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Cyprus Anvil Mining Corporation

330, 355 Burrard Street      Telex 04508594  
Vancouver, British Columbia  
V6C 2G8  
Telephone (604) 687-2586

October 23, 1979

*Copy sent  
weds 24 Oct.*

Mr. H. S. Aikins  
President  
Sovereign Metals Corporation (NPL)  
305 - 535 Thurlow Street  
Vancouver, B.C.  
V6E 3L2

Dear Sam,

I enclose two copies of a Preliminary Agreement between Sovereign and Cyprus Anvil on the old Matt Berry Property. If the agreement is acceptable to you, please sign and return one copy or indicate changes required.

Thanks for White's vector pulse EM survey report and data. We will return it shortly.

Yours truly,

CYPRUS ANVIL MINING CORPORATION

D. S. Jennings  
Chief Geologist

DSJ/ck  
Encl.

**CYPRUS ANVIL**

PRELIMINARY AGREEMENT

1. This will serve as a Preliminary Agreement between Sovereign Metals Corporation (NPL), (hereinafter called the "Vendor"), and Cyprus Anvil Mining Corporation, (hereinafter called "Cyprus Anvil"), until a formal agreement is drawn.
  
2. WHEREAS the vendor is the recorded, one hundred percent (100%) owner of Mineral Claims Barb 9 to 15 and 17 to 32 (Grant Nos. YA20216 to YA20217, YA20234 to YA20238, and YA36636 to YA36651), comprising a total of 23 claims (hereinafter called the "Property"), located on the east arm of Frances Lake (105-H-6 map area), Yukon Territory, Cyprus Anvil may earn a ninety-five percent (95%) interest in said Property by making expenditures to earned interest levels as tabulated below; the five percent (5%) Vendor interest to be a wholly carried interest in net profits from any production from the Property after recovery of all capital and pre-production costs:

<u>DATE</u>	<u>EXPENDITURES</u>			<u>INTEREST POSITION</u>	
	<u>Payments</u>	<u>Annual Expln. Expend.</u>	<u>Cum.</u>	<u>Vendor</u>	<u>Cyprus Anvil</u>
	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>%</u>	<u>%</u>
On or before 31 December, 1980	Nil	50,000	50,000	100	Nil
On or before 31 December, 1981	Nil	75,000	125,000	100	Nil
On or before 31 December, 1982	Nil	125,000	250,000	40	60
On or before 31 December, 1982	100,000	-	350,000	30	70

Provision is made in the third year of the Agreement for payment of \$100,000 cash on or before 31 December, 1982 to the Vendor for an additional ten percent (10%) earned interest in the Property. Continued exploration on the Property will be on a participatory, pro-rata basis. Should the Vendor

elect non-participation at the outset of continued exploration, expenditure of an additional \$250,000 by Cyprus Anvil will reduce the Vendor's interest to the 5% wholly carried position with no further provision for Vendor participation.

3. None of the Vendor's retained interest may be sold, transferred, or otherwise encumbered without first being offered to Cyprus Anvil. If refused by Cyprus Anvil, said interest may not be sold at a price less than that offered to Cyprus Anvil.
4. The Vendor and Cyprus Anvil covenant that any claims staked subsequent to this Agreement within a two (2) kilometre radius of the existing boundaries of the Property will become part of this Agreement.
5. Cyprus Anvil agrees to maintain the Property in good standing for the duration of this Agreement, carrying out exploration and/or development in a workmanlike manner. Access to the Property and progress reports will be provided to the Vendor on a routine basis.
6. Should Cyprus Anvil decide not to maintain its interest by terminating this Agreement or by failing to meet any of the proposed expenditures or commitments as set out above, it shall assign all interests and rights in the Property to the Vendor, complete with copies of all relevant data and maps, ensuring the Property is in good standing for at least twelve months from the date of such termination.
7. The Vendor agrees to release no information generated by exploration work on the Property under terms of this Agreement, except as required by law or otherwise agreed to by Cyprus Anvil. Further, the Vendor is restricted from raising public financing on the basis of this Agreement.

8. From the time of signing of this Agreement by both parties, Cyprus Anvil shall have sole right to complete management of the Property and of any operating entity created pursuant to this agreement.

SIGNED AT VANCOUVER, B.C.

\_\_\_\_\_  
For Sovereign Metals Corporation (NPL)

\_\_\_\_\_  
Date

\_\_\_\_\_  
For Cyprus Anvil Mining Corporation

\_\_\_\_\_  
Date

. Barb 9 - 20216

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No  
16 → 17 — 34, 36

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32 — 51



APPLICATION TO GROUP MINERAL CLAIMS

MINING DISTRICT WATSON LAKE

I (WE) THE UNDERSIGNED OWNER(S) OR AGENT(S) OF THE OWNER(S) OF THE FOLLOWING MINERAL CLAIMS

OFFICE DATE STAMP

GRANT NUMBER(S)	CLAIM NAME(S)	LOCATION	CLAIM SHEET NO.
YA 20216	BARB 9		105 H-6
YA 20234	BARB 11		"
YA 20237	BARB 14		"
YA 36642	BARB 23		"
YA 36643	BARB 24		"
YA 36644	BARB 25		"
YA 36645	BARB 26		"
YA 36646	BARB 27		"
YA 36647	BARB 28		"

GIVE NOTICE OF INTENTION TO GROUP THE SAID CLAIMS FOR THE PERFORMANCE OF WORK AND DO HEREBY APPLY UNDER THE PROVISIONS OF SECTION 52 OF THE YUKON QUARTZ MINING ACT FOR A CERTIFICATE IN FORM "E"

I (WE) HEREBY CERTIFY THAT THE ABOVE CLAIMS ARE ADJOINING AS SHOWN ON ATTACHED SKETCH

DATED AT Vancouver, British Columbia

H.S. [Signature] Agent for SOVEREIGN METALS CORPORATION n.p.l.

THIS 18th DAY OF October 19 79

FOR OFFICE USE ONLY FORM "E" NO. RECEIPT NO. DATE APPLIED.

OWNER(S) SIGNATURE



APPLICATION TO GROUP MINERAL CLAIMS

MINING DISTRICT WATSON LAKE

I (WE) THE UNDERSIGNED OWNER(S) OR AGENT(S) OF THE OWNER(S)  
OF THE FOLLOWING MINERAL CLAIMS

OFFICE DATE STAMP

GRANT NUMBER(S)	CLAIM NAME(S)	LOCATION	CLAIM SHEET NO.
YA 20217	BARB 10		105 H-6
YA 20235	BARB 12		"
YA 20236	BARB 13		"
YA 20238	BARB 15		"
YA 36636	BARB 17		"
YA 36637	BARB 18		"
YA 36638	BARB 19		"
YA 36639	BARB 20		"
YA 36640	BARB 21		"
YA 36641	BARB 22		"
YA 36648	BARB 29		"
YA 36649	BARB 30		"
YA 36650	BARB 31		"
YA 36651	BARB 32		"

GIVE NOTICE OF INTENTION TO GROUP THE SAID CLAIMS FOR THE PERFORMANCE OF WORK  
AND DO HEREBY APPLY UNDER THE PROVISIONS OF SECTION 52 OF THE YUKON QUARTZ  
MINING ACT FOR A CERTIFICATE IN FORM "E"

I (WE) HEREBY CERTIFY THAT THE ABOVE CLAIMS ARE ADJOINING AS SHOWN ON ATTACHED  
SKETCH

DATED AT Vancouver, British Columbia

U.S.M.A.  
Agent for SOVEREIGN METALS  
CORPORATION n.p.l.

THIS 18th DAY OF October 1979

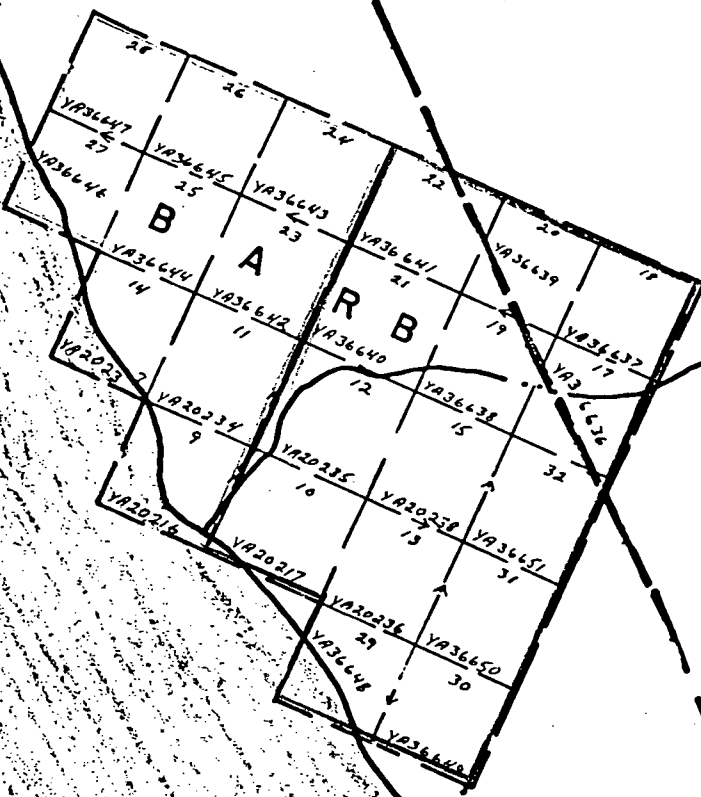
FOR OFFICE USE ONLY

FORM "E" NO.

RECEIPT NO.

DATE APPLIED.

OWNER(S) SIGNATURE



E  
A  
S  
T

