

Liaison File

cc: J.M.
N.C.

020440

CYPRUS ANVIL MINING CORPORATION

c/o Dome Petroleum Limited
P.O. Box 200
Calgary, Alberta T2P 2H8
Phone (403) 231-3000

July 16, 1984

JOHN M.

PLEASE FOLLOW UP

THKS

Dem -

Mr. M. Stehelin, Chairman
Yukon Water Licence Board
200 Range Road
WHITEHORSE, Yukon
Y1A 3V1

Dear Mr. Stehelin:

Re: Cyprus Anvil Mining Corporation ("CAMC")
Water Licence No. Y2L3-2226

As you are aware, CAMC's mill has been shut down for the last two years; we are now working to resolve the problems which led to that situation, and to ensure the long term viability of the mine. In our review of past and proposed operations, we have concluded that amendments to our Water Licence will be required.

One of the outstanding issues which must be resolved prior to the mill starting up again is the need for additional water storage and usage to operate the mine and mill. The mill operations were shut down prior to the completion of the mill expansion; however, it was recognized then, and has been reinforced by subsequent testing and our current review, that the licensed water volumes will be inadequate for anticipated full economic operations.

This letter is to advise you of our intention to make representation to the Yukon Water Licence Board to increase the volume of water which CAMC will be able to use in its milling and processing operations. We are still evaluating the options and actual water requirements, and hope to be able to present a complete application before the end of the Summer.

We would appreciate the opportunity to meet with the Board prior to making formal application to ensure that all necessary information is presented to enable the Board to render a timely decision.

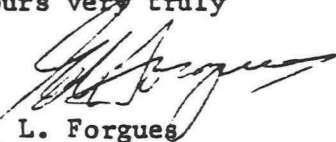
Finally, we would like to speak to the Board in the near future to review the information gathered and the status of the undertakings made by CAMC to the Board during the March 3rd and 4th, 1982 hearings.

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CYPRUS

We would appreciate your advising us of a convenient time for us to meet with the Board to discuss these matters. Please feel free to contact me, or either Robin J. MacKnight (234-4333) or Gary Webster (231-3804) if you require any further information or have any questions.

Yours very truly



E. L. Forgues
President

ELF:vk