

CYPRUS EXPLORATION CORPORATION, LTD.

510 WEST HASTINGS STREET
VANCOUVER 2, BRITISH COLUMBIA
TELEPHONE: 683-9304

811410

June 30, 1971

Tonto Explorations Ltd.,
#3 - 558 Howe Street,
VANCOUVER 1, B.C.

Attention: Mr. Noble H. Larsen

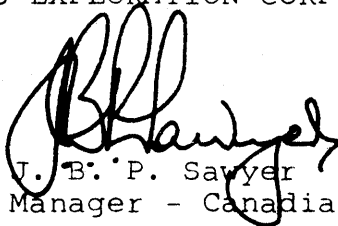
Dear Sirs:

We have reviewed your tender for diamond drilling on our Top Copper exploration project in the Teslin area of British Columbia and must advise you that we have decided to accept an alternative and lower tender for this job.

We wish to thank you for submitting your proposal and regret that you were not the successful bidder on this occasion.

Yours very truly,

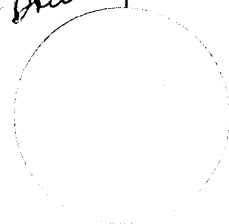
CYPRUS EXPLORATION CORPORATION, LTD.



J. B. P. Sawyer
Manager - Canadian Exploration

JBPS/jel

File - Top Copper - Drilling



Tonto Explorations Ltd.

Diamond and Percussion Drilling

8th June 1971

Cyprus Exploration Corporation Ltd.
510 West Hastings Street
Vancouver 2, B. C.

ATTENTION: Glen Simpson

Gentlemen:

Enclosed are the drilling proposals for your properties in the Teslin area and the Cassiar area of B. C.

It is possible to mobilize both jobs in the same truck load. The Cassiar location could be done with our truck-mounted rig. The cost of mobilization of this rig is very reasonable. It is our intention to do other work in the area and in this way the overall mobilization cost could be shared between companies.

If you have any further questions please do not hesitate to call me.

I remain.

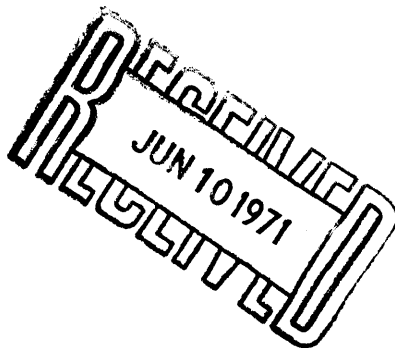
Yours truly,

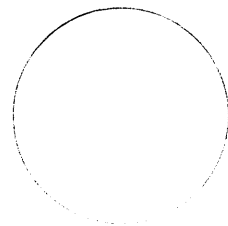
TONTO EXPLORATIONS LTD.

Noble H. Larsen
Noble H. Larsen

NL:dmb

Encl.





tonto explorations ltd.

Diamond and Percussion Drilling

8th June 1971

Cyprus Exploration Corporation Ltd.
510 West Hastings Street
Vancouver 2, B. C.

ATTENTION: Glen Simpson

Gentlemen:

We herewith present for your perusal our tender for diamond drilling on your exploration project in the Teslin area of British Columbia.

This project contemplates a minimum of 2,000 feet of BQ drilling.

Our submitted prices for this project are as follows:

1. FOOTAGE RATES

From 0 to 500 feet at \$7.60 per foot

2. OVERBURDEN

From 0 to 50 feet at \$7.60 per foot. Should the casing in any hole be greater than 50 feet then placing of the casing in that hole will be charged at the foregoing rate or at field cost plus ten percent whichever is the greater.

3. MOVING BETWEEN HOLES

For moving between holes Tonto will charge Cyprus labour plus ten percent. It is understood that Cyprus will have a Bombardier available for assisting in the moves.

.....2

4. WATER SUPPLY

Tonto will supply, at its own expense, water up to a distance of 2,000 feet horizontally and/or at a 200 feet vertical lift. Water supply after this distance will be charged to Cyprus at field cost plus ten percent on a pro-rata basis.

5. MOBILIZATION AND DEMOBILIZATION

For mobilizing and demobilizing this project Tonto will charge Cyprus labour plus ten percent, plus all direct expenses. It is our intention to do other work in the area and split some of this cost between Cyprus and the other clients.

6. CEMENTING AND REAMING CASING

If this service is required by Cyprus, then Tonto shall charge Cyprus at field cost plus ten percent.

7. BOARD AND LODGING

Cyprus shall supply and be responsible for all room and board facilities for Tonto's personnel.

8. ACCESS ROADS AND DRILL SITES

(a) The preparation and maintenance of all access roads and drill sites shall be the responsibility of Cyprus. Tonto shall be responsible for keeping the area surrounding its operations in an orderly and respectable manner.

(b) Cyprus shall be responsible for all expenses incurred through the utilization of the Bombardier, when required.

9. FIELD COSTS

The following rates shall apply to all field cost operations:

- (a) Labour (As per attached schedule)
- (b) Drill machine rental while working at \$5.00 per hour
- (c) Drill machine rental while waiting at \$4.00 per hour
- (d) Materials consumed will be charged at Tonto's cost delivered to the drill site plus ten percent.

10. CORE BOXES

The supply of core boxes shall be the responsibility of Cyprus or if supplied by Tonto shall be charged to Cyprus at cost plus ten percent.

11. WAITING TIME

All time on standby incurred through the direction of Cyprus or awaiting Cyprus' engineering instructions shall be charged at field cost plus ten percent.

12. CHEMICAL GROUTING

Chemical grouting and mud circulation will be charged to Cyprus at field cost plus ten percent.

13. DIP TESTS AND TROPARI TESTS

When dip tests and tropari tests are required Tonto shall charge Cyprus field cost plus ten percent for this service.

14. TRAVEL TIME

Travel time in excess of two hours per day per shift will be charged at labour plus ten percent.

15. In the event that cavities or loose and caving materials are encountered of a nature as to prevent the completion of any hole, then Tonto does not, under these conditions, guarantee to drill to a pre-determined depth and in the event that it becomes necessary to abandon the hole, Tonto shall charge Cyprus for such uncompleted holes at the rates previously specified.

16. The recovery or attempted recovery of materials, in any hole, will be Tonto's account for the first four hours and after that Cyprus' account. Materials left in the hole will be charged as follows:

- (a) Casing -- cost delivered to drill site plus ten percent
- (b) Rods -- 50 percent of delivered cost to drill site

17. SLUDGE

If required to take sludge samples the abovementioned footage rates will be increased by 25 cents per foot for the footage covered by sludge sampling.

18. MOBILIZATION AVAILABILITY

Tonto will mobilize this project with due diligence immediately upon notification from Cyprus.

Cyprus Exploration Corporation Ltd.
Vancouver, B. C.
ATTN: G. Simpson

Page Four
8th June 1971

We thank you for giving us the opportunity to tender in your project.
Should you require any further information or should you have any queries
regarding the above, please contact me at my office.

Yours truly,

TONTO EXPLORATIONS LTD.



Noble H. Larsen

NHL:dmb

Encl.

File

INTER OFFICE MEMO

**CYPRUS EXPLORATION CORPORATION LTD.
VANCOUVER OFFICE**

Date: July 2, 1971

To: C. A. Mark

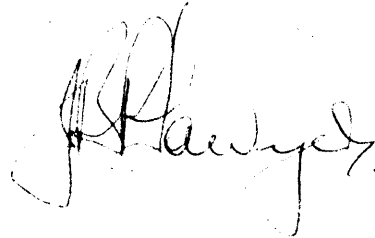
Ref. 1194-CVL

From: J.B.P. Sawyer

Subject: DRILL CONTRACT FOR MOUNT NANSEN PROJECT

Enclosed please find two copies of an agreement covering the proposed percussion drilling at Mount Nansen between Area Exploration Corporation Ltd. and Tonto Explorations Ltd., as arranged by C. McFall. Would you please have these signed on behalf of Area Exploration Corporation Ltd. with two fully executed copies returned to this office, one for Tonto and one for our files.

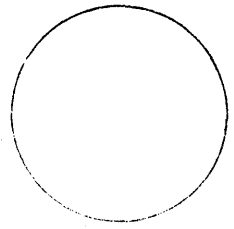
I note that the heading describing the incorporation of Area Exploration Corporation Ltd. requires changing since I believe Area is a Nevada incorporation. Perhaps the legal secretary in Los Angeles can make the necessary correction on this.



JBPS/jel

Encl.

c.c. W. O. Irish



tonto explorations ltd.

Diamond and Percussion Drilling

16th June 1971

Mr. C. Carew McFall
Cyprus Exploration Corporation Ltd.
510 West Hastings Street
Vancouver 2, B. C.

Dear Mr. McFall:

Enclosed are two copies of the formal agreement between Area Exploration Corporation and Tonto Exploration Ltd. for percussion drilling on the Mt. Nansen property.

If this agreement meets with your approval would you please sign the carbon copy and return same to our office.

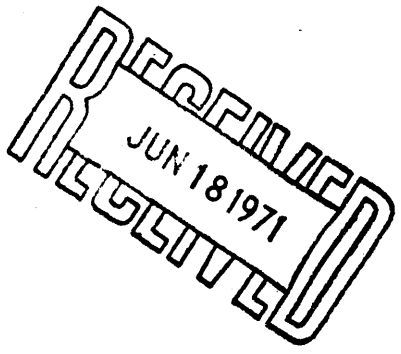
Yours truly,

TONTO EXPLORATIONS LTD.

Noble H. Larsen

NHL:dmb

Encl.



File

CYPRUS EXPLORATION CORPORATION, LTD.
510 WEST HASTINGS STREET
VANCOUVER 2, BRITISH COLUMBIA
TELEPHONE: 683-9304

May 18, 1971

Mr. Noble H. Larsen, Manager,
Tonto Explorations Ltd.,
#3 - 558 Howe Street,
VANCOUVER 1, B.C.

Dear Sir:

Re: Percussion Drilling Program
Mount Nahsen, Yukon

We are pleased to inform you that your tender of May 4th for the above work to a minimum of 3,000' of drilling is accepted.

We would be grateful if you could forward the necessary agreement in standard form at your earliest convenience. Please note that the agreement should be set up between yourselves and Area Exploration Corporation Ltd., which is a subsidiary company of Cyprus Mines Corporation and which has been set out for this particular program.

Yours truly,

CYPRUS EXPLORATION CORPORATION, LTD.

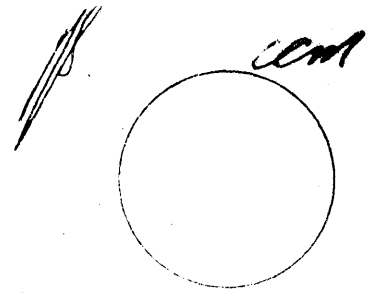
C. Carew McFall

/jel

[Handwritten signature]
1971

→ *See Nason Drill bits
Contract etc.*

note re: contract



tonto explorations ltd.

Diamond and Percussion Drilling

4th May 1971

Cyprus Exploration Corporation, Limited
1101-510 West Hastings Street
Vancouver 2, B. C.

ATTENTION: C. Carew McFall

Gentlemen:

Further to our recent conversations I am pleased to forward the following information for your perusal. The following is a breakdown for percussion drilling which we discussed in regard to your Mt. Nason property in the Yukon.

1. DRILLING RATES

(a) Overburden

0 to 50 feet at \$3.25 per foot;
50 feet and over at \$3.65 per foot, or field cost plus ten percent, whichever is greater. This shall include recovery of casing when hole is completed.

(b) Drilling in Bedrock

Bedrock to 300 feet at \$3.25 per foot
Over 300 feet at \$3.65 per foot or field cost plus ten percent whichever is greater. This shall include recovery of rods when the hole is completed.

(c) For reaming casing into bedrock an additional charge of \$1.00 (One dollar) per foot will be made for the total depth reamed.

....2

(d) For taking short AX core samples in bedrock \$30.00 per sample or field cost plus ten percent whichever is greater.

2. WATER SUPPLY

Tonto will supply water up to a distance of 2000 feet horizontally and/or a 200 foot vertical lift. Water supplied after this distance will be charged at Tonto's field cost plus ten percent on a pro-rata basis.

3. DRILL SITES AND ACCESS ROADS

Drill sites and access roads will be prepared and maintained by Cyprus. Tonto will request a Cat for assistance on moves. All Cat charges are to the account of Cyprus.

4. STANDBY

All standby time involved through the direction of Cyprus will be charged at field cost plus ten percent.

5. FIELD COSTS

Tonto's field costs are defined as follows:

- (a) Labour at \$5.75 per man hour;
- (b) Equipment rental at \$18.00 per hour while working and \$10.00 per hour while waiting;
- (c) Materials and supplies consumed in the work to which field cost is applicable at Tonto's cost delivered to the job site.

6. MOBILIZATION AND DEMOBILIZATION

Tonto will charged direct labour plus ten percent, plus direct expenses to mobilize this contract. At present the drill and steel are located at The Carmacks.

7. DRILLING SERVICES

In addition to the foregoing charges the following drilling services will be charged to Cyprus at Tonto's field cost plus ten percent.

- (a) Cementing or chemical grouting;
- (b) Mud circulation, if required.

8. MOVING BETWEEN HOLES

For moving between holes in excess of two hours Tonto shall charge Cyprus at labour plus ten percent for the total time involved.

9. ROOM AND BOARD

Cyprus will supply adequate room and board for Tonto personnel.

10. Materials stuck or lost in a hole while drilling at applicable footage rates and the costs of recovery thereof shall be at Tonto's account up to 200 feet. Between 200 feet and 300 feet on a 50-50 basis between Tonto and Cyprus and after 300 feet at Cyprus' expense. This clause applies to rods only.

It is our understanding that Cyprus would like to commence this drilling program approximately August 1st, 1971.

It is further understood that Tonto personnel will keep the drill sites respectably clean upon completion of holes.

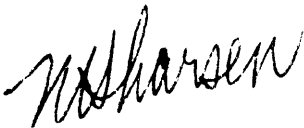
As previously discussed we take sample every ten feet and collect through the use of a sludge splitter 1/8 of the total samples. These are delivered to your representative in suitable containers at the drill sites. Some drilling can be done dry if preferred.

It is also understood that Cyprus wishes to drill a minimum of 3,000 feet. Cyprus will also have a 4 x 4 available on the job.

Thank you for giving us the opportunity to tender in your project. Should you have any queries please do not hesitate to contact us at 687-1884.

Yours truly,

TONTO EXPLORATIONS LTD.



Noble H. Larsen

NHL:dmb

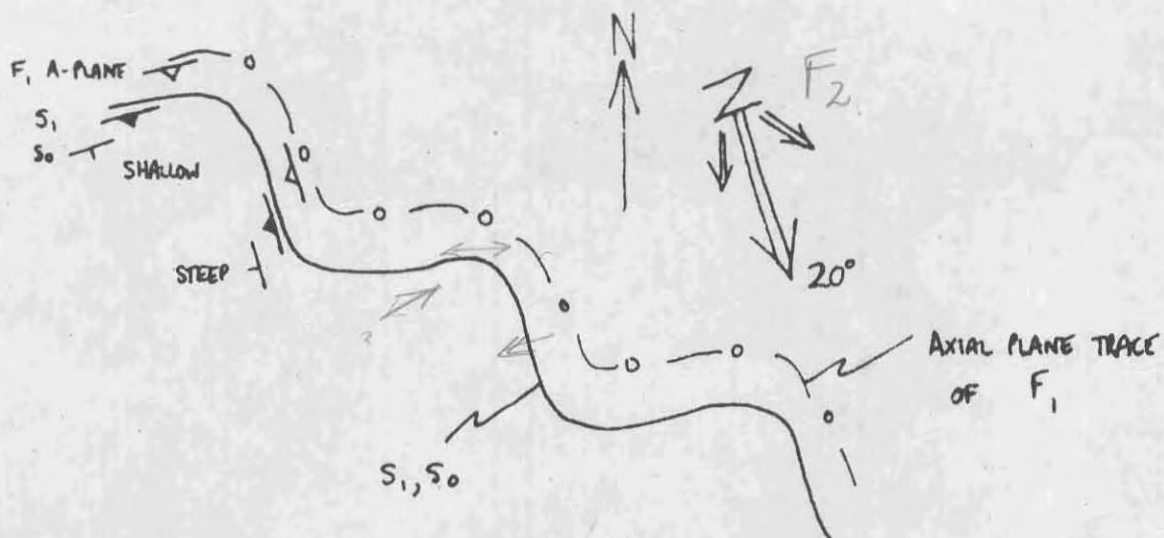


FIG III. SCHEMATIC REPRESENTATION OF THE EFFECT OF F_2 ON F_1, S_1, S_0 , IN PLAN VIEW, ON THE MAIN RIDGE.

