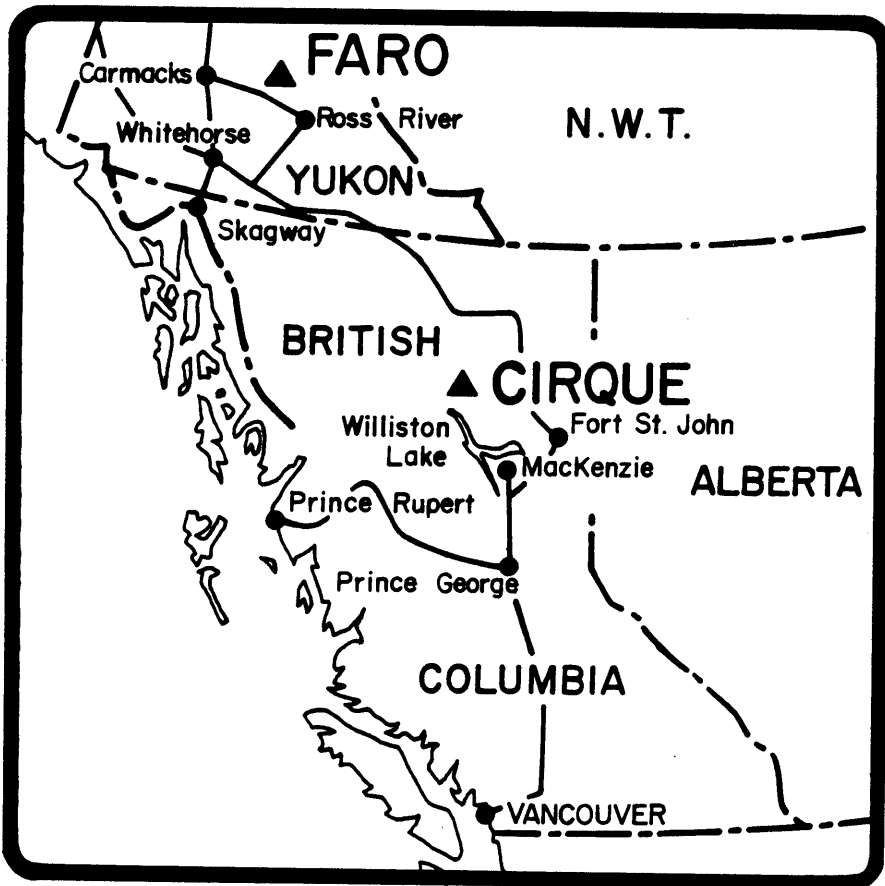


CYPRUS ANMIL

CIRQUE



CIRQUE POTENTIAL

Cirque Deposit

The massive stratiform Cirque Deposit, as delineated by 36 diamond drill holes, is 1,000 meters long, 300 meters wide and varies from 2 to 70 meters thick. This tabular barite-sulphide body, occurring within a black siliceous shale envelope, lies along the southwest dipping limb of a northwest trending anticline. The current reserve of 40 million tonnes of 2.2% lead, 7.8% zinc and 47 grams per tonne silver, contains a north-central block of 14 million tonnes grading 3.2% lead, 11.0% zinc and 70 grams per tonne silver. A crudely calculated mining reserve, based on a conceptual bulk mining method requiring a minimum thickness of 10 meters and anticipated cut-off of 8%, was calculated at 20.5 million tonnes grading 3.0% lead, 9.4% zinc and 60 grams per tonne silver. Although the deposit remains open to the south, a geological estimate of this strike extension is not included in the reserve calculations.

The situation of the deposit plunging to the south, associated with an extreme rise in topography, negates further delineation from surface. Close-spaced surface drilling to further define a mining reserve within the known boundaries is considered unproductive due to the high cost and unpredictable hole deviation encountered in hanging-wall formations.

An economic study resulted in a plan for a two year program of underground exploration, test stoping and metallurgical testing that would provide a basis for a feasibility study. Initiation of a three kilometer, 4 x 3.5 meter exploration adit to provide direct access to the deposit was proposed for 1984.

The logistical base to support the underground program, which included purchase of a 50-man camp, road maintenance equipment, steel bridges and a sawmill; construction of 87 kilometers of all-weather gravel road to within 300 meters of the proposed exploration portal site and completion of the Finbow airstrip to accommodate hercules aircraft, is now in place. Construction of the initial exploration adit is now contingent on the potential reserve to be defined in the South Cirque Deposit.

South Cirque Deposit

The 1982 deep drilling program, based on geological interpretation, was successful in discovery of an additional barite-sulphide body termed the South Cirque Deposit. This deposit, intersected by seven drill holes along three constructed cross sections, has been outlined over a length of 700 meters, a width up to 250 meters and a thickness of 2 to 30 meters. Mineralization encountered to date is similar to pyritic and baritic facies found in the Cirque Deposit. The pyritic facies, averaging 11 to 17% combined lead-zinc with 50 - 60 grams per tonne silver, consistently occurs at the base of the deposit. The baritic facies averages 6 to 9% combined lead-zinc with 20 to 34 grams per tonne silver.

Potential for additional reserves in the South Cirque area lies updip to the east as supported by lead-zinc ratios and trends of the ore-host rock facies. An order of magnitude calculation indicates a potential reserve of 10 million tonnes. Continuity and thickness of mineralization outlined so far would suggest the South Cirque Deposit has a potential reserve of approximately 20 million tonnes.

Continued surface drilling is required to outline the potential size and distribution of ore facies prior to initiation of an underground exploration phase. The optimum development scheme is contingent on the potential impact of a South Cirque high grade zone added to the existing reserves of the Cirque Deposit. The South Cirque Deposit occurs at an elevation between 900 and 1,200 meters, directly below the proposed route of the 1,200 level production adit. The position of this adit is ideal for further reserve definition upon completion of the surface program.

Narrow, high-grade sulphide mineralization associated with the footwall siltstone breccia, grading from 10 to 42% combined lead-zinc, has been intersected west of the South Cirque Deposit. Although tonnage potential appears limited, the grade encountered makes it attractive for continued exploration.

