, 1979.

 (President)  
YUKON REVENUE MINES LTD.

 Sec.

**CYPRUS ANVIL**

CYPRUS ANVIL MINING CORPORATION

A.F.E. 80-2070  
(Exploration)

TITLE: INDIAN RIVER COAL PROJECT  
Yukon Territory  
N.T.S. 115-0-11

ESTIMATED COST:

01	Salaries and Wages	\$ 8,061.00
08	Drilling	48,000.00
11	Analyses and Testing	500.00
12	Field Equipment and Supplies	500.00
13	Camp Maintenance	1,000.00
15	Rotary Wing	10,000.00
17	Miscellaneous Transportation	1,250.00
		<hr/>
	TOTAL	\$69,311.00
		<hr/>

A.F.E. 80-2070  
INDIAN RIVER

### PROJECT DESCRIPTION

Cyprus Anvil Mining Corporation has an option to acquire Coal Exploration Licence No. 101 from Yukon Revenue Mines Ltd. This licence, totalling 42,687 acres, is located about 40km south-southeast of Dawson, Y.T. Coal showings have been known in this general area for many years, occurring in thin seams (maximum 1.8m) in a sequence of Eocene sediments overlain by Carmacks Group volcanics. Recent rotary drilling by Yukon Revenue Mines Ltd., while exploring a gold-bearing Eocene conglomerate, intersected a near-surface, 3-6m thick, apparently flat-lying coal seam. The small diamond drilling program proposed by this A.F.E. will further investigate the quality, thickness and extent of this coal seam.

A similar program was proposed for the summer of 1979. An attempt to carry out the field work, at that time, using a drill available on an adjacent property, and using a bulldozer for drill moves and roadwork, was unsuccessful because of unanticipated very swampy ground conditions. The job could also not be done during the winter, using bulldozer support, because of a lack of water in the area. The work will now probably be undertaken, during the summer or fall of 1980, using a helicopter for mobilization and drill moves. As a consequence, the estimated project cost is now much higher than originally estimated.


### PROPOSED PROGRAM

- 1) Diamond drilling, 4+ holes totalling 350m.
- 2) Helicopter mob/demobilization and helicopter supported drill moves.
- 3) Hand clearing of drill sites.
- 4) Proximate, sulphur, and heat value analyses of drill core coal samples.

### JUSTIFICATION

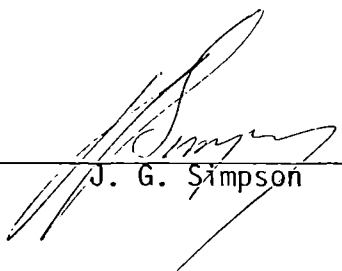
To fuel a 50 MW coal-fired power plant, for a period of twenty years, would require a recoverable reserve base of approximately 5,000,000 tonnes of 5,000 Kcal/Kg coal. The 1980 exploration program proposed for Coal Exploration Licence No. 101 will give a preliminary indication of the reserve potential and coal quality.

PREPARED AND SUBMITTED BY

  
\_\_\_\_\_  
T. J. Adamson

*March 18 / 80*  
\_\_\_\_\_  
Date

APPROVALS

  
\_\_\_\_\_  
J. G. Simpson

*19 MAR 80*  
\_\_\_\_\_  
Date

  
\_\_\_\_\_  
R. E. G. Davis

*24 Mar 80*  
\_\_\_\_\_  
Date

  
\_\_\_\_\_  
J. Bruk

*3 - 26 - 80*  
\_\_\_\_\_  
Date



OTTAWA, Ontario K1A 0H4  
80-03-14

Cyprus Anvil Mining Corporation,  
330, 355 Burrard Street,  
VANCOUVER, B.C.  
V6C 2G8

Your file    Votre référence

Our file    Notre référence

Attention: T.J. Adamson.

Dear Sirs:

Coal Exploration Licence #101 - Yukon Revenue Mines

In accordance with Section 39(5) of the Territorial Coal Regulations I agree with the carry forward of under expenditures of year 2 and 3 on the above-noted licence.

The status of the licence is as follows:

<u>Year</u>	<u>Required Expenditure</u>	<u>Approved Expenditure</u>	<u>Carry Forward Under expenditure</u>	<u>Total Expenditure Due</u>
1978/79	\$2 134.35	NIL	\$2 134.35	
1979/80	4 268.70	NIL	6 403.05	
1980/81	8 537.40			
				<u>\$15 940.45</u>

14

Please note we have on hand Promissory Notes from Yukon Revenue Mines in the amounts of \$2 134.35 and \$4 268.70 respectively. If sufficient work credits are not applied to the first and second year's expenditures, Yukon Revenue Mines will forfeit these notes.

Yours sincerely,

T.W. Dent,  
Head, Mining Lands Section,  
Mining Division,  
Northern Non-Renewable Resources  
Branch.

c.c. Mr. H. Fomme  
Yukon Revenue Mines Ltd.

January 22, 1980

Assistant Director  
Northern Non Renewable Resources Branch  
Department of Indian Affairs and  
Northern Development  
Room 554  
400 Laurier Avenue West  
Ottawa, Ontario K1A 0H4

Dear Sir:

Re: Coal Exploration Licence #101

By an agreement entered into June 25, 1979 between Cyprus Anvil Mining Corporation and Yukon Revenue Mines Ltd., Cyprus Anvil has undertaken to make sufficient exploration expenditures on Coal Exploration Licence #101 to satisfy the work requirements of YEAR 2 and YEAR 3 of this licence.

An attempt to carry out an exploration program on this licence during August, 1979 was unsuccessful because of very swampy ground conditions and the last-minute unavailability of suitable equipment. Work is now planned for the late spring of 1980.

Under Section 39(5) of the Territorial Coal Regulations, application is hereby made to carry forward and combine the required YEAR 2 expenditures with the YEAR 3 expenditure requirement.

As required by Section 39(1)(c) of the Regulations, a cheque in the amount of \$8,537.40 is enclosed, which is the deposit required to secure YEAR 3 expenditures.

Yours truly,

CYPRUS ANVIL MINING CORPORATION

TJA/ck  
Encl.

T. J. Adamson

c.c. Mr. H. Fromme, President  
Yukon Revenue Mines Ltd.

March 13, 1980.

Mr. Murray Smith,  
Arctic Diamond Drilling Ltd.,  
184 Industrial Road,  
Whitehorse, Y. T.  
Y1A 2V1

Dear Murray:

Further to our telephone conversation with Glenn, I enclose a sketch of the area of our proposed diamond drilling on McKinnon Creek, near Dawson, Y. T.

Very swampy conditions along the cat-road up McKinnon Creek make bulldozer access into the area impossible after spring break-up.

We feel, if it could be fit into your schedule, the best time to attempt this job would be early-mid April. If you feel this timing is possible and reasonable, we should check, very early in April, the road condition from King Solomon Dome down Quartz Creek to the project area, and also check that there is water flowing in McKinnon Creek. I understand the Territorial Government will be opening the Hunker Creek Road as far as King Solomon Dome within the next 2 weeks. There are 2 marginally livable Atco bunkhouse trailers on McKinnon Creek, in the drilling area that could be checked at the same time.

Drilling Specs:            3 - 5 holes  
                             - 1000' - 1500' total footage  
                             - All holes vertical  
                             - NQ  
                             - Waterline - maximum lift 400',  
   - maximum run 4500'.

Best regards,

T. J. Adamson

TJA/ew

April 1, 1980

Controller of Water Rights  
200 Range Road  
Whitehorse, Yukon  
Y1A 3V1

Dear Sir:

Please find enclosed an application for an "Authorization to use Water without a Licence" for a small mining exploration diamond-drilling project near Dawson, Y.T.

Because of an unanticipated early availability of crew and equipment, it is hoped to begin work as soon as April 15, 1980. If you require any further information, please call me.

Yours truly,

CYPRUS ANVIL MINING CORPORATION

T. J. Adamson

TJA/ck  
Encl.

Department of Indian Affairs and Northern  
Development

DIAMOND DRILLING

Information Sheet for Water Use Application

1. Block of Claims Coal Exploration Licence #101  
(attach claim sheet)
2. Method of obtaining water Pump  
(pump, damming creek, diverting water, etc.)
3. Possible Additives Baroid drill mud may be used to improve core recovery  
(types and rates)  
through coal seam.
4. Method of Waste Water Treatment Pits  
(sumps, etc.)
5. Type of Camp and No. of employees Two ATCO trailers permanently on  
(tent, trailer, etc.)  
property. Crew: 4 diamond drill crew, 1 Cyprus Anvil geologist.
6. Treatment Facilities for Camp Waste Water Pits  
(septic tanks, tanks, sumps, pits, etc.)
7. Fuel Handling Practices Diesel  
(type of fuel)  
Maximum on property 10 - 15, 45 gal. drums.  
(amount of Fuel)  
Fuel to be stored in sound drums away from any drainage.  
(type of containers, storage plans)  
All empty drums to be removed from property as fuel is used.  
(disposal upon completion of operation)

SCHEDULE II

No:

Department of Indian and Northern Affairs

WATER, FORESTS AND LAND DIVISION

APPLICATION FOR LICENCE, AMENDMENT OF LICENCE OR RENEWAL OF LICENCE

NOTE: if insufficient space, attach sheets

<p>1. Name &amp; Mailing Address</p> <p>Cyprus Anvil Mining Corporation 330 - 355 Burrard Street Vancouver, B.C. V6C 2G8</p>	<p>2. Address of Head Office in Canada if incorporated</p>
--	--

3. LOCATION OF UNDERTAKING - describe and attach map naming river, creek, lake, spring or ground water reservoir

Coal Exploration Licence #101. Map Sheet 115-0-11 (NE½). Water to be obtained from McKinnon Creek.

4. NATURE OF UNDERTAKING - describe and attach plans

Coal exploration diamond drilling project. Four-five drill holes, each 150 - 450' deep. Time schedule April 15 - April 30.

<p>5. PURPOSE OF UNDERTAKING</p> <p>a) To obtain water <input checked="" type="checkbox"/></p> <p>b) To divert water <input type="checkbox"/></p> <p>c) To store water <input type="checkbox"/></p> <p>d) To alter the flow of water <input type="checkbox"/></p> <p>e) To return the flow of water <input type="checkbox"/></p> <p>f) Other (specify) <input type="checkbox"/></p>	<p>6. WATER USE CLASSIFICATION</p> <p>a) Agriculture <input type="checkbox"/></p> <p>b) Conservation <input type="checkbox"/></p> <p>c) Industrial <input checked="" type="checkbox"/></p> <p>d) Municipal <input type="checkbox"/></p> <p>e) Power <input type="checkbox"/></p> <p>f) River Engineering <input type="checkbox"/></p> <p>g) Storage <input type="checkbox"/></p> <p>h) Recreation <input type="checkbox"/></p>
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<p>7. QUANTITY OF WATER INVOLVED - (cubic feet per second, gallons per day, acre feet per year)</p> <p>Approx. 4,000 g.p.d.</p>	<p>8. QUALITY OF RETURNED WATER</p> <p>a) Unaltered <input checked="" type="checkbox"/></p> <p>b) Altered (specify)</p>
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9. OTHER PROPERTIES AFFECTED BY THIS UNDERTAKING - describe location and list owners

KIN 1-16 Mineral Claims Owner: Yukon Revenue Mines Ltd., Harry Fromme, President  
c/o 117 Industrial Road  
Whitehorse, Y.T.

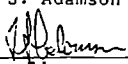
Note: Both Coal Exploration Licence #101 and KIN 1-16 M.C. are owned by Yukon Revenue Mines Ltd. Cyprus Anvil has undertaken to perform required

10. CONTRACTORS AND SUBCONTRACTORS exploration on Coal Exploration Licence #101 for Yukon Revenue.

Names & Addresses	Functions
Arctic Diamond Drilling Ltd. 184 Industrial Road Whitehorse, Yukon Y1A 2V1	Diamond Drill Contractor

<p>11. TIME SCHEDULE PROPOSED</p> <p>Start: April 15/80 Completion: May 15/80</p>	<p>12. FEES</p> <table border="1"> <thead> <tr> <th>Application</th> <th>Water Use</th> <th>Total</th> </tr> </thead> <tbody> <tr> <td>\$ 10.00</td> <td>\$</td> <td>\$ 10.00</td> </tr> </tbody> </table>	Application	Water Use	Total	\$ 10.00	\$	\$ 10.00
Application	Water Use	Total					
\$ 10.00	\$	\$ 10.00					

T. J. Adamson

  
Signature

Geologist  
Title

April 1, 1980  
Date

FOR OFFICE USE ONLY



OTTAWA, Ontario K1A 0H4  
80-04-09

Cyprus Anvil Mining Corporation,  
330, 355 Burrard Street,  
VANCOUVER, B.C.  
V6C 2G8

*Votre référence*    *Your file*

*Notre référence*    *Our file*

Attention: T.J. Adamson

Dear Sirs:

Coal Exploration Licence #101 -  
Yukon Revenue Mines

With reference to my telecon with your secretary April 8, 1980  
re letter to you dated 80-03-14, total expenditure due is  
\$14,940.45.

Yours sincerely,

T.W. Dent,  
Head,  
Mining Lands Section,  
Mining Division,  
Northern Non-Renewable  
Resources Branch.

April 1, 1980

Director of Land Use  
D.I.A.N.D.  
Northern Natural Resources and  
Environmental Branch  
200 Range Road  
Whitehorse, Yukon

Gentlemen:

Please find enclosed an application for a land use permit for a small mining exploration drill project in the Indian River area, near Dawson, Y.T. A permit for a summer program in this area was obtained in 1979 but the work was not carried out at that time.

Yours truly,

CYPRUS ANVIL MINING CORPORATION

T. J. Adamson

TJA/ck  
Encl.

Fees - Droit	Amount - Montant	Pl. No. - Reçu N°	Date	Class - Catégorie	No. - N°
				8	

Note ▶ If insufficient space, attach a sheet. Nota ▶ Au besoin, utiliser un feuillet supplémentaire.

1 Name & Mailing Address - Nom et adresse postale du requérant Cyprus Anvil Mining Corporation 330 - 355 Burrard Street Vancouver, B.C. V6C 2G8	2 Address of Head Office in Canada if incorporated. Dans le cas d'une société, adresse du siège social au Canada. Cyprus Anvil Mining Corporation 330 - 355 Burrard Street Vancouver, B.C. V6C 2G8
--	--

3 QUALIFICATIONS - TITRES See sec. 21 Voir sec. 21	a(i) <input type="checkbox"/> (a)(ii) <input checked="" type="checkbox"/> (a)(iii) <input type="checkbox"/> b) <input type="checkbox"/> (c) <input type="checkbox"/>	No(s) exploration permit mineral claims if applicable. N°(s) des permis d'exploration minière, s'il en est.
Coal Exploration Licence #101 (115-0-11, NE½)		

4 LAND USE OPERATIONS - Describe the purpose, nature, location & extent of the operation. UTILISATION DE TERRES - Annexer un exposé du but de la nature de l'endroit et de la portée de l'opération projetée. Four or five short (140m) coal exploration diamond drill holes to be drilled on Coal Exploration Licence #101 (NTS 115-0-11, NE½). Site access and drill moves will utilize a D-7 or equivalent bulldozer. Field work to take about 2 weeks; probably in mid-April. Access cat trails 2,000m x 10m = 2 ha. Drill sites 4 x 400m = .2 ha.	5 Total No. of personnel - N° total du personnel 5	6 Hectares 2.2
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EQUIPMENT, VEHICLES AND FACILITIES - ÉQUIPEMENT VÉHICULES ET INSTALLATIONS			
7 Type - Genre	8 No. - Quantité	9 Size - Dimension	10 Purpose - Usage
Diamond Drill	1	Longyear 38	Exploration Diamond Drill Holes.
Bulldozer	1	D-7 or equivalent	Access trails to drill sites, drill moves.

CONTRACTORS & SUB-CONTRACTORS - ENTREPRENEUR ET SOUS-TRAITANT	
11 Names and Addresses - Noms et adresses Arctic Diamond Drilling Ltd. 184 Industrial Road Whitehorse, Yukon Y1A 2V1	12 Functions - Fonctions Diamond Drilling Contractor

FUELS - COMBUSTIBLES			
13 Type - Genre Diesel	14 Type & Nos. of Containers Genre et N°s de réservoirs 10 - 15, 45 gal. drums	15 Capacity - Capacité (Litres) Max. on property of 3,000 l.	16 Method to contain fuel in case of leakage Mode de retenue de combustible en cas de fuite Fuel stored in sound drums, in dry location away from any drainages. Empty drums to be removed immediately from property.

17 METHOD OF EMPTYING AND FILLING CONTAINERS - MODE DE VINDANGE ET DE REMPLISSAGE DES RÉSERVOIRS	Hand Pump
---	-----------

18 WASTE DISPOSAL - arrangements planned for disposal of garbage, sanitary wastes and debris. ENLEVEMENTS DES ORDURES - mesures prévues pour l'enlèvement des ordures des effluents sanitaires et des débris. All waste to be burned and buried. Crew (5-man) to be accommodated in "permanent" trailer camp now existing on property.
--

19 CONTACT: Name and address of field supervisor - Nom et adresse du chef du chantier T. J. Adamson, c/o Cyprus Anvil Mining Corporation, 330 - 355 Burrard Street, Vancouver, B.C.
--

20 TIME SCHEDULE PROPOSED DURÉE ESTIMATIVE DES TRAVAUX Start - Début April 15/80 Completion - Fin May 15/80	21 APPLICATION FEES - DROITS DEMANDE DE PERMIS Class 'B' Catégorie 'B' \$ 10.00 Class 'A' * Catégorie 'A' * \$ 20.00	22 LAND USE FEES (See Schedule) DROITS D'UTILISATION DE TERRES (voir annexe) 1 Hectares \$ 20.00 \$ 12.00	TOTAL \$40.00
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Signature

T. J. Adamson

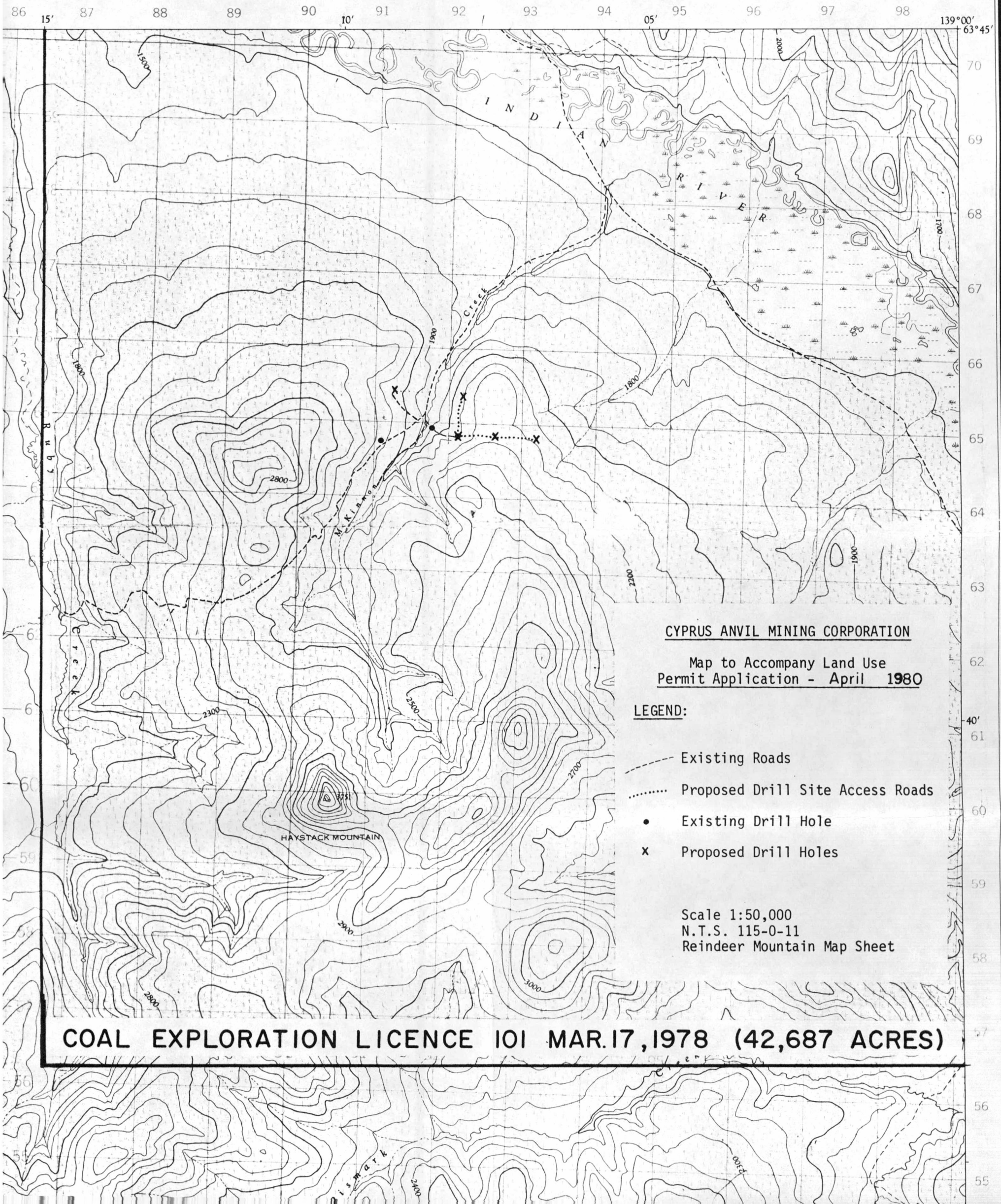
(Print) Name - (écrire en lettres mouillées) Nom

Coal Geologist

Title - Titre

April 1/80

Date



CYPRUS ANVIL MINING CORPORATION

Map to Accompany Land Use Permit Application - April 1980

LEGEND:

- - - Existing Roads
- ..... Proposed Drill Site Access Roads
- Existing Drill Hole
- x Proposed Drill Holes

Scale 1:50,000  
N.T.S. 115-0-11  
Reindeer Mountain Map Sheet

**COAL EXPLORATION LICENCE 101 MAR.17,1978 (42,687 ACRES)**



Indian and Northern  
Affairs Canada

Affaires indiennes  
et du Nord Canada

D- 17476

GENERAL RECEIPT

RÉCÉPISSÉ GÉNÉRAL

Branch  
Direction

Date	Nature and No. of Remittance — Forme et n° de la remise	Invoice No. — Facture n°	Location — Endroit
April 3/80	Cheque # 10496	YAOC662	Whitehorse, Yukon
Received the Sum of — Reçu la somme de			
Forty		XX/100 DOLLARS \$ 40.00	

From — De

(Cypus Anvil Mining Corp.)  
 330-355 Burrard St.  
 Vancouver, B.C. V6C 2G8

For — Pour Land Use &  
 application fees

*S. Borgford*  
 Authorized Officer — Fonctionnaire autorisé

IAN 10-36 (1-79) 7830-21-023-4068



Indian and Northern  
Affairs Canada

Affaires indiennes  
et du Nord Canada

F) TSA has Copy

NORTHERN AFFAIRS PROGRAM  
200 Range Road  
Whitehorse, Yukon Territory  
Y1A 3V1

9 April 1980

Cyprus Anvil Mining Corporation  
330 - 355 Burrard Street  
VANCOUVER, B.C.  
V6C 2G8

Your file    Votre référence

Our file    Notre référence    YAOC662

Attention: T.J. Adamson  
Coal Geologist

Dear Sir:

Re: Land Use Permit YAOC662  
Drilling Program  
Mckinnon Creek Area - Dawson

Enclosed is your land use permit YAOC662 and attached operating conditions as captioned above.

Your co-operation in adhering to the attached operating conditions will be appreciated.

Yours truly,

*H.M. Enfield*  
H.M. Enfield  
Head, Land Use

cc - R.M.F.O.  
- R.M.O., Dawson City

Encl:



LAND USE PERMIT . PERMIS D'UTILISATION DES TERRES

NORTHERN AFFAIRS PROGRAM PROGRAMME DES AFFAIRES DU NORD

PERMIT CLASS - PERMIS CATEGORIE
A
PERMIT NUMBER - PERMIS NO
YAOC662

Subject to the Territorial Land use regulations and the terms and conditions in this permit, authority is hereby granted to:

Sous réserve du règlement sur l'utilisation des terres territoriales et des conditions de ce permis:

CYPRUS ANVIL MINING CORPORATION

Permittee - Détenteur de permis

To proceed with the land use operation described in the application of:

Est autorisé à entreprendre les travaux d'exploitation des terres décrits dans la demande de permis du:

DATE 1 APRIL 1980	SIGNED BY - SIGNATURE T.J. ADAMSON, COAL GEOLOGIST
TYPE OF LAND USE OPERATION GENRE DE TRAVAUX D'EXPLOITATION DES TERRES DRILLING PROGRAM	LOCATION - EMBLEMMENT COAL EXPLORATION LICENCE - #101 McKINNON CREEK AREA - DAWSON AREA - 63°42' - 139°08'

This permit may be assigned, extended, discontinued, suspended or cancelled pursuant to the territorial land use regulations.

Ce permis peut faire l'objet d'une cession, d'une prolongation, d'une cessation, d'une suspension ou d'une annulation, en vertu du règlement sur l'utilisation des terres territoriales.

Dated at Date à WHITEHORSE, YUKON

*H. M. Enfield*  
Engineer Ingénieur

This Ce 9th Day of APRIL, 19 80  
jour de

12 APRIL 1980

15 JUNE 1980

Commencement Date - Date du début des travaux

Expiry Date - Date d'achèvement

NOTE

IT IS A CONDITION OF THIS PERMIT THAT THE PERMITTEE COMPLY WITH ANY OTHER APPLICABLE ACT, REGULATION, ORDINANCE, BY-LAW OR ORDER. DEFAULT HEREOF MAY RESULT IN SUSPENSION OR CANCELLATION OF THIS PERMIT.

REMARQUE

LE DÉTENTEUR DU PRÉSENT PERMIS DOIT SE CONFORMER À TOUT AUTRE RÉGLEMENT, LOI, DÉCRET, RÉGLEMENT MUNICIPAL OU ARRÊTÉ APPLICABLE. LE MANQUEMENT À CETTE OBLIGATION POURRAIT DONNER LIEU À LA SUSPENSION OU À L'ANNULATION DU PERMIS.

NAME OF PERMITTEE: CYPRUS ANVIL MINING CORPORATION

LAND USE PERMIT NUMBER: YAOC662

DATE: 9 APRIL 1980

THE OPERATOR CYPRUS ANVIL MINING CORPORATION SHALL ADHERE TO ALL APPLICABLE CONDITIONS IN THE TERRITORIAL LAND USE REGULATIONS (P.C. 1977-532) (SOR/77-210) AND UNDER THE AUTHORITY OF THE SAID REGULATIONS, SHALL CONDUCT THIS LAND USE OPERATION AUTHORIZED UNDER PERMIT NUMBER YAOC662 IN ACCORDANCE WITH THE FOLLOWING OPERATING CONDITIONS:

OPERATING CONDITIONS

PLANS - PRELIMINARY/OPERATIONAL

1. THE OPERATOR'S FIELD SUPERVISOR SHALL CONTACT MR. B.A. LEARY, RESOURCE MANAGEMENT OFFICER AT DAWSON CITY, YUKON, PHONE NUMBER 993-5468, PRIOR TO COMMENCING THE LAND USE OPERATION.
2. NO MACHINERY, EQUIPMENT OR VEHICLE ASSOCIATED WITH THIS LAND USE OPERATION SHALL BE USED ELSEWHERE THAN ON THOSE ROUTES OR AREAS DESIGNATED IN PLANS FORMING PART OF THE APPLICATION RECEIVED ON 3 APRIL 1980, AND APPROVED BY THE ENGINEER. THERE SHALL BE NO DEVIATION FROM THOSE ROUTES OR AREAS DESIGNATED IN THE SAID PLANS, EXCEPT WITH THE PRIOR WRITTEN CONSENT OF THE ENGINEER.
3. THE PERMITTEE SHALL ENSURE THAT THE LAND USE AREA IS KEPT CLEAN AND TIDY AT ALL TIMES.

FUEL STORAGE/DYKING

4. THE PERMITTEE SHALL NOT LOCATE MOBILE FUEL FACILITIES ON ICE OR WITHIN 30 M FROM THE ORDINARY HIGH WATER MARK WHEN THE OPERATION IS STATIONARY FOR A PERIOD EXCEEDING TWELVE HOURS.
5. NO PETROLEUM PRODUCTS SHALL BE ALLOWED TO SPREAD TO SURROUNDING LANDS OR INTO BODIES OF WATER.
6. ALL FUEL CONTAINER OUTLETS, EXCEPT THE OUTLET CURRENTLY IN USE, SHALL BE SEALED TO PREVENT LEAKAGE.

DISPOSAL - GARBAGE/TIMBER/DEBRIS/PETROLEUM/CHEMICAL

7. ALL GARBAGE AND DEBRIS SHALL BE BURNED DAILY.
8. ALL COMBUSTIBLE GARBAGE AND DEBRIS SHALL BE BURNED IN A CONTAINER ACCEPTABLE TO THE LAND USE INSPECTOR.
9. THE PERMITTEE SHALL DISPOSE OF DEBRIS, BRUSH AND TIMBER:
  - A) IN AREAS OF LIGHT GROWTH, BY WALKING DOWN;
  - B) IN AREAS OF HEAVY TIMBER, BY FELLING INTO THE ADJACENT FOREST ON BOTH SIDES, CUTTING THE BRANCHES FROM THE STEMS, AND CUTTING THE STEMS INTO LENGTHS SO THAT ALL PARTS OF TREES FELLED LIE FLAT ON THE GROUND SURFACE. NO LEANERS SHALL BE LEFT.
  - C) BY WINDROWING AT THE SIDE OF THE LINE. BREAKS IN THE WINDROW OF AT LEAST 7 M MUST BE MADE AT INTERVALS OF NOT MORE THAN 330 M. THE RESULTING WINDROW MUST BE MADE TO LIE FLAT AND COMPACT. THE LAND USE INSPECTOR MAY DESIGNATE THE APPROPRIATE METHOD OF DISPOSAL.

10. THE PERMITTEE SHALL CARRY OUT TOTAL DISPOSAL OF DEBRIS, BRUSH AND TIMBER ON ALL AREAS VISIBLE FROM PUBLIC ROADS, HIGHWAYS OR NAVIGABLE WATERWAYS UNLESS OTHERWISE AUTHORIZED IN WRITING BY THE LAND USE INSPECTOR.
11. ALL COMBUSTIBLE WASTE PETROLEUM PRODUCTS SHALL BE DISPOSED OF BY INCINERATION OR REMOVAL.
12. ALL SCRAP METAL, DISCARDED MACHINERY AND PARTS, BARRELS AND KEGS, BUILDINGS AND BUILDING MATERIAL SHALL BE REMOVED FROM TERRITORIAL LANDS.

SUMPS - CONSTRUCTION/MAINTENANCE/COMPLETION

13. RESTORATION OF SUMPS AND PITS SHALL BE COMPLETED PRIOR TO SPRING BREAK-UP UNLESS OTHERWISE AUTHORIZED IN WRITING BY THE LAND USE INSPECTOR.

CROSSINGS - LAKES/STREAMS/DRAINAGE PATTERNS

14. THE PERMITTEE SHALL NOT USE THE BEDS OF STREAMS FOR ACCESS ROUTES EXCEPT FOR THE PURPOSE OF CROSSING THE STREAMS UNLESS OTHERWISE APPROVED IN WRITING BY THE LAND USE INSPECTOR OR ENGINEER.

EROSION - CONTROL/PREVENTION

15. THE PERMITTEE SHALL, WHERE FLOWING WATER FROM BORE HOLES IS ENCOUNTERED, PLUG THE BORE HOLES IN SUCH A MANNER AS TO PERMANENTLY PREVENT ANY FURTHER OUTFLOW OF WATER. THE ARTESIAN OCCURRENCE IS TO BE SKETCHED ACCURATELY AND REPORTED TO THE ENGINEER.
16. THE PERMITTEE SHALL REMOVE ANY OBSTRUCTION TO NATURAL DRAINAGE CAUSED DURING ANY PART OF A LAND USE OPERATION AND THE AREA RESTORED TO THE ORIGINAL CONTOURS PRIOR TO THE EXPIRY DATE OF THE PERMIT.
17. THE PERMITTEE SHALL SUSPEND OR LIMIT OVERLAND TRAVEL WITH VEHICLES AND MACHINERY WHEN RUTTING OCCURS.

WILDLIFE/FISHERIES/RECREATIONAL

18. THE PERMITTEE SHALL PLUG ALL BORE HOLES AS THE LAND USE OPERATION PROGRESSES.
19. THE PERMITTEE SHALL NOT CUT ANY STREAM BANK UNLESS AUTHORIZED IN WRITING BY THE LAND USE INSPECTOR OR ENGINEER.
20. THE PERMITTEE SHALL NOT CONDUCT THE LAND USE OPERATION SO AS TO IN THE OPINION OF THE LAND USE INSPECTOR CAUSE UNNECESSARY DAMAGE TO WILDLIFE, OR WILDLIFE HABITAT.

RESTORATION/REVEGETATION/AESTHETICS

21. THE PERMITTEE SHALL DOGLEG ALL LINES THAT APPROACH LAKES, STREAMS, OR PUBLIC ROADS, AS REQUIRED IN WRITING BY THE LAND USE INSPECTOR OR ENGINEER.
22. THE PERMITTEE SHALL CLEAN UP AND RESTORE TO THE SATISFACTION OF THE LAND USE INSPECTOR, ALL LANDS USED DURING THIS OPERATION PRIOR TO THE EXPIRY DATE OF THE PERMIT.

REPORTS - ADDITIONAL RESPONSIBILITIES

23. THE PERMITTEE SHALL WITHIN EIGHT HOURS OF THE SPILL, REPORT ALL SPILLS OF PETROLEUM FUEL OVER 400 L TO THE LAND USE INSPECTOR OR ENGINEER.
24. THE PERMITTEE SHALL, TEN DAYS PRIOR TO THE COMPLETION OF THE LAND USE OPERATION, ADVISE THE LAND USE INSPECTOR OF HIS PLANS FOR REMOVAL OR STORAGE OF EQUIPMENT, MATERIALS AND WHEN FINAL CLEAN-UP AND RESTORATION OF THE LAND USED WILL BE COMPLETED.

25. SECTION 11, OF THE FOREST PROTECTION ORDINANCE, REQUIRES THAT A FIRE PERMIT BE OBTAINED BEFORE STARTING OPEN FIRES, INCLUDING CAMPFIRE.

*H.M. Enfield*

H.M. ENFIELD

HEAD, LAND USE



NORTHERN AFFAIRS PROGRAM,  
200 Range Road,  
Whitehorse, Y. T.  
Y1A 3V1.

17th April, 1980.

Your file    *Voire référence*

Our file    *Notre référence*

*File  
Y.T. Water licence  
1980  
H.*

Cyprus Anvil Mining Corporation,  
330, 355 Burrard Street,  
VANCOUVER, B. C.  
V6C 2G8.

Dear Sirs:

Re: Authorization to Use Water #Y2A3-1423.

Attached please find your Authorization to Use Water in your proposed drilling operation on McKinnon Creek for geo-technical exploration in connection with "Coal Exploration Licence #101. (Co-ordinates - 63° 40 N - 139° 10 W.)

Please note the conditions attached to this Authorization, particularly Part A, Operating Conditions.

Yours truly,

H. F. McAlpine, P.Eng.,  
Administrator,  
Water Rights.

Attach.

YUKÓN TERRITORY WATER BOARD  
WHITEHORSE, YUKON TERRITORY

AUTHORIZATION TO USE WATER WITHOUT A LICENCE  
(Pursuant to Section 11 of the Northern Inland  
Waters Regulations)

Subject to the Northern Inland Waters Act and Regulations thereunder and to the conditions set forth in the schedule annexed hereto,

Cyprus Anvil Mining Corporation,  
330, 355 Burrard Street,  
VANCOUVER, B. C.  
V6C 2G8.

(hereinafter called the "Holder")

is hereby authorized to: obtain water from McKinnon Creek for geotechnical exploration in connection with "Coal Exploration Licence #101." Co-ordinates - 63° 40 N - 139° 10 W.

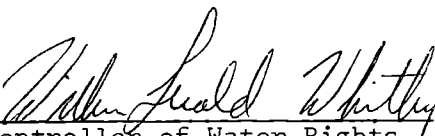
From: April 12, 1980 To: May 15, 1980.

At a Rate of: 4000 i.g.p.d.

For the Purpose of: Diamond Drilling

Dated at Whitehorse, Yukon Territory

this 17th day of April, 19 80

  
Controller of Water Rights

File No: Y2A3-1423  
Area No: 02- Yukon  
Classification: Industrial

PART A - OPERATING CONDITIONS

1. The Holder shall not deposit or permit the deposit of any waste of any type either directly or indirectly into any water course.
2. All sumps shall be of sufficient capacity to adequately contain all of the wastes to be disposed of during the operation.
3. If there are any seepage flows from the adits the Holder shall contact the Controller of Water Rights to be advised on the water sampling requirements.
4. Upon completion of the work all dams must be removed and all pumping sumps must be filled to the natural contour of the stream bed.
5. All sumps and pits shall be filled in and completely covered prior to the expiry date of this Authorization.
6. Where water is pumped directly from a lake or stream frequented by fish, intake screens that meet Fisheries Service standards shall be provided to prevent the passage of fish.
7. Stationary fuel storage locations shall be selected and prepared to avoid pollution of any water course and to contain the lateral flow of spilled fuel on the land surface, should leakage from or rupture of fuel containers occur.
8. Where there exists a potential impairment of the quality of water of any water course all fuel containers shall be removed from the site upon the completion or expiry date of the operation.

9. The Holder shall, upon encountering artesian conditions, immediately file with the office of the Controller a report detailing the location of the hole, quantity of water flowing, pressure and a geologic log of the drill hole.
10. The Holder shall plug all drill holes in which artesian conditions were encountered at the stratigraphic level at which the flows were encountered.

## SPECIFICATIONS FOR INTAKE STRUCTURES WITH STATIONARY SCREENS

1. Screen Material: The screen material shall be either aluminum, stainless steel, brass or bronze.
2. Screen Mesh Size: Clear openings of the screen (the space between strands) shall not exceed 0.10 inch\*. The open screen area shall not be less than 50% of total screen area. The recommended screen is 8 strands per lineal inch, square-mesh wire cloth with .028 or .025 inch diameter wire.
3. Screen Area: A minimum unobstructed screen area of 10 square feet shall be provided for each cubic foot per second\*\* entering the intake. The required screen area shall be installed below minimum water level. (Screen area lost by framing shall not be included as part of the unobstructed screen area)
4. Screen Support: The screen shall be adequately supported with stiffeners or "back-up" material to prevent excessive sagging.
5. Screen Protection: The intake structure shall, where necessary, be equipped with a trash rack or similar device to prevent damage to the screen from floating debris, ice, etc..
6. Screen Accessibility: The screen shall be readily accessible for cleaning and inspection. (Screen panels or screen assemblies which cannot be removed for cleaning, inspection and repairs should be avoided.)
7. Allowable Openings: The portion of the intake structure which is submerged at maximum water level shall be designed and assembled such that no openings exceed 0.10 inch in width.
8. Design and Location: The design and location of the intake structure shall be such that a uniform flow distribution is maintained through the total screen area.

\* 0.10 inch = 3/32" (approximately)

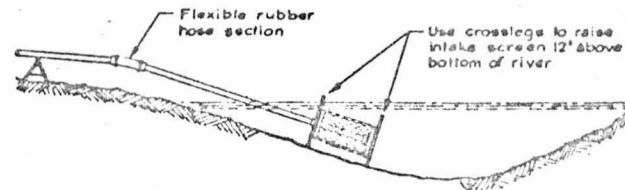
\*\* One cubic foot per second = 450 U.S. gallons per minute  
= 375 Imperial gallons per minute

# INTAKE SCREENS

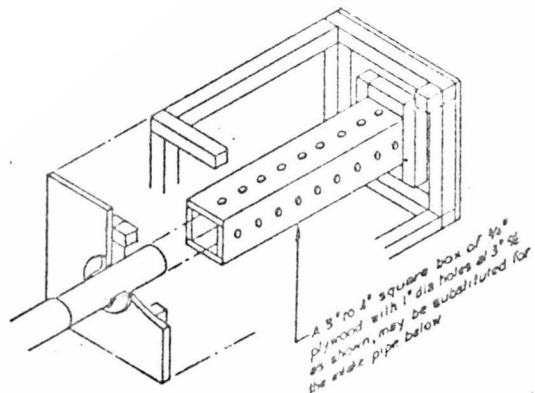
FOR PUMPS OF A CAPACITY LESS THAN 1 CFS  
(OR LESS THAN 450 U.S. OR 375 IMP. GAL. PER MINUTE)

DEPARTMENT OF FISHERIES OF CANADA

FEBRUARY 1965

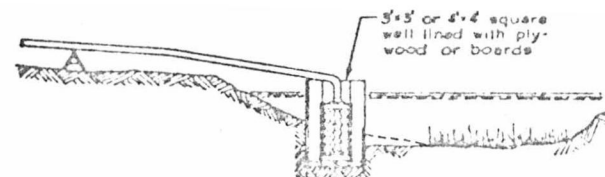


STANDARD INSTALLATION

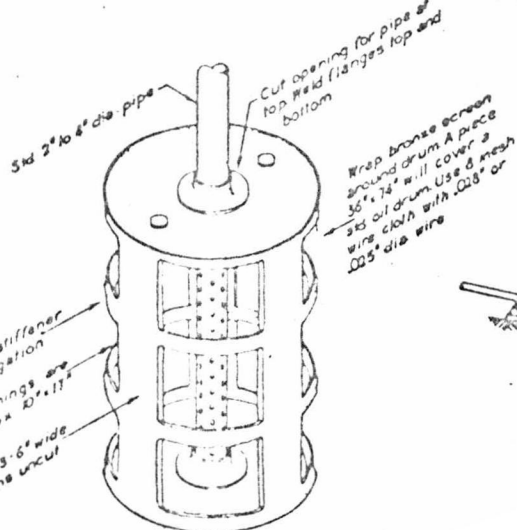
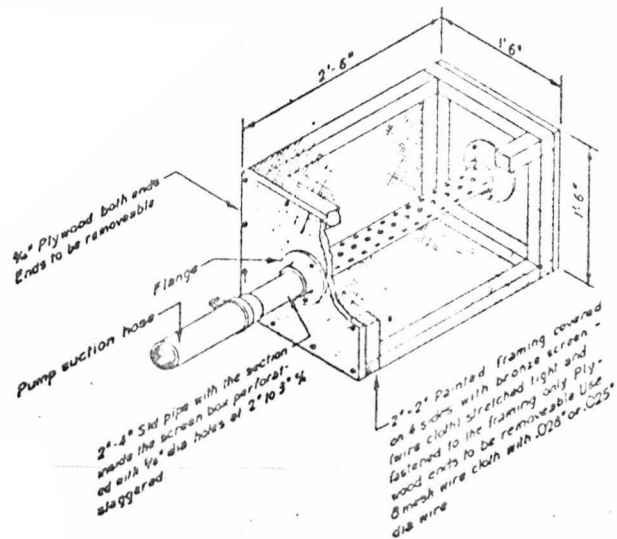


**Note:**

All screens shall be installed below minimum flow level, shall be easily accessible for cleaning, and shall be cleaned of debris at regular intervals. See proposed installations at right.



INSTALLATION IN SHALLOW WATER - MUDDY OVERGROWN BOT

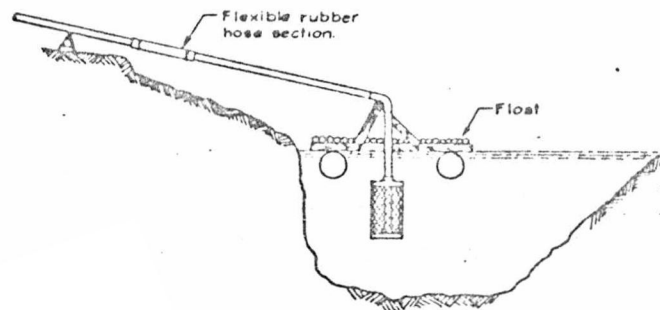


**Note:**

Oil drum shall be thoroughly washed out or steam cleaned before cutting openings

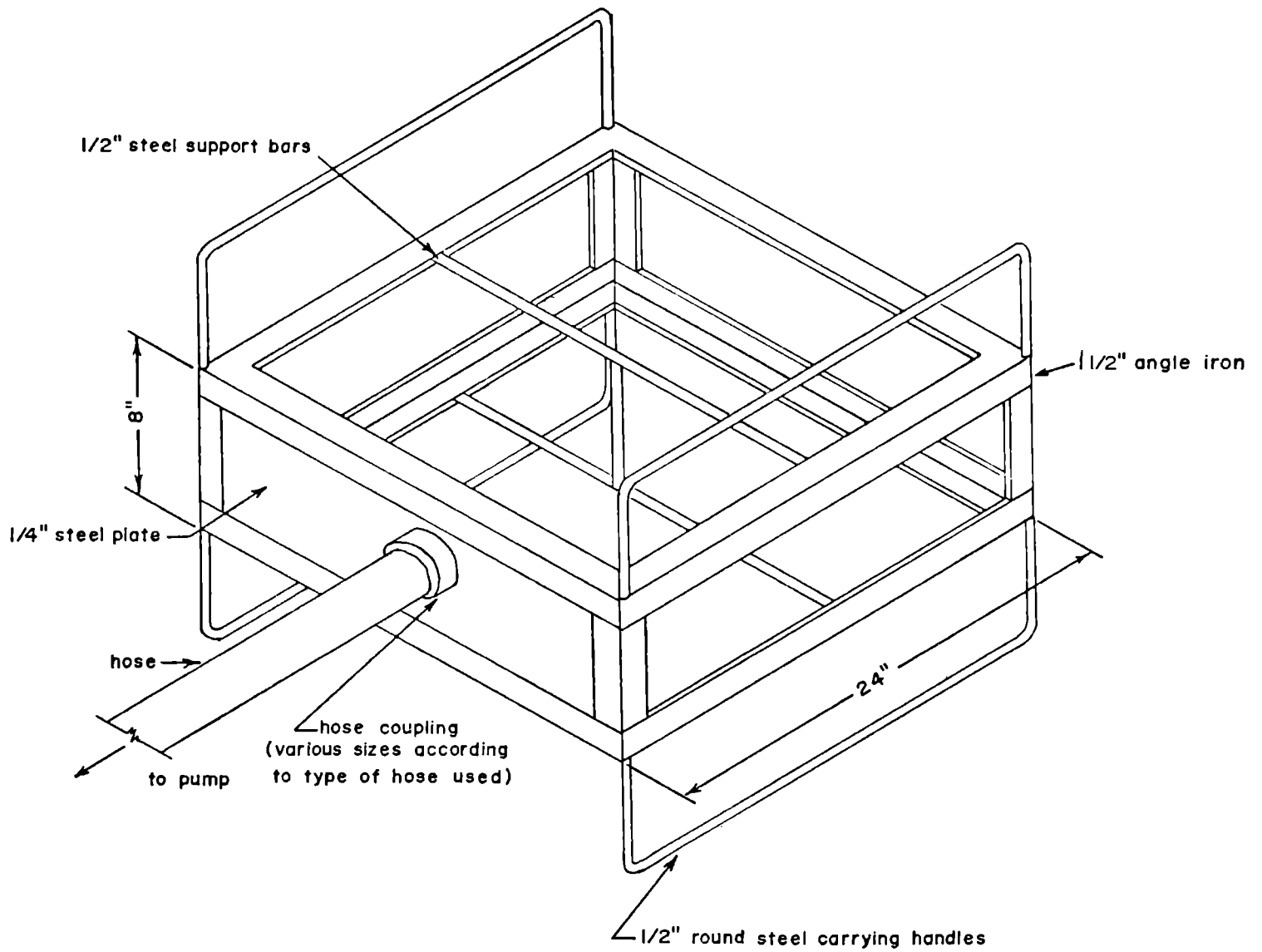
**Paint:**

Remove loose rust, paint with metal primer and 2 coats of metal paint before covering with wire cloth



INSTALLATION IN DEEP WATER

# FISH SCREEN



Note : Top, bottom and three sides enclosed  
by 5/16" (18 gauge) expanded metal screening

PART B - GENERAL CONDITIONS

1. Definitions:

- a) "Act" means the Northern Inland Waters Act, R.S.C., 1970, (First Supplement) Chapter 28 and amendments thereto;
- b) "Regulations" means the regulations made under the Act;
- c) "Controller" means Controller of Water Rights for the Yukon Territory;
- d) "Holder" means the holder of this Authorization and includes his servants, agents, employees, licensees and independent contractors;
- e) All the terms herein, unless otherwise expressly stated, shall have the same meaning as in the Act and the Regulations.

- 2. The Holder shall comply with the provisions of the Act and Regulations. Failure to comply with the Act or the Regulations shall be deemed failure to comply with the provisions of this Authorization.
- 3. The Holder shall not draw, use, dispose or otherwise deal with water except in accordance with this Authorization.
- 4. The Holder shall not deposit or permit the deposit of waste of any type either directly or indirectly into any waters, except in accordance with this Authorization.
- 5. The Holder shall give all reasonable assistance to any inspector designated under the Act to enable such inspectors to carry out his duties under the Act. The Holder shall at all times promptly and diligently comply with all written directions or orders given by an inspector regarding the Holder's use of water or the exercise of any rights hereunder.
- 6. If the Holder wishes to discontinue or abandon his operations prior to the expiration of the Authorization, he shall give notice of the proposed date of such discontinuance or abandonment to the Controller.
- 7. Discontinuance, abandonment, cancellation or termination of this Authorization does not relieve the Holder from any obligations arising under the terms and conditions of this Authorization, the Act or the Regulations, or from complying with any notice, direction or order given by the Controller hereunder.
- 8. 1) Provided always that a licensee under the Act for the same water course is entitled to use the volume of water specified in his licence at the full rate specified therein in precedence to any use of waters by the Holder.  
2) Provided always that every other holder of any Authorization under Section 11 of the Regulations for the same water course whose application was registered in the register kept pursuant to Section 19 of the Act prior in time to the registration of the application of the within Holder is entitled to use the volume of water specified therein in precedence to any use of waters by the within Holder.

8. 3) Provided always that nothing in the Act or the Regulations or in a licence issued under the Act or in any Authorization issued under Section 11 of the Regulations constitutes a defence to a claim for loss or damage sustained by any person by reason of the construction of any works forming part of an appurtenant undertaking or by reason of the operation of such undertaking.
9. The Holder shall and hereby covenants and agrees to indemnify and save harmless Her Majesty, the Controller, Water Rights Inspectors and the Board against any and all claims, suits, or causes of action or other proceedings by or on behalf of any person, corporation, city, municipality or other governmental authority arising out of the issuance of this Authorization, the conduct or management of any form of work or things whatsoever done by the Holder in the exercise of any rights granted hereunder, or the failure of the Holder to comply with the terms and conditions of this Authorization, the Act or the Regulations.
10. If the Holder fails to comply with any provision or condition of this Authorization or the Act or the Regulations and does not remedy his default or contravention within ten (10) days of notice of the Controller specifying the default or contravention and requiring that it be remedied, the Controller may do any one or more of the following:
- a) take such action or steps as the Controller, in his opinion, deems necessary to remedy the default or contravention, and the Holder covenants and agrees that the cost of such actions or steps taken by the Controller may be recovered from the Holder as a debt due to the Crown;
  - b) reduce the quantity and/or rate of water issued hereunder;
  - c) impose such further or other conditions as the Controller considers appropriate;
  - d) cancel the within Authorization.

June 20, 1979

Mr. R. Granger  
Yukon Revenue Mines Ltd.  
117 Industrial Road  
Whitehorse, Y.T.  
Y1A 2T8

Dear Mr. Granger:

Re: Coal Exploration Licence No. 101

Further to our telephone conversation of June 18th, I have applied some thought as to how best we could work an option on Coal Exploration Licence No. 101.

Although we are positive towards the long-term potential of coal in the Yukon, it is probable that it will be a substantial number of years before any large scale coal mine development could be viable in the area of the subject licence. Any agreement will have to allow Cyprus Anvil to postpone major exploration expenditures until such time as the potential market for this coal develops but, at the same time, should ensure some return to Yukon Revenue during those years when little or no exploration work may be carried out. The agreement will be complicated by the fact that, in the initial years, it will deal with the coal exploration licence and then, in subsequent years, with an unknown number of coal leases acquired within the original licence area.

Outlined below, for your consideration, is a summary of the conditions on which we could base an agreement.

1. Cyprus Anvil will make a cash payment of \$3,000.00 to Yukon Revenue upon execution of the agreement.
2. Cyprus Anvil will commit to keep the exploration licence in good standing to March 17, 1981 by making sufficient exploration expenditures to satisfy the work requirements for Year 2 and Year 3 of the licences, as set out in the Territorial Coal Regulations. That is, \$0.10 per acre for Year 2 and \$0.20 per acre for Year 3, for a total of \$12,806.10.

3. The deposit made to D.I.N.A. by Yukon Revenue, to secure Year 2 expenditures on the licence, will be refunded to Yukon Revenue when the above exploration expenditures are filed by Cyprus Anvil.
4. Cyprus Anvil will submit the deposit to secure Year 3 expenditures on the licence, if and when required.
5. Cyprus Anvil can terminate the agreement on thirty days' written notice of such intent to Yukon Revenue, at any time after sufficient work has been filed to maintain the licence in good standing to March 17, 1981.
6. If notice of termination of the agreement has not been given by Cyprus Anvil prior to the expiration of the time period allowed under the Territorial Coal Regulations for the application for a lease within the licence area, then Yukon Revenue, at the request and expense of Cyprus Anvil and at a location specified by Cyprus Anvil, will make application for such a lease. This lease would forthwith be transferred to Cyprus Anvil. During the term of this agreement, Yukon Revenue shall not acquire, by application or by assignment, any additional leases within the original licence area.
7. Any additional leases acquired by Cyprus Anvil within the original licence area, by application or by direct assignment from stakers working under the direction of Cyprus Anvil, shall come under the terms of this agreement. If this agreement is terminated by Cyprus Anvil, all leases held by Cyprus Anvil, within the original licence area, shall be transferred to Yukon Revenue. The foregoing provisions of this Clause 7 shall not apply to leases acquired by Cyprus Anvil at arms length from third parties.
8. Cyprus Anvil will maintain all leases in good standing during the term of this agreement.
9. For a period commencing March 17, 1981 and continuing until commencement of commercial production from the property, Cyprus Anvil will expend \$50,000.00 per year on the leases. Any shortfall in expenditures would incur a payment in lieu to Yukon Revenue of 10% of the amount of such shortfall.
10. Work commitments will include lease rental payments.
11. Excess expenditures made in any year will be brought forward to satisfy work commitments of subsequent years.
12. Upon commencement of commercial production by Cyprus Anvil, a royalty shall be payable to Yukon Revenue. This royalty will be calculated on the tonnage of any coal produced from the lease for purposes other than exploration and physical tests expressed as

June 20, 1979

long tons of coal product available for shipment. The royalty shall have a minimum base rate of 50¢ per ton, or 2% of the mine-site sales price of the coal for external sales, or 2% of the minesite cost plus 20% for coal used internally within Cyprus Anvil, whichever is greater.

13. All payments made to Yukon Revenue by Cyprus Anvil, prior to production, with the exception of Item No. 1 above, shall be regarded as advances on royalties.

If these conditions are agreeable to you, please sign the duplicate copy of this letter as indicated, which will be regarded as a letter of intent under which we can proceed with field work and which will be the basis for us to write up a more formal agreement.

Yours truly,

CYPRUS ANVIL MINING CORPORATION

T. J. Adamson

TJA/ck

AGREED AND ACCEPTED This \_\_\_\_\_

Day of \_\_\_\_\_, 1979.

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YUKON REVENUE MINES LTD.