

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

MS  
811839

June 16, 1972

*File Ashwala Progress report*

Dr. George B. Griswold,  
Manager - Minerals Exploration,  
Getty Mines, Limited,  
#1904, 1177 West Hastings St.,  
VANCOUVER 1, B.C.

Dear Dr. Griswold:

This will acknowledge with thanks receipt of your interim progress report dated June 15th, 1972.

We note that the start of the diamond drilling program is, apparently, still delayed and wonder how this will affect the arrangement discussed with the Prism Resources vendors in respect of the cash payment originally due at the beginning of June. It seems to us that it would be in order to invoke "Force Majeure" since the delay is caused by the flood situation in southern B.C., and we would like to go on record as favouring this course of action rather than making cash payments on an interim basis, before we have any really good information from the major target area.

Perhaps I could discuss this with you further, at your convenience.

Regarding our Mount Nansen work program, I would like to advise that drilling on this property commenced on June 13th and at this date is progressing satisfactorily. Work involved in getting the access road back into shape was kept to a minimum by having our project geologist supervise the cat work, prior to the start of the field program proper. We estimate that the total cost of the road work, including rental of equipment to thaw the culverts, etc. will be under \$5,000. This compares with the \$15,000 estimate originally given to us by the contractor.

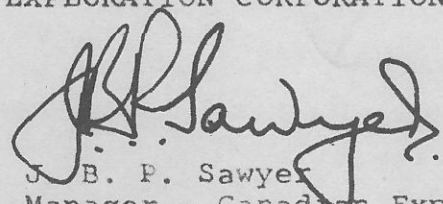
We would be most happy to show you and any of your staff around the property, or to discuss the planned work program for this year, at your convenience.

As you probably are aware, we have negotiated an option on the seven mineral leases owned by Frank Goulter of Carmacks, and the initial payment of \$5,000 has been made. A cash payment of \$15,000 is due under the option agreement on the Wheeler claims, on September 9th, 1972.

We understand that your Legal Department in Los Angeles is preparing an agreement which will be re-submitted for further consideration in the near future. Needless to say, we, in the Vancouver office, would like to see these agreements completed and executed as early as possible.

Yours very truly,

CYPRUS EXPLORATION CORPORATION, LTD.



J. B. P. Sawyer  
Manager - Canadian Exploration

JBPS/jel

c.c. Mr. C. A. Mark, C.M.C., Los Angeles



*letter on belt re this*

Getty Mines, Limited | Suite 1904, 1177 West Hastings Street, Vancouver 1, B.C. • (604) 681-9501

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June 15, 1972

Cyprus Exploration Corporation Ltd.  
510 West Hastings Street  
Vancouver, 1, B. C.

Attention: Mr. Paul Sawyer

Gentlemen:

This interim progress report is a brief summary of the work that Getty Mining Pacific, Limited has done on the Ashnola property this year. The first phase, which consisted of rotary and percussion drilling, was completed on May 26, 1972. A total of 1000 feet of shallow (less than 200 feet) percussion drilling in 15 holes and 312 feet of rotary drilling in 2 holes was the end result. Neither of the two drilling procedures were successful, due mainly to severe caving caused by the fractured nature of the rock. Because of extremely slow progress the rotary drilling was terminated on May 25, 1972, and the percussion drilling was stopped the next day due to relatively unsuccessful penetrations.

In order to meet assessment requirements much of this initial work was done in regions peripheral to the main area of interest. These surrounding holes were generally low in copper. The best hole (P72-7) was in the central area of the pyrite halo but a rotary hole that was within 700 feet of this had comparatively low copper values. Leaching or a difference in sampling techniques of the two drilling procedures could be responsible for this sharp contrast within such a short distance.

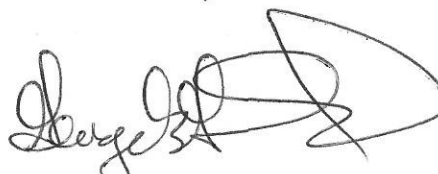
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Cyprus Exploration Corporation Ltd.

June 15, 1972

A diamond drilling program is scheduled as the next phase of work. This will consist of a minimum of 1000 feet drilled in the main area of interest. Initially, three 500 foot holes are planned. The start of this program is being delayed for an indefinite period of time due to the fact that both routes into the property have experienced wash-outs.

Yours very truly  
GETTY MINES, LIMITED

A handwritten signature in cursive script, appearing to read "George B. Griswold". The signature is written in dark ink and is positioned above the typed name.

George B. Griswold  
Manager - Minerals Exploration

GRF/pmca  
Attach.

